



SUMMARY RECORD OF THE 9th MEETING

Chairman: Mr. NAVAJOS MOGRO (Bolivia)

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GENERAL DEBATE (continued)

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The meeting was called to order at 3.10 p.m.

GENERAL DEBATE (continued)

1. Mr. CAPRIOLO (Bolivia) said that in addition to their external debt, the developing countries were burdened with an intolerable domestic social debt. While the former depleted national revenues, the latter took its toll on the lives, health and education of the populations of developing countries. Structural adjustments should therefore be equitable and commensurate with each country's role in the world economy.

2. Despite a significant worsening of its terms of trade in the last three years, Bolivia had overcome a serious inflationary crisis and had succeeded in renegotiating its trade debt in the Paris Club. Faced with the necessity of allocating 25 per cent of its export earnings to debt servicing, Bolivia had been forced to restrict its programme for economic recovery. The majority of the debtor countries were facing similar situations and, unless debt-servicing restrictions were relaxed, the dangers of economic and social chaos would increase and threaten the very existence of democratic governments.

3. While the Toronto Summit, and the recent initiatives of the Governments of France and Japan, had contributed to efforts to find a solution to the debt crisis, much remained to be done. It had been said that the developing countries were waging a war, a war which they were losing because of a lack of understanding. It was madness that they should be required to transfer more resources than they received. In recent years, the reverse net transfer of resources from the developing to the developed countries had amounted annually to a sum of \$20 billion, and even the World Bank and the International Monetary Fund had become net receivers of resources. The negative disbursement of the World Bank in 1988 had been equivalent to \$2 billion, while the International Monetary Fund had received \$5 billion more in payments than it had made in loans to the developing countries.

4. While the developing countries were aware of the importance of the developed countries' priorities, such as women and development, the environment and ageing, their first task was to solve the urgent problems of food, health, housing and other problems which made the efficient allocation of resources for development impossible. The main problem faced by the developing countries was to find ways to reactivate development through sustained growth.

5. The proposal of the Group of 77 to convene a special session of the General Assembly devoted to the reactivation of economic growth and development of developing countries deserved the support of all delegations. Similarly, the preparation of the new international strategy for the fourth United Nations development decade provided an excellent opportunity for obtaining the necessary co-operation and political will needed in the solution of urgent economic issues.

6. Mr. MOHIUDDIN (Bangladesh) said that, in recent months, there had been a growing recognition of the need to find a pragmatic solution to the external debt problem of the developing countries. In that context, Bangladesh had welcomed the proposal of the Toronto Summit of the world's seven major industrialized countries and had followed with interest the proceedings of the recent Berlin meeting of international financial institutions. However, collective international initiatives remained largely insufficient, both in substance and scope. Solutions to the external debt of developing countries should be based on a growth-oriented strategy within the framework of a comprehensive and integrated approach and should be in keeping with the medium - and long-term development needs of the developing countries. A significant increase in the flow of external resources to the developing countries was also urgently required in order to enable them to cope with their development needs.

7. Progress should also be made in the area of trade and commodities. Bangladesh had expected that the Uruguay Round of multilateral trade negotiations would enhance confidence in the multilateral trading system, and that the standstill and roll-back commitments would be respected. Those expectations remained, for the most part, unfulfilled, and a renewed upsurge of protectionist measures was seriously undermining developing countries' efforts to diversify their products. Bangladesh hoped that the forthcoming mid-term review of the Uruguay Round would create a more favourable climate for international trade and result in greater access of products from the developing countries to the markets of developed countries.

8. In recent years, widespread concern had also been expressed about the world's commodity market. World commodity prices during the current decade had undergone unpredictable and severe fluctuations, which had adversely affected the developing countries. In real terms, commodity prices had also remained at an unusually depressed level, which had had a negative effect on the developing countries' economies and development efforts. Comprehensive and well-conceived measures should be implemented to help the developing countries stabilize their export earnings. Where necessary, such efforts should be supplemented by more comprehensive compensatory financing schemes and plans to implement appropriate diversification programmes to reduce the dependence of developing countries on the export of a single commodity or a limited range of commodities.

9. Urgent remedial measures should be taken to help the impoverished developing countries and their people reactivate a growth process which would encourage self-reliance and contribute to their national development. At its forty-second session, the General Assembly had decided to convene the Second United Nations Conference on the Least Developed Countries, and Bangladesh hoped that concerted efforts would be made by all concerned in order to ensure the successful preparation of the Conference.

10. In recent years, the international community had responded generously to calls for the immediate alleviation of dire needs in vast parts of Africa. Bangladesh hoped that the development needs of Africa would figure prominently in the international agenda to reinvigorate the world economy, and that the recent mid-term review of the United Nations Programme of Action for African Economic

(Mr. Mohiuddin, Bangladesh)

Recovery & Development would provide an important impetus to the international community to redouble its efforts in support of the African countries.

11. In the developing countries, the problem of the environment was not totally unrelated to poverty. Bangladesh hoped that, at its current session, the Second Committee would co-ordinate a coherent and multilateral approach to environmental problems.

12. There was growing recognition that developing countries were unable to cope with natural disasters and that collective programmes and plans of action should be implemented in order to avert the recurrence and mitigate the consequences of such disasters. Only recently, Bangladesh had experienced the worst flood in its history, which had left behind a trail of unprecedented devastation and a seriously impaired national economy, and it was extremely grateful for the spontaneous support and assistance it had received from the international community.

13. Mr. GBEHO (Ghana) said that the mid-term review of the United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD) had established that the African countries had fulfilled their commitments by introducing far-reaching economic reforms. Support from the international community, however, had been insufficient. Beyond increased financial flows, Africa required a favourable international economic environment in which strong and weak alike could thrive.

14. The recent acceleration of growth in the industrialized countries and certain developing regions had largely bypassed Africa. The causes of Africa's poor economic performance and rise in poverty lay largely beyond its control. The drop in the prices of African commodity exports in the past six years had been greater than the total aid and external assistance received. In each of the first two years of UNPAAERD, the region had made a net transfer of \$1 billion to the International Monetary Fund (IMF). Export markets continued to be inaccessible. Instead of addressing such fundamental concerns, the recent mid-term review had given Africa bland assurances that the bilateral and multilateral initiatives would be speedily implemented. No new commitment of resources had been contemplated. Such initiatives, however welcome, were not in themselves sufficient. That conclusion had been echoed by the Secretary-General's Advisory Group on Resource Flows to Africa. The situation called for a bold response, one as imaginative and flexible as the Marshall Plan had been. In fact, several "Marshall Plans" would be needed.

15. During the mid-term review, the repeated call to African countries to undertake structural adjustment had been like preaching to the converted. In fact, the real question was how to bring about successful structural transformation of African economies in co-operation with the international community. African countries had reached a stage at which their productive capacities must be expanded through carefully planned investments in new export and import substitution industries and in agriculture. Since the 1985 IMF meeting in Seoul, it had been accepted that debtor countries should be provided with resources so they could pursue growth-oriented adjustment programmes yet such programmes continued to be

(Mr. Gbeho, Ghana)

biased to the detriment of long-term development objectives. The short-term perspectives of structural adjustment programmes could and should be made more compatible with long-term development objectives. Adjustment must be tailored to the specific needs of each country and its measures, introduced in the proper sequence. Above all, such programmes must be adequately funded.

16. In order to prevent adjustment fatigue, the Ghanaian Government had designed a special programme to deal with some of the social consequences of adjustment. Projects implemented under its Programme of Action to Mitigate the Social Consequences of Adjustment (PAMSCAD), had to meet certain criteria, such as modest institutional requirements and guarantees that unsustainable future obligations would not be incurred. Community initiative projects implemented under the Programme focused, inter alia, on the creation of employment through public works projects and credit schemes for small-scale enterprises, training for the redeployed; the provision of services in the areas of water and sanitation, health, nutrition and shelter; and improved educational opportunities for the most vulnerable groups. Strong support for the Programme - amounting to \$85 million - had resulted in part from UNICEF's advocacy of adjustment with a human face.

17. Africans would never be able to promote their own development if the continent remained fragmented. Intra-African trade must be taken seriously as a vital step towards regional integration. Barriers to the free movement of people, goods and capital must be removed through the establishment of institutions and supporting infrastructure. In that context, the Transport and Communications Decade in Africa took on added significance. Progress made during the Decade, particularly the construction of the Trans-African highway, constituted a significant first step. His delegation hoped that the Economic and Social Council recommendation to prepare for a second Decade would be supported unanimously.

18. Mr. HAAKONSEN (Denmark), speaking on behalf of the Nordic countries, said that renewed political confidence in the United Nations should give impetus to co-operation in the economic field. In 1987, even the stock market crisis had not set back economic growth in the developed countries. However, growth in the developing countries had slowed down particularly in the highly indebted countries of sub-Saharan Africa and Latin America. Chronic economic hardship in those two regions gave cause for serious concern. Worse still, differences in the economic development of North and South might well undo many years of progress.

19. Development and poverty problems were closely linked to the heavy debt burdens of developing countries, the outflow of financial resources, the low levels of international commodity prices and insufficient access to export markets. The Development Committee of the World Bank and IMF had noted that protectionism and other trade-distorting measures were adversely affecting export earnings. Another imperative, protection of the environment, would be ensured only through a reactivation of the development process.

20. Structural imbalances in economies were at the root of increased poverty. Although the need for adjustment was generally recognized, in many countries, the immediate hardships of adjustment policies had created a mood of adjustment

(Mr. Haakonsen, Denmark)

fatigue. Adjustment had become synonymous with austerity and was accused of retarding growth, and yet, without it, all groups would suffer in the medium and longer term.

21. Sustained economic growth was necessary in order to reduce poverty, and growth presupposed adjustment. In that light, the central question became how to achieve adjustment for growth. The industrialized countries must play a major role in the adjustment process, particularly in creating an international economic climate conducive to sustainable growth. To that end, efforts to improve international policy co-ordination must be continued. Surplus countries must do more to correct external imbalances in international payments. The larger countries were over-emphasizing monetary policies, whose effects on interest rates and exchange rates were not helping the adjustment process. Protectionism must be curtailed. Lastly, export markets must be opened to developing countries in a liberalized multilateral trading system which did not exclude the developing and newly industrialized countries.

22. However, improved international economic conditions could never replace the need for adjustment. Often, that implied austerity. Developing countries were to be commended for the difficult adjustment policies they had undertaken. However, experience had shown that the vulnerable social groups bore the brunt of the adjustment burden. Therefore, from the outset, adjustment policies must seek to protect vital services to the poor, such as health, nutrition and education. Experience had also shown that without an adequate and timely supply of external resources, adjustment programmes rarely succeeded.

23. The situation called for the broader approach referred to by UNICEF as "adjustment with a human face". Initially, the adjustment effort had been geared to restoring growth in order to benefit the poor. Specific attention to the needs of the poor was thought to be a matter of national concern - not an issue of adjustment policy. Those assumptions were no longer valid. In 1986, in the Development Committee the Nordic countries had requested a report from the World Bank on the poverty caused by adjustment programmes. They welcomed the increased attention given to the poverty aspect by the World Bank, and by its Development Committee. The United Nations and its specialized agencies could provide valuable technical assistance and advice to developing countries attempting to mitigate the adverse social effects of adjustment.

24. For countries implementing structural adjustment policies, a change in the focus of human development expenditures might constitute a viable alternative to slashing social benefits to the poor. For example, Governments could channel resources into primary health care rather than urban hospitals, or they could establish user charges to help cover the cost of the more well-to-do segments of the population. Greater stress on nutrition programmes and food-for-work projects would be another means of re-orienting human development programmes towards the poor. The mobilization of local human and financial resources and the integration of women in development must also be considered.

(Mr. Haakonsen, Denmark)

25. Environmental considerations, so clearly linked to the anti-poverty effort, must be integrated into all aspects of the development process. External financial support was essential, and the Nordic countries welcomed new initiatives taken to mobilize additional support for adjustment. Additional measures were also necessary in order to reduce the debt service of developing countries. More than ever, there was a need for the direct transfer of financial resources to developing countries.

26. Containing the spread of poverty was also a political challenge. The continuing stagnation in the ratio of official development assistance (ODA) to gross national product (GNP) was unconscionable. The ODA/GNP ratio of both the countries in the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development and the socialist countries was insufficient. In fact, contributions from the DAC countries amounted to half of the 0.7 percent target established in 1985. Budget constraints in donor countries could not excuse their failure to meet the ODA target. In most countries, aid represented only a small fraction of the total budget. Moreover, it was morally indefensible that countries whose standard of living was high should withhold aid from the poorest developing countries. Firm action was required. The Nordic countries were considering the introduction of a resolution on the question in the Second Committee. If all donor countries met the ODA target, net disbursements to developing countries would double.

27. Mr. GUTIERREZ (Costa Rica) said that the new period of détente in international relations provided a unique opportunity to renew the North-South dialogue with a view to establishing better conditions throughout the world and realizing the development aspirations of the majority. At a time when it enjoyed considerable prestige, the United Nations had a decisive role to play in promoting development and seeking common solutions to economic problems.

28. Whereas the developed countries were achieving economic growth with expanding trade and investment, the developing countries were still suffering the effects of long-established problems such as low rates of growth, stagnation of per capita income, a negative transfer of resources and the effects of growing protectionism on the part of the developed countries.

29. With regard to the external debt crisis, remedies such as agreements with the International Monetary Fund, devaluation and market liberalization continued to be advocated while conditions in the developing world further deteriorated and political tension mounted. The debtor countries could no longer pursue a process of continual adjustment without growth or any possibility of meeting their peoples' most basic demands. With no sign of relief in the short or medium term, the situation was becoming increasingly intolerable.

30. The fact that not one of the 50 developing countries which had renegotiated or restructured their external debt had in any way solved its debt problem was the clearest indication of the failure of the current strategy. Even those more likely to achieve growth continued to experience difficulties with regard to balance of payments and the servicing of financial obligations.

(Mr. Gutierrez, Costa Rica)

31. The developed countries must assume their responsibilities and seek viable and permanently effective solutions, in the interest of both the developed and the developing worlds. If the situation were allowed to continue, it would be impossible to reverse current trends and the gap between rich and poor would become even greater.

32. While conflicts were being resolved at international levels, unrest was increasing on the domestic front. Economic problems had been complicated in Central America, for example, by conflicts in the region. It was vital, therefore, to implement the special plan of economic co-operation for Central America which the General Assembly adopted at its forty-second session. Central America needed the support of the international community to achieve the proposed objectives of peace, democracy and development.

33. A special session of the General Assembly devoted to the reactivation of economic growth and development of developing countries, as suggested by the Group of 77, would enable the North-South dialogue to be revived. Furthermore, the international development strategy for the fourth development decade should lay the foundations for sustained medium-term developments.

34. With regard to the environment, the scale of current problems called for greater co-operation to seek solutions at world level. The developing countries required financial and technical assistance to work together to preserve the environment.

35. The third world itself bore some responsibility for its problems because of its lack of unity. Such disunity was, however, a clear expression of underdevelopment. Third world leaders must act together with their counterparts in the developed countries to ensure that the twenty-first century began with hopes of peace and prosperity for all mankind.

36. Mr. AL-KINDI (United Arab Emirates) said that, despite the improvement that had taken place in international relations in general, the gap between developing and industrially advanced countries had continued to widen owing to factors beyond the control of the developing countries. The structural imbalance in the world economy had given rise to a deterioration in the prices of those commodities on which the economies of the developing countries depended. Monetary and financial instability, exchange rate fluctuations and the protectionist measures adopted by the industrially advanced countries had had a negative impact on the export earnings of the developing countries. The sharp drop in oil prices on the world market had forced a number of developing countries to reduce spending for economic and social development, just as it had led to a fall-off in the financial assistance provided by those countries to other developing countries.

37. His country was in complete agreement with the basic ideas expressed in the declaration adopted at the twelfth annual meeting of the Ministers for Foreign Affairs of the Group of 77 and in the final communiqué of the ministerial meeting of the movement of non-aligned countries held at Nicosia in September 1988.

(Mr. Al-Kindi, United Arab Emirates)

38. The critical economic situation in Africa persisted despite the achievements of the special session of the General Assembly on the critical economic situation in Africa and despite the structural adjustment measures taken by the African Governments. The major cause of the persistence of that situation was the reluctance of many countries to meet their commitments.
39. Since indebtedness was a problem which jeopardized the entire world economy, the international community must address that problem in a realistic and rational manner. The World Bank and the International Monetary Fund had a responsibility to revise their policies so that they might make an effective contribution to the institution of a monetary system that would promote progress in the developing countries. While it was important for speedy arrangements to be made for the alleviation of the accumulated debt burdens of the developing countries, it was also essential that the protectionist barriers erected by the industrially advanced countries be removed and that the developing countries be given the opportunity to stimulate their exports. Such a move would benefit both developing countries and industrially advanced countries.
40. His country endorsed the proposal made by the Emir of Kuwait that a meeting of creditor countries should be convened in order to discuss the question of writing off interest payments on the debts owed to them by the developing countries and the cancellation of part of the principal in the case of the poorer countries. Implementation of that proposal would narrow the differences between creditor countries and debtor countries on the one hand and among the creditor countries themselves on the other.
41. The solution to many of the issues before the international community was to a great extent dependent on an improved world economy and on assured and stable economic growth. New commitments were therefore required from all countries, and a renewed dialogue between North and South would be a major instrument for restoring confidence in the world economy. International negotiations and a revival of international co-operation were essential for the re-organization, strengthening and development of the world economy on a basis of fairness and stability.
42. The United Arab Emirates had played an active role in promoting economic co-operation among the developing countries despite the appreciable drop in its oil revenues. It would continue to do its utmost to make resources available in order to assist the developing countries to overcome their difficulties and strengthen economic co-operation among them.
43. In many developing countries, particularly in the Sudan, Bangladesh and Jamaica, the adverse economic situation had been further aggravated by natural disasters. There was a need for solidarity with those countries and for assistance to them in overcoming their plight.
44. Environmental protection, as a collective problem, had become the concern of the entire international community. The industrialized countries bore the major part of the responsibility for environmental pollution, and the problem therefore required a collective solution in which they should have the largest share.

45. Mr. RAGBYE (Bhutan) said that the special session of the General Assembly devoted to the reactivation of economic growth and development of developing countries, called for by the Group of 77, could make an important contribution towards generating a more favourable and co-ordinated multilateral response to the gloomy world economic situation. The positive political trends in international relations over the past year had unfortunately not had any beneficial effect on the world economic situation, which continued to be detrimental to the countries of the third world. Because of the widening resource gap between the developing and the industrialized countries, declining commodity prices and mounting external debt, the need to resume the North-South dialogue and implement the New International Economic Order had never been greater.

46. The impact of the economic crisis had been most severe on the least developed countries, whose plight would become even more critical unless the international community took urgent measures to alleviate the situation. Many in the international community subscribed to the growing conviction that the least developed countries as a group required special measures, and the adoption in 1981 of the Substantial New Programme of Action (SNPA) had been a manifestation of that concern. However, in spite of strenuous efforts made by the least developed countries themselves, implementation of the measures contained in the SNPA remained far from satisfactory, and it was to be hoped that the United Nations Conference on Least Developed Countries to be held in Paris in 1990 would help to alter that situation. The round-table meetings organized under the auspices of UNDP and the World Bank were also an extremely useful mechanism for promoting interest and support, at the multilateral level, on the part of traditional and potential donors, and Bhutan was hopeful that the third such meeting, to be held in Geneva in November 1988, would secure substantive commitments by donors for specific projects.

47. Mr. KAMUNANWIRE (Uganda) said that while the economic situation of the developed countries was encouraging, that of many developing countries was cause for concern. The fundamental structural imbalances had created mounting economic difficulties for the developing countries. They had experienced the largest negative resource flows in recent memory, and for most of them the 1980s had been aptly described as a lost decade for development.

48. While there had been an improvement in the international political climate, there seemed to be no commensurate developments on the economic front, and despite the recognition of global economic interdependence the various areas of development and international economic co-operation were marked by intransigence, confrontation and in some cases outright hostility. There could be no peace and stability while millions were dying of hunger, malnutrition and disease.

49. The Group of 77 had made a timely proposal to convene a special session of the General Assembly devoted to the reactivation of economic growth and development of developing countries. That session, if well prepared, should create a global political framework for resolving the economic, social, environmental and related issues of the 1990s and set the stage for international economic relations in the twenty-first century in the interest of all countries. The negotiations concerning an international development strategy for the fourth United Nations development decade should also provide an opportunity for making specific proposals for short-

(Mr. Kamunanwire, Uganda)

medium- and long-term strategies for the economic development of the developing countries at national, sub-regional and regional levels. The new strategy should set specific, attainable and measurable targets, and establish a monitoring mechanism to ensure its implementation.

50. The United Nations should take advantage of the emerging consensus on development issues by seizing the initiative and providing leadership in the interrelated problems of debt, resource flows, trade and finance. Debt was now a subject of universal concern, and world leaders and policy-makers had recently been calling for urgent and co-operative action in that area by debtors and creditors.

51. The question of improving and strengthening the activities of the United Nations in the economic and social fields had been discussed by the Special Commission of the Economic and Social Council earlier in the year and the Group of 77 had made a specific proposal for restructuring United Nations intergovernmental bodies and Secretariat support structures. However, other groups had not been able to share the aspirations of the Group of 77 in that regard.

52. As the final document of the Ad Hoc Committee of the Whole of the General Assembly for the mid-term review of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 had pointed out, the countries of Africa were making tremendous efforts and sacrifices in pursuit of structural transformation, but those efforts and sacrifices had been undermined by negative resource flows which were largely due to declining export earnings, diminishing resource flows and crippling debt-service ratios. For their structural reforms to be successful the countries of Africa required sufficient access to markets and equitable trading arrangements, rather than aid; transfer of technology to transform the subsistence sector and improve the prospects of agriculture-based industries; and access to adequate positive resource flows through new loans and direct foreign investments.

53. Mrs. de WHIST (Ecuador) regretted that encouraging trends in the current international political situation were not being reflected in economic, financial and monetary relations. The peoples of the developing world continued to wage their own daily battle and, in the light of the world economic crisis, their countries could more aptly be described as underdeveloped.

54. In 1987, Ecuador's gross domestic product had fallen by 5.2 per cent, bringing it to the level it had reached 30 years earlier. Ecuador's efforts to achieve economic growth were condemned to failure by the need to service its disproportionate external debt.

55. The current crisis differed both quantitatively and qualitatively from previous crises. Even the most extreme recovery measures had failed to produce results with regard either to the economy or to productive infrastructure, and had had even less effect in the social field. Many countries could not service their debt and at the same time meet their people's basic needs.

(Mrs. de Whist, Ecuador)

56. Debt was not strictly a financial matter. It was a political issue involved in North-South relations, part of the pattern of domination and dependency characterizing relations between the industrialized countries and the developing world. Since both sides had originally agreed to its terms, creditors and debtors must share responsibility for debt. Furthermore, external debt was not the only form of debt. There was another more ancient, more urgent form, the debt of education, health, food and other basic needs.

57. It was vital to establish a constructive North-South dialogue aiming, among other things, to improve the terms of trade so that the developing countries could export their products on a regular basis at prices reflecting production costs. Trade barriers and protectionist practices must be altered accordingly. Not only did they work against products from developing countries, but they also made it difficult for such countries to acquire technology, widening the gap with regard to knowledge and the tools of production. Action must also be taken to bring down high rates of interest and end the negative transfer of resources.

58. Ecuador supported the proposal that a special session of the General Assembly should be convened to discuss the reactivation of economic growth and development of developing countries. The eradication of hunger and poverty called for action based on political will as had been shown with regard to international peace and understanding.

59. Mr. INSANALLY (Guyana) said there was cautious optimism that the recent improvement in the international political climate could be matched by corresponding progress in the economic field. That mood should be caught and transformed into positive action by the current session of the General Assembly, and particularly the Second Committee.

60. Economic growth in the industrialized countries had not prevented Latin America and the Caribbean from recording reduced rates of growth or the continent of Africa from suffering the fate of economic stagnation. The unevenness in global economic performance had produced a decline in living standards in the third world and an alarming deterioration in social conditions which, if left unattended, could lead to considerable instability and upheaval. That ominous threat imposed an obligation to intensify the search for ways of invigorating the economies of the third world and equipping them with the sustained capacity to contribute to and benefit from an expanded global economy. Dialogue and negotiation had served recently to resolve seemingly intractable political issues, and there was no reason why the same process could not be successfully applied to problems of an economic nature.

61. There was a recognition that an equitable solution to the problem of debt could be achieved only through the full participation of all parties involved. Some commercial banks and creditor nations had offered a broader range of options in dealing with debts owed by the poorest developing countries, but the initiatives taken so far had failed to address the concerns of many other debtor nations. If all were assisted in like fashion, the number of countries enabled to achieve growth and contribute to a stable and expanded global economy would significantly increase.

(Mr. Insanally, Guyana)

62. Despite the positive conclusions reached at UNCTAD VII, the situation facing the producers of primary commodities, especially those developing countries which relied on such exports to finance their development, gave no cause for satisfaction. The commodities market had been characterized by unstable prices and a downward pressure on demand as a result of which producer countries had been forced to revise their thinking about the long-term consequences of over-reliance on primary commodities. Diversification, which in some cases would appear to be the only answer, was far from easy and would require suitable co-operative arrangements that included improved and favourable access to both financial and technological resources.

63. In the area of trade, it was not enough to condemn the dangers of protectionism. Guyana hoped that the negotiations within the Uruguay Round would result in removing impediments to the exports of developing countries while showing due regard to the commitment contained in the Punta del Este Declaration to special and differential treatment for developing countries.

64. Co-ordinated action in the interrelated areas of trade, commodities and debt was essential if the transfer of resources from developed to developing countries was to be reversed. That reversal required an increase in the flow of resources from North to South and an increase in the level of investment, particularly foreign investment, as efforts were made by developing countries to accommodate such private flows. Efforts must be aimed not only at restoring and sustaining economic growth but also at preventing further erosion of social progress. Very serious thought must be given to ways of arresting the decline in the standard of living in the developing countries. The international community seemed ready to proceed to the formulation of a new international development strategy for a fourth United Nations development decade, but it was not enough to devise strategies which were merely recitals of lofty aspirations; the goals set must be attainable.

65. There was an urgent need for the North to embark upon a serious dialogue with the South in order to institute a more enlightened world economic system. In that connection, the call by the Ministers for Foreign Affairs of the Group of 77 for the convening of a special session of the General Assembly devoted to the reactivation of economic growth and development of developing countries was one that should be heeded in order that a concerted effort might be made to prevent the movement towards greater interdependence among nations from collapsing into autarky.

66. On the subject of the environment, he said that centuries of abuse had brought the entire ecosystem to the verge of collapse. The point had been reached at which development might no longer be possible, and at which life itself might be in danger of extinction. A clear and detailed blueprint for action must be drawn up to form the basis of an international convention under which all could agree to avoid that final calamity and preserve the planet. However, it was essential to ensure that the developing countries were not penalized by a denial of their own right to balanced industrialization. The ecosystem of the developing countries had long been utilized to support the developed countries, and some thought should be given to forms of compensation for that economic benefit. The Committee might wish to consider that matter.

(Mr. Insanally, Guyana)

67. The issues occupying the Committee could be resolved only by co-operative action. Interdependence was more than a concept; it was an imperative which must be heeded if the peoples of the world were to survive.

68. Mr. PIBULSONGGRAM (Thailand) said that the world's economic problems should be addressed in the spirit of international co-operation which characterized the current political system.

69. Thailand supported the eventual elimination of all protectionist measures, subsidies and other trade-distorting measures. Tariff rates applied to tropical products in developed countries should be harmonized at the lowest levels and non-tariff measures, which had proliferated in recent years, should be abolished. He welcomed the Uruguay Round of multilateral trade negotiations and reaffirmed his country's commitment to the principles expressed in the Punta del Este Declaration. The greatest possible advances must be made in all areas of negotiation and emphasis must be placed on agriculture, safeguards and the settlement of disputes.

70. The improvements registered with regard to commodities were due to the reduction in supplies resulting from unfavourable weather conditions, rather than to concerted efforts on the part of the international community. The commodity-exporting developing countries had continued to lose their share of the market in the face of increased production and protectionism on the part of the developed countries. Accordingly, Thailand fully supported the Integrated Programme for Commodities and was in the process of ratifying the agreement on the Common Fund.

71. With regard to the international debt problem, restructuring policy should be determined by the debtor countries themselves since they were best placed to assess political and social implications and, therefore, to determine how such policies could best be implemented. The role of international financial institutions should be limited to the provision of technical assistance in the form of data and policy recommendations. Developed creditor countries should reduce barriers to debtor countries' exports in accordance with the GATT negotiations on trade liberalization, to enable the latter to earn the foreign exchange needed to fund the development process and service their debts. The capital of the World Bank should be increased, its operations made more efficient and every effort made to increase lending by financial institutions. Interest rates and repayment periods, for example, should reflect the capacity and development level of borrower countries, special consideration being given to those which had made progress with economic restructuring. The World Bank should also help debtor countries that were having difficulty as a result of exchange rate fluctuations.

72. His country was doing what it could to assist the African nations. It was participating in TCDC and ECDC activities, confident that South-South economic co-operation, based upon the principle of collective self-reliance, would eventually enhance the economic potential of the South and improve its bargaining power and ability to negotiate with the North with regard to a new international economic order.

(Mr. Pibulsonggram, Thailand)

73. Account should also be taken of the need for environmental protection which, like development, was an issue of common concern. Resources should be pooled to ensure that development did not result, as it had in the past, in destruction of the environment.

The meeting rose at 6.05 p.m.