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**SUMMARY RECORD OF THE 5th MEETING**

**Chairman: Mr. NAVAJAS-MOGRO (Bolivia)**

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**GENERAL DEBATE (continued)**

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The meeting was called to order at 3.15 p.m.

**GENERAL DEBATE (continued)**

1. **Mr. KOENTARSO** (Indonesia) said that his country's views were essentially those expressed in the statement made on behalf of the Group of 77. The impact of fundamental changes affecting the world economic situation and international economic relations must be assessed with a view to achieving development policies and strategies based on equity and mutual interest.

2. The increased growth rate registered by the developed countries contrasted sharply with the sluggish growth, stagnation and economic recession affecting the economies of the developing countries. Approximately 900 million people now lived below the poverty line, and the developing countries, with little or no participation in world economic decision-making, had become largely dependent on the macro-economic policies of the major industrial economies. The crisis in development was undoubtedly rooted in structural inequalities, reflecting serious inadequacies in current patterns of multilateral economic co-operation.

3. Sharply reduced development financing, escalating protectionism in international trade, high interest rates and a prolonged slump in commodity prices continued to stifle the development process, which was further impeded by deteriorating terms of trade and a large-scale debt crisis exacerbated by volatile exchange rates. Extensive adjustment measures, which had failed to revive economic growth, clearly could not be expected to succeed in the absence of an international environment conducive to development. They must be complemented by commensurate international support involving multilateral co-operation in the interrelated areas of money and finance, trade and commodities, and development.

4. With regard to international trade, vigorous growth must be restored and the developing countries given access to the markets of the developed nations. Immediate progress must, therefore, be made with standstill and rollback commitments, and distortions such as tariff and non-tariff barriers and export subsidies must be eliminated. The concept of differential treatment for the developing countries, as expressed in the Punta del Este Declaration, should be upheld, and the mid-term review of the Uruguay Round in December 1988 exploited as a valuable opportunity for the advancement of all such objectives.

5. Urgent attention should also be paid to the question of commodities. It was pointless to provide financial resources for development if they were simply to be lost through deteriorating terms of trade. The Common Fund should be made operational as soon as possible as part of the effort to help those countries heavily dependent on commodity exports. Compensatory financing facilities should be improved and the developing countries assisted through international co-operation to diversify production and become more involved in processing, marketing and distribution. It was important to initiate consultations as soon as possible with regard to those commodities not yet covered by international agreements.

(Mr. Koentjarso, Indonesia)

6. Stagnation in the levels of official development assistance and the virtual cessation of commercial flows, coupled with the steep drop in export earnings and a severe debt overhang, had resulted in net transfers of resources from many developing countries to the developed. Since, therefore, the current financial system was clearly incapable of ensuring adequate social and economic development, an international conference should be convened to discuss money and finance for development. What was required was a political, development-oriented solution based on the shared responsibility of creditors and debtors, in accordance with the general principles defined in resolutions 41/202 and 42/198 and in the Final Act of the seventh session of UNCTAD.

7. Referring to the emphasis placed on environmental issues, he said that intensive economic activity, development and conditions of mass poverty and deprivation were inextricably linked with ecological imbalances. Protection of the environment could be secured only through sustainable development and the adoption of stringent international legal instruments.

8. The proposed special session of the General Assembly devoted to "The Reactivation of Economic Growth and Development of Developing Countries" should provide a timely opportunity to adopt a global consensus on concrete action in interrelated areas. Preparation of the new International Development Strategy should also be initiated.

9. Mr. ZAPOTOCKY (Czechoslovakia) said he hoped that the improving climate of international relations would have a positive effect on the world economic situation, which remained unfavourable, especially as far as the developing countries were concerned. It was important to eliminate mistrust, instability, discrimination and pressure, and the United Nations must play a positive role in preventing the emergence of new problems. An initial step had been Economic and Social Council resolution 1988/75, on the early identification of world economic developments, and a further positive contribution would be made by the Secretary-General's consultations with eminent persons on principles of international economic security in accordance with General Assembly resolution 42/165.

10. The problem of external debt had to be solved fairly and on a long-term basis, taking account of its political and economic dimensions, and the interests and joint responsibilities of debtors and creditors. Measures had to include restructuring the international currency mechanism, stabilizing world commodity markets and liberalizing international trade, halting the negative transfer of resources and establishing the best possible interrelationship between debt-servicing and the need to preserve the economic and social development and stability of debtor countries.

11. The document adopted by consensus by the Ad Hoc Committee of the Whole of the General Assembly on the Review and Appraisal of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 had, despite serious differences between countries and groups of countries, managed to preserve the fundamental balance of the Programme of Action and had called for its timely

(Mr. Zapotocky, Czechoslovakia)

implementation by all parties, reaffirming the sovereign right and central role of Governments in managing economic policy, the need for a balanced approach to the role of all sectors in economic development, and the need to integrate the aspects of economic and social stability in economic restructuring.

12. At its current session, the General Assembly would be dealing with the preparation of the new international strategy for the fourth United Nations development decade, 1991-2000, and it was absolutely essential that the current Strategy should be rigorously analysed so as to reveal the real reasons why it was not being implemented, thereby affording a solid basis for the new strategy. Socio-economic development was incompatible with the arms race, and it was essential that the United Nations should continue with its efforts to establish the principle of "disarmament for development".

13. On the question of the environment, Czechoslovakia and the Ukrainian SSR had proposed a dialogue between States with the aim of achieving international security in that sphere, and wished to develop that dialogue with all interested States.

14. Mr. MOYA PALENCIA (Mexico), noting that the United Nations peace-keeping forces had been awarded the Nobel Peace Prize, said that peace not only meant the absence of war, but also called for conditions whereby people all over the world could live to the full, lacking nothing essential. The situation of détente should be exploited to reach agreement on priorities and actions permitting the establishment of a new international economic order, based on shared responsibility. International instability would persist as long as the gap between rich and poor widened, and the way to progress was barred to much of the world's population.

15. All countries had been affected by the economic crisis of the 1980s, but the developing countries had clearly been the hardest hit. A revival of economic growth in the developing countries and a redressing of the severe and indefensible imbalances existing in the international economy were complementary and not incompatible objectives. Accordingly, at the general meeting of the International Monetary Fund and the World Bank in West Berlin, Mexico had proposed an international development pact designed to harmonize debt reduction with new flows of financing. Revived growth in the developing countries would have a more positive effect on the international economy than any increase in protectionist measures, trade wars or artificial adjustments in the rates of exchange.

16. Although the debt crisis had not affected the international financial system as a whole, the main objective of the debt strategy, i.e. to re-establish growth and restore the debtor countries' access to credit, had not been achieved. Debt continued to be a major obstacle to growth. The rapidly widening gap between the industrialized North and the dispossessed South represented a threat to the political stability and democracy of third world countries.

17. The debt-export ratio of the most highly indebted countries had increased from 268 per cent in 1982 to 335 per cent in 1988. Over the same period, the debt-GDP ratio had grown from 48 per cent to 58 per cent and the interest-export ratio from

(Mr. Moya Palencia, Mexico)

22 to 27 per cent. It was not sufficient to reschedule debt repayments if multilateral trade agreements were being disregarded and new forms of protectionism developed, prices were falling, interest rates rising and development funds being frozen.

18. Forty per cent of the population of Latin America and the Caribbean region were unable to meet their fundamental needs, and very many of them were living in dire poverty. Fewer jobs were available, and wages had fallen in real terms. Urban unemployment had increased from 6.9 per cent to 11.1 per cent over the same period between 1980 and 1985.

19. Solving the debt problem was an essential part of changing international economic relations. Debt and interest repayments must be reduced on the basis of political dialogue and shared responsibility, and recent proposals by countries and private bankers for debt reduction should be reviewed, refined and properly implemented.

20. Anyone who thought that the debt problem was to be solved by further sacrifices on the part of debtor countries had to realize that adjustment policies had failed because of a lack of discipline on the part of the developed countries. Adjustment must be balanced and based on the concept of shared responsibility. The seriousness of the debt problem and the need for a lasting and equitable solution must also be acknowledged by all countries.

21. Where the environment was concerned, the rigid idea of ecological limits to growth had given way to the concept of sustainable development. The environment could not be protected in the absence of economic development. The limited available financial resources should not be diverted from development to tackle environmental problems, and environmental problems should be dealt with in a comprehensive manner: the developed countries should refrain from polluting the environment with chemical and nuclear waste and transnational corporations should stop transferring industries which utilized obsolete technologies and manufactured toxic products that were banned in their own countries to the developing world.

22. Growth and development required international collaboration; negotiations should therefore be launched to reactivate economic growth in the developing countries and to stabilize the world economy and the General Assembly should hold a special session on that subject. The United Nations system should be strengthened through actions rather than words. The unilateral withholding of assessed contributions in violation of international obligations had led to the elimination of programmes and projects intended for the developing world. Such a destructive attitude, disguised as a concern for economy, limited the Organization's effectiveness in solving economic and social problems. The most democratic mechanism ever created should not be made into an elitist or dictatorial system.

23. Mr. FERNANDEZ (Philippines) said that the spirit of co-operation and détente which had recently enlightened the fields of politics and security had regrettably not yet been felt in economic and financial relations. Encouraging trends in the developed countries, such as a 3 per cent increase in the rate of growth of output

(Mr. Fernandez, Philippines)

between 1986 and 1987, contrasted sharply with the difficulties of the developing countries, where the average growth rate had fallen from 4.2 per cent in 1986 to 3.4 per cent in 1987. Nevertheless, there were signs of economic revival: in his own country, for example, some growth had been registered after many years of stagnation. The Philippines had experienced a resurgence of confidence with the restoration of democracy and the shift from government control to private initiative. Free and open competition was encouraged to promote growth and private foreign investment invited to bolster domestic efforts. The success of the newly industrialized countries, many of which were in the Asian region, was also encouraging.

24. In spite of the efforts, his country faced enormous difficulties, above all in connection with debt servicing, which consumed almost all its income. He would be submitting in due course a proposal concerning the establishment of an international debt and development commission, and hoped it would be supported as widely as possible.

25. Economic expansion in the North had clearly failed to induce improvements in the South. The developing countries had become poorer and poorer even though there was no shortage of ideas as to how to achieve ideal international economic relations. Application of such ideas to the economic policies of Governments would probably, in most cases, achieve immediate results. UNCTAD negotiations, for example, would proceed far more effectively if some of the principles adopted long before were actually applied. Unfortunately, the principle of favourable and differential treatment for developing countries was applied only grudgingly in the negotiations, while the benefits extended were all too easily withdrawn or abused.

26. The objectives of three Development Decades had in no sense been achieved while the proposal for a new international economic order was no longer even discussed. Governments continued to adopt protectionist policies as a first line of defence, and although technical co-operation was universally acknowledged as a means of accelerating economic development, it was extremely difficult to raise funds, the target of 0.7 per cent of gross national product for official development assistance having been all but forgotten. Multilateralism had proved a short-lived principle, with donors preferring to provide assistance on a bilateral basis.

27. In short, the principles negotiated in the past should be recognized again, and advantage taken of the improved climate of international relations to promote better economic relations, establish more equitable conditions and reduce poverty and suffering in the developing world.

28. Mr. RAVI (India) said that the statement made by the representative of Tunisia on behalf of the Group of 77 afforded a good basis for the Committee's work during the current session. Several recent analyses by multilateral institutions had all concluded that, despite moderate prospects for short-term growth, the global economy remained fragile. Unless the divergent macro-economic policies of the leading industrial countries were significantly modified, a world-wide recession was likely. Although it was increasingly recognized that a revitalization of

(Mr. Ravi, India)

growth in the developing countries would benefit the world economy as a whole, there had been no perceptible change in those countries' external environment.

29. Poverty and human deprivation were both the principal justification for and the most serious impediment to development efforts. Unfortunately, the international community had paid less attention in recent years to countries with large low-income populations. Those countries urgently needed increased resource flows, particularly in the form of concessional financing.

30. The Uruguay Round must result in the preservation and strengthening of the multilateral trading system and lead to growth in the developing countries. The close linkages between trade, money and finance must also be recognized. Distortions in the world trade system should be reduced through the implementation of standstill and rollback commitments. Proposals emanating from the Uruguay Round should also contribute to the autonomous and self-reliant development of developing countries. It was to be hoped that the forthcoming mid-term review of the Round would make significant progress in the areas of safeguards, textiles, agriculture and tropical products, which were of direct interest to the developing countries.

31. The external debt crisis and the reverse transfer of resources from developing to developed countries required urgent action. In that connection, consideration should be given to the proposals made in the UNCTAD Trade and Development Report, 1988.

32. Environmental considerations should not be used to impose conditions in the lending policies of international financial institutions. Moreover, resources should not be diverted from development to environmental activities. Finally environmental protection measures should take into account the existing inequities in global patterns of production and consumption.

33. Concerted international action was required to tackle the underlying structural problems of the world economy. It was to be hoped that agreement could be reached on a mechanism for the preparation of an international development strategy for the fourth United Nations development decade. While the United Nations had recently gained a new measure of respect for its achievements in the political domain, it was unfortunate that comparable progress had not been achieved in the field of international economic co-operation. He therefore urged delegations to respond to the appeal made by the Secretary-General at the most recent session of the Economic and Social Council to reach global solutions through global consultations on global problems in the economic field. A revival of the North-South dialogue would promote the forging of a new development consensus.

34. Mr. ZEPQS (Greece), speaking on behalf of the European Community and its Member States, said that the ending of conflicts resulting from the improved international political climate should contribute to the redirection of resources towards seeking lasting solutions to the problems of poverty, the environment, population and human development. There could be no satisfactory development in the world economic situation without further international economic policy

(Mr. Zepos, Greece)

co-ordination and the implementation of previous commitments. The past year had seen a strengthening of policy co-ordination among the major industrial countries, which had produced results: growth had been more rapid than expected, employment and investment had increased, and international trade imbalances were being adjusted, albeit slowly.

35. The mid-term review of the United Nations Programme of Action for African Economic Recovery and Development had called for increased efforts to reverse the decline in real per capita incomes in Africa both by the African countries themselves and by the international community, and the European Community and its Member States were ready to contribute to achieving that end.

36. Debt-servicing ratios were still uncomfortably high for the majority of developing countries, but in a number of debtor countries the ratio of debt to exports had recently declined. However, at the annual meetings in Berlin of the IMF and World Bank, the Development Committee had expressed concern over the decline in overall flows to developing countries and the negative net transfers to some of them, and it had been stated that enlarged flows of all types of financial resources were needed for economic growth, the reduction of poverty, structural adjustment, a resolution of debt difficulties and environmental conservation. The President of the World Bank had stressed that external finance was critical to continued, sustained growth, and that current flows of resources were inadequate to meet the minimum needs of developing countries. The European Community shared his views, and believed that the capital base of the Fund needed to be raised in order that it might continue to support the adjustment efforts of member countries. The Community was giving careful consideration to a proposal to create a guarantee mechanism for the repayment of commercial debt converted into security.

37. Now that adjustment programmes were starting to yield results in certain countries, there was growing recognition that more needed to be done to protect vulnerable sectors of the population from their undesirable consequences. The problem of external debt was still acute, and the debt-servicing burden in Latin America and Africa had increased during 1988. The European Community welcomed the Secretary-General's consultations with eminent persons on principles of international economic security.

38. Where international trade was concerned, the negotiations within the Uruguay Round were of paramount importance, and the Community expected a fresh political impetus in the negotiations at the mid-term review to be held in Montreal in December 1988.

39. The Community and its Member States confirmed that they would work constructively towards a successful launch of the Common Fund for Commodities, while seeking to ensure that its operations were consistent with the altered environment of the 1980s, and particularly that they were responsive to the problems experienced by developing countries.



(Mr. Zepos, Greece)

40. There had been an increased awareness of environmental problems in several parts of the world during 1988, and the Committee should address the practical aspects of converting strategies and ideas about the environment into workable policies in a context of sustainable development. The concept of sustainable development, in the promotion of which the United Nations had a crucial and leading role to play, should be regarded not as a constraint but as a shared responsibility for the preservation of the planet. The Community and its Member States welcomed the fact that a conference on sustainable development, environment and development was to be held in 1992.

41. The new international development strategy for the fourth United Nations development decade should reflect current realities, fresh approaches and changing perceptions about the development process, with a focus on international co-operation for development, and should also provide a framework for better co-ordination at all levels.

42. Mr. LAGO SILVA (Cuba) said that despite encouraging developments in international political relations, structural imbalances in the world economy were growing worse. The dependence of the third world countries and disequilibria in their already weak economies had consigned them to a minor role in the international division of labour. International economic relations continued to be characterized by inequalities and discriminatory practices. The monopolization of commodity markets - which distorted the prices of export products from the third world - was one reason for the increasingly grave economic situation in the vast majority of developing countries. The situation had also been aggravated by protectionism on the part of developed countries, the drop of the stock markets and the steep decline in official development assistance (ODA) and general resource flows towards the third world. Other negative factors included the net transfer of capital out of the developing countries, dumping, and the external debt.

43. Of all those factors, none was more detrimental than the external debt crisis, which perpetuated neo-colonialist domination of third world countries and impeded their development. All the years of attempting to reverse the international debt crisis - through every means, from the more traditional approaches of renegotiation and rescheduling, to transnationalization of the debt - had only proved that the external debt could not possibly be repaid. For example, in the past five years, Latin America had regressed by more than a decade. The external debt had grown tenfold in that time while per capita incomes had suddenly declined, and so had gross national product. Financial flows from the international banking system, which had been so generous in the 1970s, had ceased. Latin America and the Caribbean, once importers of capital, had begun to export it, in a continual blood-letting operation which had drawn more than \$145 billion from the region in the past six years.

44. Ordinary phenomena could be dealt with by ordinary means, but extraordinary phenomena - particularly such potentially dangerous ones as the external debt crisis, called for bold new measures. The participation of all States was a pre-condition for achieving a just and equitable system of economic relations in a

(Mr. Lago Silva, Cuba)

new international economic order. The main developed creditor countries must understand the seriousness of the external debt problem in the developing world. They must not impede the adoption of measures to which debtors and creditors might agree in a spirit of shared responsibility. Until such time as the debt crisis was resolved, there could be no stability in the world economy or sustained economic growth in the debtor countries.

45. As a result of the world economic situation, the gross domestic product of developing countries had increased by only 2 per cent in 1987, compared to 3 per cent in 1986. With international trade expected to grow by only 3 per cent, trade prospects for 1988 were not encouraging. As the Secretary-General had indicated in the 1987 World Economic Survey, instability and lower aggregate demand would defer a solution of the trade problem until the 1990s.

46. The 1980s had been a wasted decade in terms of development. The international community must make the necessary effort to eliminate obstacles to third world development in the 1990s. To that end, the new international development strategy must be concise and realistic and not set out goals which from the start were doomed to failure. Multilateralism must be revived in the United Nations fourth development decade.

47. The Group of 77 proposal to hold a special session of the General Assembly in 1990 on the reactivation of economic growth and development in the developing countries might well bring changes in the world economic situation. In the context of restructuring the economic and social sectors of the United Nations, the Group of 77 had always been profoundly interested in strengthening the Organization's main organs and had sought to revitalize the Economic and Social Council. Unfortunately, its initiative had failed to bring results during the Council's most recent session for lack of political will on the part of the developed capitalist countries.

48. Mr. NOWORYTA (Poland) said that the multilateral response to structural imbalances in the world economy had taken the form of rhetoric more than action. Growing economic and technological interdependence had not yet brought about closer co-operation to correct major imbalances. In fact, global imbalances had persisted, becoming a quasi-permanent feature of the world economy by the latter part of the 1980s. In 1987, the debt situation had actually threatened the economic survival of many developing countries.

49. The net transfer of resources from debtor to creditor countries was perhaps the most ominous and potentially disruptive trend in the world economy. The world community had not progressed beyond the mere recognition that developing countries were not able to service their debt, that responsibility must be shared by the parties concerned and that indebtedness could not be considered separately from development. At the fortieth General Assembly session, Mr. Jaruzelski, Chairman of the Polish Council of State, had stressed that external conditions must favour the growth of indebted countries. He had indicated accessibility to export markets, fresh credits and softer terms of debt service as prerequisites for world economic stability and sustainable development.

(Mr. Noworyta, Poland)

50. New economic thinking must complement the marked improvement in the international political climate. Momentous political events, such as the summit conferences between the United States and the Soviet Union, had shown the world that the confidence gap could be bridged by political will and far-sightedness. Greater understanding of the interrelationship between economic and social problems had been particularly evident in the report of the World Commission on Environment and Development. Defining economic and ecological security as a long-term objective was a positive step in shaping the concept of economic interdependence. Perhaps the best illustration of that concept was the transfer of environmentally sound technologies, experience and know-how. The fact that, at its forty-second session, the General Assembly had taken note of the importance of environmentally sound and sustainable development was gratifying. However, the discussion must not be closed. In mid-July, the States parties to the Warsaw Treaty had adopted a special declaration calling for improvements in the natural environment. They had also called for an international instrument on environmental co-operation.

51. Poland welcomed the Swedish proposal to convene a "Stockholm II" Conference in 1992. That conference should be preceded by regional conferences in which specific ecological problems would be identified. An All-European Conference of Ministers responsible for Environmental Protection and the establishment of a European Council of Environmental Protection, as advocated by Poland, would also be valuable.

52. International economic and technological co-operation for development must be at the heart of a new, qualitative approach in the fourth development decade. There must be a greater understanding of the new global economy and its implications for developing countries. Poland fully supported focusing analysis on interrelated development factors in the 1990s and stressing an examination of long-term trends in the world economy. The Assembly should also pay closer attention at its current session to alternative long-term policy options and their impact on development efforts.

53. Through international co-operation, it might be possible to establish better mechanisms and institutions for dealing with imbalances in the world economy. Convergent ideas must be shaped into common approaches to international economic issues. That would require confidence-building, especially between nations with different socio-political systems and at different stages of development. Multilateralism must be revived in order to protect national economies against external developments. While subregional integration schemes were of undeniable value, continental and world-wide co-operation remained of primary importance. Poland's economy had recently been opened up by the recent reform package and the impact of the external development environment on its adjustment effort could not be over-estimated. The external economic environment was equally important for the developing countries, especially those which were heavily indebted.

54. Mr. UMER (Pakistan) said that despite stirrings of peace around the world and a transformation in East-West relations, another war continued for the vast millions of the third world. Children were still perishing from starvation, disease and malnutrition.

(Mr. Umer, Pakistan)

55. Political peace could not endure without economic stability. The East-West dialogue must be extended to a global dialogue encompassing North-South relations. The 1980s, described as a decade lost to development, could be more accurately labelled a decade of silence. Both North and South had come to realize that their ideas were no longer adapted to the current economic realities. The developing world was showing greater recognition of its own responsibilities in promoting economic change. On their side, the developed countries were beginning to understand that widespread poverty in the world was a threat to the entire international economic system. Isolated positive trends must be consolidated for the common good of both developed and developing countries. Recent examples included the joint North-South action taken at the seventh session of UNCTAD and the important decisions on third world indebtedness reached at the Toronto summit of the seven major industrialized countries.

56. The absence of regular dialogue between North and South had deprived the international community of the opportunity to take timely action on pressing global issues. It was only after the debt bomb had exploded - in other words, when it was too late - that the developed world had been roused to action. Third world indebtedness stood at over a thousand billion dollars in 1988. The toll, in human terms, was felt in cutbacks to essential socio-economic programmes and in declining investments in health, education and child welfare. Adjustment without international support was beginning to be identified with punishment.

57. Similarly, millions had had to die in Africa before the true dimension of the tragedy there was brought home to the international community. The deliberations of the Ad Hoc Committee on the Review and Appraisal of the United Nations Programme of Action for African Economic Recovery and Development had amply demonstrated how wide a gap there was between the magnitude of the problem and the global response to it.

58. The ongoing lack of contact between North and South was in no one's interests. The continued reverse flow of resources from developing to developed countries would only impoverish third world economies and jeopardize the international economic system itself. The increasing interaction among different economic systems, the emergence of new technologies and the growing role of transnational corporations had made the management of the world economy an increasingly complex task calling for a collective and co-ordinated approach.

59. While the international community had recently focused much attention on environmental concerns and the AIDS pandemic, he urged delegations not to lose sight of the larger picture; while the image of children suffering from AIDS was shocking, the state of those children was no worse than that of millions of children living "normal lives" in many parts of the developing world.

60. The developing countries had emerged from the trials of the 1980s with greater maturity and pragmatism. For their part, the developed countries had shown an increased appreciation of the problems of the South. Those developments offered a historic opportunity for formulating a new development consensus, and the current session of the General Assembly offered an ideal forum for launching that consensus.

61. Mr. AYUBI (Afghanistan) drew attention to the adverse effects of the slow-down in world economic growth on the developing countries, and on the least-developed among them in particular. The gap between the world's wealthiest and poorest countries had widened in the 1980s, and there were persistent imbalances among the major industrial countries. The debt burden of developing countries and unfair practices in international trade had also hampered economic development. Contribution to official development assistance had generally fallen far short of targets, while progress in implementing the Substantial New Programme of Action for the 1980s for the Least Developed Countries had been disappointingly slow.

62. The current world economic crisis was the most serious problem facing the international community, and jeopardized international peace and security. For the crisis to be solved effectively and equitably, urgent measures should be taken to restructure the world economy by establishing a new international economic order and launching global negotiations for international economic co-operation. Attempts to undermine the principles enshrined in the Declaration on the Establishment of a New International Economic Order, which were becoming more frequent, would have serious economic and political consequences for the whole world. Global negotiations remained the best way to restructure international economic relations and accelerate economic development in the developing countries. They should be launched with firmness and flexibility, and impediments to them should be dealt with appropriately.

63. The recent meeting of Ministers of Foreign Affairs of non-aligned countries had once again underscored the need for structural adjustments in international economic relations if a just and equitable economic system that would promote rapid and sustained growth and development throughout the world was to be established. Peace, disarmament and development were interrelated; therefore the resources devoted to the arms race should be channelled for development purposes. Trust, understanding and confidence between States should be promoted as prerequisites for development, trade and economic co-operation. In that connection, the lifting of illegal and unjustifiable trade restrictions and embargoes and other coercive measures would help establish those prerequisites.

The meeting rose at 5.40 p.m.