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at 10 a.m.
New York

SUMMARY RECORD OF THE 9th MEETING

Chairman: Mr. GHEZAL (Tunisia)

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The meeting was called to order at 10.25 a.m.

GENERAL DEBATE (continued)

1. Mr. VILCHEZ (Nicaragua) wondered whether the debate in the Second Committee served any purpose, given that the situation in the developing countries continued to deteriorate, even though the developed countries were experiencing their seventh consecutive year of growth. However, the debate had the advantage of forcing the participants not to lose sight of the gravity of the international economic crisis, of forcing the developing countries to recognize that they must rely only on themselves to eliminate poverty and ensure economic development, and, lastly, of bringing out the fact that the advent of a new international economic order was still very far off.

2. There were grounds for gratification in the improvement of the world political climate and the apparent establishment of peace in many regions. What had seemed impossible politically had become a reality: nevertheless, economically, an impossible situation, meaning, for most developing countries, hunger, malnutrition and illiteracy, all factors which constituted a considerable threat to world peace and security, remained the rule. The need to reduce protectionism, establish stable commodity prices and fair and equitable rules of trade and to stop using measures of economic coercion for political purposes was more manifest than ever.

3. Hardly anything had been done to solve the debt problem, the main obstacle in the way of relaunching economic growth in the developing countries. Both principal and interest payments on debt must be considerably reduced, capital flows towards the developing countries must be resumed, and an effective international policy must be launched to promote economic growth through concrete measures in the fields of trade, money, finance and commodities.

4. Technological development was the area in which the gap between North and South was widest: the developing countries had no advanced technology and intermediate technology tended to make them still more dependent on the developed countries. It was essential that international co-operation should lead to the devising and application of measures whereby the developing countries could, with the means at their disposal, achieve concrete goals in that sphere.

5. The way in which the United Nations had played its part at the present juncture was gratifying. Through its operational activities it had rendered very useful assistance to many developing countries; more specifically, it had contributed to the economic and social recovery of Nicaragua, a victim of outside military aggression. It had respected its undertakings despite the efforts made in certain quarters to undermine its role in international co-operation. The action of the Secretary-General and of UNDP in respect of the special plan of co-operation for Central America merited special mention; however, the need for still more energetic efforts for further progress continued to make itself felt.

6. In view of the fundamental importance of international co-operation, he urged the developed countries to respond constructively to the appeal launched at

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(Mr. Vilchez, Nicaragua)

Belgrade by the heads of State or Government of the non-aligned countries for a relaunching of the North-South dialogue.

7. The problem of the environment was a real threat in the short term, and must be dealt with at the world level. Nevertheless, given that millions of human beings were already dying of hunger in the developing countries, the developed countries must first tackle the most urgent problem, that of underdevelopment, with the same energy and realism they were showing in respect of the climate and the environment. The problems of world economic development and the environment were indissolubly linked: a world that was preserved ecologically, but in which infant mortality, malnutrition, foreign debt, protectionist obstacles, nuclear weapons and illiteracy continued to be rampant was inconceivable. The forthcoming special session of the General Assembly devoted to economic co-operation would give the members of the international community an excellent opportunity to demonstrate their political will and spirit of co-operation.

8. As far as the international development strategy for the fourth United Nations Development Decade was concerned, it was important to be realistic. A perfect document would serve no purpose unless Member States undertook to apply it in reality. In the absence of real political will, such a strategy would remain purely theoretical, and the General Assembly would have worked in vain to produce it.

9. It was desirable that the work of the Second Committee should facilitate the achievement of concrete results, and it was time to establish the requisite mechanism so that the resolutions adopted year after year could be implemented in practice.

10. Miss RAZAFITRIMO (Madagascar) said that the growing complexity, interdependence and globalization of the problems that the world community had to face called for strengthening international economic co-operation, based on approaches acceptable to all and founded on equity. It must be recognized that although international détente could bring positive developments throughout the world, the world economic situation remained disturbing and could well be a destabilizing factor politically, at both national and international levels. World production and trade had advanced considerably but the growing economic gap between the developed and developing countries could threaten the era of peace and détente which the world had just entered.

11. In the case of Africa, the moderate improvement in the rate of growth of GNP in 1988 was not commensurate with the rate of population growth despite the efforts made in co-operation with UNFPA and other agencies to bring demographic growth into line with economic growth.

12. The determining role played by the developed countries in the international economic environment demanded that economic stability should be based on a new type of management and world co-ordination, which would make it possible to end the custom whereby a small number of countries settled among themselves economic questions of vital interest to the world community.

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(Miss Razafitrimo, Madagascar)

13. The future of the developing countries was more uncertain than ever for several reasons, including such outside phenomena as deteriorating terms of trade. Moreover, debt servicing swallowed up the available capital resulting in a stagnation of investment with consequent weakness in production and exports. There were, however, grounds for gratification in the entry into force of the agreement establishing the Common Fund for Commodities which, by guaranteeing those countries dependent on commodities stable and predictable prices, would give them time to diversify their economies. The debt crisis had taken on disturbing political and economic dimensions and had become one of the chief obstacles to the growth and development of the developing countries. In Madagascar, for example, debt servicing exerted a degree of pressure on external payments incompatible with the implementation of the programme of liberalization and adjustment on which the country had embarked two years earlier. The multilateral and bilateral measures taken to soften the financial constraints that weighed on the debtor countries were still inadequate or too late. No lasting solution for that problem had yet been found.

14. Despite steps taken by the developing countries to implement adjustment policies designed to eliminate the main cause of their own economic problems, namely, poor management, there was an unnatural transfer of resources from the poor countries to the developed countries or to international finance institutions, which deprived them of the investments and capital they needed to develop and modernize their production potential and to meet the social needs of their people. Furthermore, the volume of direct foreign investment and of bank loans had considerably declined, while public assistance for development was far from attaining the target of 0.7 per cent of GNP of the countries concerned.

15. Madagascar fully supported the declaration by Malaysia on behalf of the Group of 77 and the solutions it advocated for the revitalization of international co-operation for development in the context of an interdependent world economy. Those solutions included the equitable and collective management of that interdependence, to ensure sustained development which was both socially just and economically sound; the integration of the developing countries in the world economy; and a proper awareness of the importance attached to the elaboration of the new international development strategy, to the special session devoted to international economic co-operation, and to the general necessity to strengthen the activities of those international organizations concerned with economic matters. The debt question had to be tackled by applying the principle that responsibility should be shared among debtor and creditor Governments and commercial banks, by allocating sufficient resources to the international finance institutions, by taking more effective steps to alleviate the burden of debt and by increasing the flow of concessional financial resources.

16. Environmental degradation posed a threat to future generations and could render futile present development efforts. While environmental problems could not be dissociated from the process of lasting development, it was unacceptable that their solution should be made a pre-condition for the allocation of development resources.

17. Mr. TADESSE (Ethiopia) said that the rapid changes in international political relations were creating opportunities for the building of a durable structure of peace in the world, but that distressing economic realities continued to cause concern. The positive development of political relations had been made possible by a realization of the interdependence of nations and of their common interest in ensuring survival. At the same time, where economic relations were concerned, the international community appeared not to have come properly to grips with that interdependence, even though economic difficulties could be just as great a threat to international peace and security as political problems.

18. The world economic situation remained uncertain and rather gloomy. The developing countries, faced by worsening poverty, environmental degradation, severe trade imbalances and the mounting burden of foreign debt, were unable to implement programmes for economic transformation. Constrained to adopt economic measures even at the cost of political instability and social unrest, they had been unable to exercise a free hand in choosing the necessary range of policies to solve their economic problems. They did not question the necessity for structural adjustment, but criticized the orthodox structural adjustment programmes, which emphasized monetary instruments and efficiency in resource allocation, sought cut-backs in the public sector, and played down the devastation wrought by crashing external markets and international financial burdens. Generally speaking, structural adjustment programmes had done nothing to revitalize growth, employment and income or to restore the balance of payments. In fact, they had not given sufficient consideration to the human dimension of development. They had not even addressed the historical and structural constraints on development, such as lack of physical infrastructure, steady environmental degradation, high rates of population growth and low levels of technology. Finally, they had underestimated the pernicious effect of the external economic environment.

19. Adjustment policies could only succeed in the context of a favourable external economic environment. It was ironical that the developed countries should insist on the developing countries adopting free trade policies while they themselves practised wide-spread protectionism, especially in agriculture and labour-intensive industries. They urged the developing countries to diversify export earnings while, for their part, they continued to apply tariff protection on agricultural commodities the size of the tariff increasing with the degree of processing. Structural adjustment of international economic relations was essential, but must be based on mutual conditionality. Any approach to the problem of debt should be based on the same principle. The plans which had been submitted, such as the Toronto proposals, should be put in action. So far, progress had been piecemeal and selective.

20. In Africa, the failure of orthodox adjustment programmes had led to the elaboration of an African Alternative Framework Structural Adjustment Programmes, which linked adjustment with transformation and aimed for a process of economic recovery leading eventually to self-sustained growth. African Governments had never been reluctant to undertake deep-rooted structural transformation, provided that it was comprehensive, humane and effective. But it was clear that that new African vision of adjustment required external resources granted on liberal conditions.

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(Mr. Tadesse, Ethiopia)

21. The question of the environment was one that should be given priority and tackled at an international level. It was necessary first to define exactly what was meant by environmental problems, and then to view them as an integral part of general development. In the developing countries environmental problems were closely linked to poverty and its consequences, such as deforestation, soil erosion and desertification. Other environmental concerns, for example, the depletion of the ozone layer, were undoubtedly shared by all mankind. It was none the less equally true that those problems, could not be solved without facing the question of responsibility and capacity. Furthermore, the order of priorities assigned to the different environmental questions should reflect the gravity of the economic problems faced by the developing world. The proposed United Nations conference on environment and development, in 1992, should provide an opportunity to reach international consensus on programmes for the solution of environmental problems of increasing concern to the international community.

22. Mr. ZAPOTOCKY (Czechoslovakia) welcomed the profound and encouraging changes that had come about in international relations. Confrontation had given way to mutual understanding, détente and the revival of international dialogue. But the new opportunities arising in the political and military sphere had not always been profitably used to initiate an analogous development in economic relations. The creation of a stable and safe world was similarly tied to the progress of international economic relations.

23. The world economic situation left much to be desired. Its negative aspects had already been stressed during the general debate of the General Assembly at its current session, as well as in the debates of the Second Committee. The world economy was increasingly unbalanced, the gap between the developed and the developing countries was widening and numerous grave world economic problems remained unsolved. Furthermore, economic forecasts were not optimistic. The negative impact of the world economy was being felt especially on the economic and social situation of the developing countries. The proposals made in that respect at the Ninth Conference of Heads of State or Government of the Non-Aligned Countries deserved the full attention of the international community.

24. Economic independence made it necessary to call into question outmoded approaches to international relations and economic problems, to adopt multilateral policies of economic co-operation, to strive for a climate of trust and to balance interests with a view to solving the most acute world economic problems. The United Nations was called on to play a positive role in that field in order to help a consensus to emerge and to bring the points of view of various countries closer together. For that to happen, the Member States would have to demonstrate the requisite political will and renounce their group approach in favour of multilateral policies of economic co-operation. Such was the price of international economic security, which was the subject of the Secretary-General's report (A/44/217).

25. The international development strategy for the 1990s, which was in the final stages of elaboration, should encourage harmonious and mutually advantageous economic co-operation between States and make way for stable development and

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(Mr. Zapotocky, Czechoslovakia)

qualitative economic growth in all countries. It should be based on a balance of interests and include a programme of action to overcome obstacles to development. The main goals should be to make optimum use of human resources, to solve the problem of external debt, to secure the mobilization of the resources necessary for development, particularly by applying the principle of "disarmament for development", to safeguard the environment and to increase the efficiency of international economic co-operation, in particular by strengthening the role of the United Nations in that field. The debates of the forty-fourth session of the General Assembly should help to lessen the differences of opinion that remained over certain aspects of the strategy. The results of the special session of the General Assembly devoted to international co-operation, and in particular to boosting economic growth and development in the developing countries, would have great importance for the international development strategy for the 1990s. That special session would provide an exceptional opportunity to revive the North-South dialogue and to reinforce multilateral forms of international economic co-operation. He was certain that the final document of that Conference would take into account the interests of all groups of States and at the same time give an indispensable boost to closer international economic co-operation based on equal rights and mutual advantage.

26. Thus far, insufficient measures had been taken to solve the problem of external debt, which had negative consequences both for the developing countries and international financial relations. For that reason, it was necessary to reach agreement on common principles of international co-operation and to mobilize the efforts of all those involved in international financial relations. External debt was not an isolated problem. It should be solved within the framework of other world economic questions such as the normalization of international trade, the reduction of net transfers of resources from developing countries, the restructuring of international financial relations and the stabilization of world raw materials markets. To that end, the role of the United Nations should be strengthened. He was certain that negotiations concerning external debt during the current session of the General Assembly would successfully continue initiatives launched at the previous session.

27. Public aid for development would play a major role in any solution of the economic and social problems of the developing countries. The economic and humanitarian aid that his country had provided to developing countries in 1988, which amounted to 1.6 per cent of its national income, bore witness to the importance Czechoslovakia attached to that question. Economic aid to developing countries was an integral part of its foreign policy and thus contributed to the economic and social progress of those countries and reinforced international peace and security.

28. The gravity and extent of the deterioration of the environment had forced the international community to examine ecological questions in greater depth and to adopt appropriate measures. His delegation was pleased that the United Nations had spearheaded world-wide action to safeguard the environment and develop international co-operation in that field. The conference on environment and

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(Mr. Zapotocky, Czechoslovakia)

development planned for 1992 and the draft resolution on international ecological security sponsored by Czechoslovakia and the Ukrainian Soviet Socialist Republic were certain to make a valuable contribution to the protection of the environment.

29. Mr. RUSITA (Uganda) said that profound changes were affecting international economic relations, the patterns of production and consumption, trade and financial markets and the nature of comparative advantage and international division of labour. Many developing countries, especially the least developed were being increasingly marginalized. Most developing countries were suffering a recession or even a regression and were prey to natural disasters which in Africa had been particularly devastating in recent years. The authorities in those countries had been forced to postpone, even abandon, the realization of a large number of vital projects designed for the economic and social advancement of their peoples. Fully aware of their responsibilities, the Governments of the developing countries had constantly advocated that "trade" and not "aid" should be the engine of growth. But external conditions had frustrated their efforts: prices of commodities exported by them were very low and there was a scandalous net reverse flow of resources to the creditor countries. The anaemic patient was thus made to donate blood for the benefit of the healthy and wealthy; it was indeed the Marshall Plan in reverse.

30. Since 1980, a number of African countries had entered into agreements with international financial institutions. The IMF-supported programmes were supposed to be supplemented by capital flows. To the general consternation of those countries the capital was flowing in the reverse direction and the reform programmes had lost their credibility. Currency devaluations had not achieved the desired results; schools and health facilities were collapsing; infant mortality rates were rising; and the brain drain, corruption, moral degradation, unemployment and the debt burden were all increasing. The conditions imposed by IMF on loans for structural adjustment jeopardized the economic growth and development of those countries. A long-term policy should guarantee adequate credits at interest rates that would promote such growth and development. Short-term policies were not always compatible with stated long-term development objectives. No modern nation could afford to formulate short-term policies that allowed its children to reach adulthood ignorant and unskilled, or that encouraged its scientists and researchers to join the reverse transfer of technology. If market forces and the price mechanism were critical for the efficient allocation of resources, the "invisible hand" of those forces was not always sufficient and there was a need for skilful and flexible State intervention. It was thus necessary to strike a balance between the private and public sectors. Indeed, State intervention was critical for strengthening Africa's technological base and human resource development.

31. The debate between exponents of export-oriented growth and advocates of import-substitution policies was largely an academic exercise. Indeed, few development choices were that simplistic. On the contrary, Africa needed to realign its consumption with production patterns, encourage collective self-sufficiency and regional economic integration, strengthen internal capital accumulation processes and explore specific niches for external market

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(Mr. Rusita, Uganda)

opportunities. It was for the countries themselves to develop and manage their reform programmes. The trend towards denationalization under the guise of "dialogue" and performance monitoring would undermine even the best adjustment programmes and might affect national sovereignty.

32. It was illusory to believe that initiatives such as the Toronto and the Brady Plans would make it possible to resolve Africa's debt problems: their impact had so far been inadequate. The "case-by-case" approach followed by creditors, including IMF and the World Bank, was undermining the co-operative and economic integration efforts by African countries, and that strategy negated the opportunities and benefits to be derived from effective co-operation. The policies advocated by IMF were perhaps ideal for the developed countries, but they were unrealistic for the developing countries where excessive devaluation combined with collapsing prices of commodities had made it impossible for African countries to import the inputs and spare parts critical to their industries. The African colonial burden of "producing cheap and buying dear" was thus being perpetuated. Some efforts had indeed been made to help the developing countries, particularly in Africa. However, all too often, pledges had fallen short of commitment and disbursements had been far behind schedule. That partly explained why the African Ministers of Planning and Finance in April 1989 had drawn up the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (CARPAS). In that context, Uganda welcomed the convening in 1990 of a special session of the General Assembly to be devoted to international economic co-operation, in particular to the revitalization of growth and development of the developing countries. The international development strategy in the process of preparation should include a programme of action that would revitalize growth and long-term development through mechanisms for net transfers of resources, debt reduction measures, facilitation of transfer of technology, access to markets and a more equitable say in the management of the global economy. The preparation of the international development strategy should begin with the forty-fourth session.

33. Lastly, with regard to the reform of the work of the Second Committee, he stressed that, pending a final decision by the General Assembly, any reform should be within the context of resolution 41/213 (Review of the efficiency of the administrative and financial functioning of the United Nations).

34. Mr. BAKOTO (Cameroon) said that it was symptomatic to observe the convergence of the analyses made of the international economic environment: all observers were in agreement in noting a very rapid growth and a widening gap between the North, enjoying prosperity, and the South, stagnating in poverty. In the North, most of the light signals were green, whereas in the South, stagnation or regression prevailed. He asked how the situation could be otherwise since the developing countries were faced with inequitable trade practices as a result of the deterioration of the terms of trade and a reduction in outlets. Such a situation was combined with a decline in official development assistance and a burden of debt preventing any economic revitalization. Indeed, the characteristic emergence of a reverse flow of capital alone indicated the unusual nature and anomalies of the

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(Mr. Bakoto, Cameroon)

decade that was drawing to a close. The imbalances which persisted in trade between the major developed market-economy countries did not prevent the formation of large groups which, despite all the assurances given, gave food for thought. The international community was witnessing the establishment of a kind of Directory which managed the world's economic affairs, thereby accentuating the marginalization of small countries, such as Cameroon. Yet the international community sought to be united and interdependent and pleaded for integration and multilateralism. Therefore, a paradox existed in the contrast between the reinvigoration of the United Nations and the consolidation of a few closed circles of decision makers.

35. Cameroon had constantly opted for co-operation and for the democratization of international relations. The strenuous efforts it had made to achieve self-sufficiency in foodstuffs, the growth and development of the population, and the diversification of the economy had enabled it to be placed among medium-income countries. However, the unjust crisis had suddenly halted the advances being made and forced Cameroon to implement a structural adjustment plan designed to control public finances and to revitalize growth. The financial assistance given to Cameroon was still far below its requirements and was not commensurate with the loss suffered as a result of the drop in export earnings. Doubts therefore arose about that kind of penalty imposed on a category of countries which were considered to have recently begun their development. While he welcomed the measures taken in favour of the least developed countries and with regard to the treatment of the commercial debt of some countries, he was none the less convinced that a country like Cameroon, whose main exports (cocoa, coffee, timber, but also petroleum) had suddenly suffered a drop in prices, should be given better treatment in respect to its external debt. In the same way as a single-crop policy, that drop in prices restricted agricultural diversification. The ideal would be to exclude no category of countries from debt relief measures. Cameroon hoped that the establishment of the Common Fund for Commodities would help to halt the deterioration in the terms of trade.

36. The same was true for Africa as for Cameroon. Following the adoption, in 1985, of the United Nations Programme of Action for African Economic Recovery and Development (PANUREDA), the African countries had undertaken large-scale reforms, mobilizing vast resources, at the cost of heavy sacrifices. Yet, when time had come to take stock, the expected supplementary assistance of the international community had been rare and no genuine progress had been recorded. A number of African Governments, in difficulty, were looking elsewhere and seeking another path; that had prompted ECA to adopt the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (CARPAS), which reopened the debate, a debate which left no one indifferent. The special session of the General Assembly and the preparation of the new international development strategy should constitute a fresh point of departure for international economic co-operation. Such co-operation would reflect the spirit of relaxation prevailing at present in the international sphere and take account of the legitimate aspirations of all mankind. It would be concerned with the primacy of multilateralism, the elimination of poverty, the revitalization of growth, and

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(Mr. Bakoto, Cameroon)

environmental protection, viewed as a means of generating stable, accelerated and sustained development in all countries. It was absolutely essential that the forthcoming decade should not be a decade of lost opportunities. Fortunately, promising signs appeared on the horizon, in particular the widely shared desire to make development an element of détente, and a readjustment of economic policies and doctrines that were increasingly realistic and took into account the hard facts of life.

37. Mr. MOORE (United States of America) said that the 1980s had been both encouraging and disappointing. Growth had been rapid in Asia, slower in some developed and socialist countries, non-existent or negative in a large part of Africa and Latin America. The Second Committee should reach a common understanding of the reasons for that divergence.

38. There was increasing agreement on ways to achieve meaningful growth. In countries which had experienced high growth rates during the decade, certain key fundamentals had been confirmed in practice; they included monetary stability, fiscal restraint, realistic exchange rates, policies which encouraged flexible market-oriented economies, free international exchange of goods, services and capital, and responsible administration which addressed the needs of the population. Those principles applied to both the developed and the developing countries, and Member States should take those principles into account when formulating a new international development strategy for the 1990s.

39. During the 1980s, changes in world trade patterns had been marked by a healthy increase in services trade and a broadening of comparative advantages for developing countries in some categories of manufactured products. The United States continued to be the world's largest importer of manufactures from developing countries. Nevertheless, the industrial countries should not rest on their laurels: continued attention should be given to a number of areas, in particular resistance to inflationary pressures, reduction of deficits and trade surpluses, lowering of unemployment, elimination of structural rigidities and distortions and strengthening of the multilateral trading system by pursuing the Uruguay Round. The United States was aware of its particular responsibilities associated with its unique role in the world economy. The United States was currently experiencing its eighty-first month of economic expansion, average annual growth had been about 3 per cent, inflation and unemployment rates were fairly low (approximately 5 per cent) and vigorous efforts were being made to reduce the federal budget deficit. The United States had pledged to strengthen the open multilateral trading system and to liberalize agricultural trade in GATT. The strong United States economic performance and its commitment to a multilateral trading system had provided substantial benefits to most developing countries.

40. Although a number of developing countries had experienced broad-based and sustained growth in the 1980s, many others continued to be plagued by low and sometimes negative growth. As President Bush had pointed out, many countries experiencing stagnant growth had created their own barriers to growth with unneeded restrictions. At the same time some countries were struggling under a burden of

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(Mr. Moore, United States)

debt that made growth all but impossible. At the Paris economic summit in July, the leaders of the seven major industrial countries had defined a debt strategy based on a "case-by-case" approach, and several countries, such as Mexico and the Philippines, were already beginning to benefit from the strategy. The United States had recently joined the Soviet Union, the Federal Republic of Germany and France in announcing various debt-forgiveness programmes for official debt, in particular debt owed by sub-Saharan African countries with reform programmes. The total amount of debt to be forgiven could exceed 1 billion dollars. However, a crucial element of the debt-reduction strategy was the commitment of developing countries to undertake structural adjustment programmes, often on the advice of IMF and the World Bank. Individual enterprise should be rewarded, and the State should limit itself to a regulatory role, namely, ensuring a stable fiscal, monetary and legal environment and letting markets operate freely to determine the most efficient allocation of resources. There was increasing evidence that countries which had undertaken structural adjustment were benefiting in terms of improved growth, increased food production and higher exports. Governments should also sustain social infrastructure such as health and education programmes.

41. The deterioration of the environment was another critical problem. The United States Government believed that the environment must be taken into account when economic decisions were made at the local, national and international levels. Poverty was often at the root of environmental degradation, just as the depletion and destruction of natural resources could render the alleviation of poverty impossible. The United States supported the goal of sustained economic growth, especially in developing countries, since that was a means of addressing the problem of poverty and preventing further deterioration of the environment. The United Nations conference on environment and development, planned for 1992, should be a landmark in international thinking on the subject, and the United States Government hoped that the conference would consider recommendations for the adoption of organizational arrangements in the United Nations system to deal with environmental issues during the remainder of the current century and the early part of the next century. The multilateral development banks, such as the World Bank, had a crucial role to play in that respect. Climate change was threatening the environment, and the United States Government congratulated the Intergovernmental Panel on Climate Change for its excellent work in a field in which all nations should co-operate. The United States was working internationally to address significant scientific uncertainties about the extent and timing of such change and to consider potential responses. When the Intergovernmental Panel finished its work, formal negotiations should be begun with a view to establishing a framework convention on global climate.

42. Mr. BUDRUDDIN (Pakistan) said that, at the political level, confrontation was being replaced by constructive competition and co-operation, and that the prospects for peace were better than at any time in the past 50 years. In the economic field, the principle of economic efficiency was being practised widely, and preconceived economic models were being discarded for economic liberalism and free enterprises. He wondered what prospects those changes offered to the developing world, particularly in light of the fact that the longest post-war period of growth

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(Mr. Budruddin, Pakistan)

in the developed world had failed to produce comparable growth in the third world, where development was at a standstill despite sustained efforts at structural adjustments made at great social and human cost. Although the developing countries fully realized that they had primary responsibility, in that regard, they could not achieve the goal of sustained growth and development in a hostile international economic environment. The fruits of development would remain elusive unless the developing world was allowed equitable participation in the world economy and in the international economic decision-making process. A lasting remedy to that question must be found; that would require a concerted effort on the part of all members of the international community. In particular, the solution of the debt problem required an all-encompassing effort: it was imperative for the international community to formulate a comprehensive debt strategy covering all types of debt and all categories of debtor countries, including low-income debtor countries.

43. In the area of trade also, a strange phenomenon was apparent: the protagonists of free trade were practising protectionism. While the developing countries were taking painful measures to liberalize their trade, protectionist measures were on the rise in the industrialized countries, in particular against third world products, including textiles, footwear and agro-industrial products. Reduction and elimination of trade barriers would not only enable the developing countries to pay back a part of their debt but would also enhance their capacity to produce and import.

44. The entire international community had demonstrated its willingness to introduce a fair trading régime during the Uruguay Round. The developing countries had been encouraged by the standstill and roll-back commitments. Pakistan hoped that those commitments would be scrupulously respected.

45. The environment was becoming an increasingly important issue. Any attempt to treat environment as a purely technical issue would be counterproductive: the issue could be addressed effectively only within the broad framework of growth and development. Environmental degradation was undeniably linked to the economic situation. In the Western world, environmental degradation was the result of massive industrialization, whereas in the developing world it was principally due to poverty. International co-operation for development, which was necessary to solve that as well as many other problems, should be conducted in accordance with agreed principles and norms which could be established at the forthcoming special session of the General Assembly devoted to international economic co-operation. Pakistan sincerely hoped that those opportunities would be fully utilized in order to reach a new consensus on development, which would promote human welfare, bridge the gap between rich and poor and preserve and consolidate the fragile edifice of peace which was currently being built.

46. Mr. TAHSIN (Afghanistan) expressed concern at the worsening of the economic situation in the developing countries, particularly in the least developed and land-locked countries. For the world economic crisis to be solved effectively and equitably, urgent measures must be taken to promote a major restructuring of the

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(Mr. Tahsin, Afghanistan)

world economy through the establishment of a new international economic order and the launching of global negotiations for economic co-operation. As the Ninth Summit Conference of Heads of State or Government of Non-Aligned Countries and the ministerial meeting of the Group of 77 at Belgrade had shown, the developing countries and the Group of 77 in particular would continue, to promote economic independence and a fundamental economic restructuring that would lead to the establishment of a system based on justice and equality which would enable them to experience rapid and sustained growth and narrow the gap between the rich and the poor.

47. The positive developments which had taken place in the political arena would undoubtedly contribute to the solution of certain economic problems. The special session of the General Assembly scheduled for April 1990, the fourth United Nations development decade and the Second United Nations Conference on the Least Developed Countries should provide an opportunity for reversing the trends observed thus far. It was also to be hoped that the work of the Second Committee would increasingly lead to a consensus and yield positive results. The momentum that had been built up must not be lost: a failure to act might have serious economic and political consequences for the entire world and detract from the prestige of the United Nations.

48. Mr. DOLJINTSEREN (Mongolia) fully endorsed the views expressed by the representative of Malaysia on behalf of the Group of 77. Care must be taken to ensure that the growing trend towards integration and realignment caused by new factors which currently characterized the world economy (interdependence, globalization, etc.) did not work against the legitimate interests of the developing countries. Since no country or group of countries, however powerful, could shield itself from the consequences of global social, economic and environmental problems, the developing countries advocated a restructuring of international economic relations on a just and equitable basis and a concerted solution to those problems. They hoped that a consensus in favour of stable development of the world economy as a whole would prevail.

49. If it was to last, the improved political climate could and must contribute to the solution of economic problems. Most developing countries still faced tremendous difficulties. In particular, the problem of their indebtedness must urgently be solved through concerted efforts. The United Nations, the Secretary-General, and a number of States and leading political figures were endeavouring to find solutions: the Soviet proposal for a global moratorium, the plan put forward by the United States Secretary of the Treasury which, while insufficient, constituted a step in the right direction, and the proposal by the Philippines to establish a special commission on debt merited consideration.

50. Because his delegation, like many others, was concerned at the deterioration of the environment, it endorsed the proposal to hold a United Nations conference on environment and development in 1992 and planned to submit a specific proposal on the right to a clean and healthy environment at a later date.

(Mr. Doljintseren, Mongolia)

51. The strengthening of multilateralism and the role of the United Nations was of special importance in the current interdependent world. The fourth international development strategy, which must accommodate the interests of all countries, and the special session of the General Assembly devoted to international economic co-operation should contribute to the solution of major world problems and to the strengthening of international economic security.

52. The acceleration and renewal which currently characterized socio-economic development in Mongolia also affected the country's foreign relations. While endeavouring to take advantage of the new opportunities afforded by the restructuring carried out within CMEA, Mongolia sought to diversify its economic relations and strengthen its co-operation with China, Japan and several other Asian countries. Mongolia had established official relations with EEC. The country was completing work on new legislation that would lead to the establishment of joint enterprises with market-economy countries and hoped to co-operate with the Asian Development Bank and other international financial institutions.

53. Mongolia was once again involved in the activities of the Group of 77 and was endeavouring to contribute, to the extent possible, to the developing countries' efforts to solve their most pressing economic problems; his delegation was prepared to co-operate with all other delegations to reach a consensus in the Second Committee on all problems under consideration.

54. Mr. WALKER (Jamaica) said his delegation fully associated itself with the concerns expressed by the representative of the Group of 77 regarding some of the issues before the Committee. Improvements in the political climate must be consolidated by solving the major economic and social problems confronting the contemporary world. Current circumstances seemed to favour another attempt to do so, and all sides seemed ready to exercise moderation and pragmatism.

55. The 1980s had been a period of growth and stability for some and one of stagnation or decline, particularly in the social sphere, for many others. While the adjustment measures which many developing countries had had to adopt were beginning to show positive results in a few cases, the developing world still had to reactivate growth and development by finding ways of overcoming the obstacles which existed. First of all, the critical debt problem must be solved: the measures taken thus far, while commendable, were clearly inadequate, and the success of the special session of the General Assembly would be measured in terms of the progress made in that area. Secondly, the right balance must be struck between economic development and social development: the former, which had obviously been overlooked in adjustment programmes, was indispensable to the latter, and Jamaica, aware of that fact, gave priority to education and training in its development efforts.

56. Another serious phenomenon whose impact on growth and development should be assessed was the increase in the raising of lucrative drug-related crops. Jamaica, which viewed the drug problem as an obstacle to development and a threat to security, had submitted proposals to the General Assembly on that subject.

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(Mr. Walker, Jamaica)

57. There was a growing awareness in the United Nations of the social and political dimensions of development, a welcome trend. Yet an artificial separation still seemed to exist in the General Assembly between social and economic issues. The time had come to examine how a fully integrated approach could be taken to development problems, and his delegation hoped that such an approach would be followed at the special session of the General Assembly in 1990 and in the new international development strategy.

The meeting rose at 1.05 p.m.