



**General Assembly**  
**Economic and Social Council**

Distr.  
GENERAL

A/42/354 ✓  
E/1987/110  
18 June 1987  
ENGLISH  
ORIGINAL1 ENGLISH/FRENCH/  
RUSSIAN

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Forty-second session

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GENERAL DISCUSSION OF  
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SOCIAL POLICY, INCLUDING  
REGIONAL AND SECTORAL  
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REGIONAL CO-OPERATION  
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Letter dated 12 June 1987 from the Permanent Representative of the  
German Democratic Republic to the United Nations addressed to the  
Secretary-General

Further to my letter dated 29 May 1987 (A/42/313-S/18888), informing you of  
the session of the Political Consultative Committee of the States parties to the

\* A/42/50.

\*\* E/1987/100.

Warsaw Treaty, which was held at Berlin on 28 and 29 May 1987, I have the honour to transmit to you the enclosed document on the elimination of underdevelopment and the establishment of a new international economic order adopted at that session.

I kindly request you to have this document circulated as an official document of the General Assembly, under items 12, 21, 44, 70, 73, 74, 83, 84, 85, 86, 87 and 130 of the preliminary list, and of the Economic and Social Council, Under items 3, 8, 14, 20 and 21 at the provisional agenda of its second regular session of 1987.

(Signed) Harry OTT  
Ambassador Extraordinary and  
Plenipotentiary  
Deputy Minister of Foreign Affairs

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ANNEX

On the Elimination of Underdevelopment and the Establishment  
of a New International Economic Order

1. In view of the further deterioration of the world economic situation and the continuation of international tensions and given the economic plight of the developing countries, the States parties to the Warsaw Treaty discussed at length problems involved in eliminating the underdevelopment of these countries, the factors causing the lack of progress in the establishment of a new international economic order, and ways of solving these problems.

Keenly aware of the close interrelationship between the problems of development and the strengthening of peace, international security inclusive of the economic sphere, and disarmament, the States parties to the Warsaw Treaty noted that the international situation has not so far been conducive to healthy international economic relations and to a normal socioeconomic development in all countries, notably the developing countries. International tensions have increased seriously in recent years because of the escalation of the arms race, primarily in the nuclear field, the confrontational policies of imperialist circles, especially in the United States, their pursuit of military superiority, power politics and "neoglobalism", their interference in internal affairs, violation of the national independence and sovereignty of States and direct military provocation against developing countries.

All countries, irrespective of their size and differences in their socioeconomic systems, are called upon to play their part in the search for realistic solutions to halt and reverse the nuclear arms race and to reduce tensions in the world.

The States parties to the Warsaw Treaty consider that practical steps towards arms reduction and disarmament are essential to preserve peace, normalize the international situation and success-

fully resolve the acute economic problems facing mankind. A fundsmontol and speedy betterment of International af fairs could be achieved and a reliable foundation for the continued socioeconomic progress of all countries, including the developing countries, could be laid through the implementation of the programme to reduce and ultimately eliminate all nuclear and other means of mass destruction by the end of the century, as submitted by the USSR and supported by all the States party to the Warsaw Treaty, through the prevention of an arms race in space and the termination of nuclear tests, and through the implementation of the programme to reduce the levels of armed forces and conventional armaments in Europe, as proposed to the NATO member States and all other European countries in the Budapest Appeal of the States parties to the Warsaw Treaty, and of the other initiatives of the socialist States, which reflect their comprehensive approach to the issues of disarmament.

Given that a close interrelationship exists between disarmament and development and that disarmament alone can release the huge additional resources required to eliminate economic backwardness, the States parties to the Warsaw Treaty are resolutely committed to the idea of linking concrete measures in the field of disarmament to a corresponding reduction in arms spending. The material, financial, human and scientific resources thus made available should be used to accelerate the economic and social progress of the countries concerned as well as to eradicate economic backwardness in various regions of the world.

Every step towards arms limitation and disarmament, in particular towards the elimination of nuclear weapons, must lead to the release of additional resources for development. In this context it is of major importance that an international conference on the relationship between disarmament and development, as resolved by the United Nations, be convened. Such a conference must promote disarmament, lessen the danger of nuclear war and aid the development of all the countries in the world.

2. The States parties to the Warsaw Treaty reaffirm their position on the elimination of underdevelopment and the establishment of a new international economic order as set out in the Declaration on the Maintenance of Peace and International Economic Cooperation, in other documents adopted at the Economic Summit Meeting of the CMEA member countries in June 1984, and in subsequent joint documents. They declare their support for the Charter of Economic, Rights and Duties of States, for the Declaration and Programme of Action on the Establishment of a New International Economic Order and for the Economic Declaration of the non-aligned movement in Harare, and advocate the practical implementation of these documents.

The States parties to the Warsaw Treaty act on the understanding that the concept for international economic security submitted by them is not a substitute for the fundamental resolutions and documents already adopted by the United Nations' General Assembly with a view to restructuring international economic relations and establishing a new international economic order. It is meant to give impetus to the search for common elements in the various approaches to the solution of the world's economic problems and to confidence-building in international economic relations.

The States parties to the Warsaw Treaty analysed measures which would ensure an improvement of the international economic situation, the restructuring of international economic relations on a just and democratic basis and the establishment of a new international economic order to assure equal economic security for all States as well as rapid progress for all countries, especially the developing countries, and would facilitate general access to the achievements of modern science and technology.

3. The States parties to the Warsaw Treaty held that underdevelopment is the result of colonial exploitation to which the developing countries were exposed for a long time. The emergence of newly independent States after the Second World War was a

process of especial significance to the free and autonomous development of the peoples under colonial rule. Many of these States are still subjected to exploitation, now in neocolonialist forms. This has caused and is causing a deterioration of their social and economic situation. At present, the imperialist system safeguards its existence to a great extent by plundering and mercilessly exploiting the developing countries. Especially in recent years transnational corporations and finance capital have stepped up the exploitation of the developing countries of Asia, Africa and Latin America, shifting the brunt of the world economic crisis on to them and thus impeding their economic and social development.

The main causes underlying the situation that has arisen are the continuing monetary and financial crisis, high-interest rate policies, the drain of financial and human resources from the developing countries and the unequal terms of trade imposed by the advanced capitalist countries. The positions of the capitalist industrial nations are evidence that it is still their objective to maintain the predominance of finance capital and imperialism while disregarding the interests of other nations, especially the developing countries.

Simultaneously, the further escalation of the arms race, including attempts to extend it to outer space, results in the wastage of huge financial, material, human, scientific and technological resources which could be employed to accelerate the rate of socioeconomic progress in all countries, primarily the developing countries.

4. The States parties to the Warsaw Treaty consider that neither economic and political stability nor peace in the world can be safeguarded without resolute measures to prevent any further deterioration of the situation of the developing countries and to eliminate underdevelopment. There is an urgent need for fundamental changes in political thinking and inter-

national practice, for a just international division of labour and the exercise of inalienable sovereignty over indigenous natural resources.

The only way to resolve the acute and complex problems confronting the developing countries and to overcome underdevelopment is to establish a new international economic order and to ensure the economic security of every State within the framework of a comprehensive system of international security.

5. External debt is today one of the most difficult problems facing many countries, notably the developing countries. This problem is a grave legacy of colonialism and neocolonialism and, moreover, a factor complicating international affairs. Having assumed truly global proportions, it has transcended the economic sphere and taken on a distinctly political significance. The exploitative credit policies of western States and the unfavourable terms of trade for developing countries have resulted in the developing countries' total debt exceeding one trillion dollars. Currently, developing countries are compelled to channel up to one-fifth of their investment funds and up to one-third of their export earnings into the repayment of their debts. These policies are the main reason for the colossal increase in the foreign debt of developing countries.

The steady increase in the level of indebtedness is interlinked with the general crisis within the international monetary system. Imperialism is exploiting this indebtedness as a constituent part of its strategy towards the developing countries. Their indebtedness is a direct corollary of the arms race spurred on by the West.

There is a direct relationship between the effective solution of the foreign debt problem of developing countries and the establishment of a new international economic order. A radical solution to the debt problem can be achieved primarily by restructuring international economic relations on a just basis and

by bringing about disarmament in the interest of development.

The States parties to the Warsaw Treaty are in favour of a readjustment of international monetary and financial relations, they do not want to see them used as instruments of political pressure and interference in internal affairs, and they advocate a just settlement of the debt problem. They regard the developing countries' indebtedness as a complex problem both in terms of its causes and its economic, political and social consequences

The States parties to the Warsaw Treaty hold that the foreign debt problem can be solved only through a global and just settlement which would take into account the interests of the developing countries and provide for a stable and harmonious development of the world economy.

The States parties to the Warsaw Treaty deem it necessary for a set of measures to be taken which aim at: limiting annual debt repayments to a proportion of foreign exchange earnings that would not compromise socioeconomic development; abandoning protectionism; reducing interest rates on loans and credits; stabilizing exchange rates; restructuring the monetary and financial system with due regard for the interests of all States; and democratizing the financial institutions operating within it. An examination of ways to settle the foreign debt problem, including ways to relieve the debt burden of the least developed among the developing countries, might take into account other proposals which have been put forward by socialist and developing countries and by regional, public and financial organizations and which would lead to a global solution of this issue.

The States parties to the Warsaw Treaty wish to see the United Nations assume greater responsibility in the global solution of the foreign debt problem in accordance with the resolution adopted by the General Assembly at its 41st session. Measures designed to resolve the debt problem must take into consideration



the interrelationship between indebtedness and development and, as one of the first steps, provide for the examination of this problem at the United Nations.

6. A radical improvement of international economic relations, and of the situation of the developing countries requires that arbitrariness and unlawful embargoes, boycotts, commercial, credit and technology blockades, the abuse of economic relations as a means of exerting political pressure, discriminatory measures and practices, as well as protectionist barriers and restrictions should be ruled out in conducting international economic relations.

It is essential to ensure free access for products to international markets, the establishment of a fair ratio between prices for raw materials, agricultural produce and industrial goods, and unhindered access to the most advanced technologies and latest achievements in science and technology. It is necessary to grant the developing countries active assistance in the education and training of qualified national personnel and to take resolute measures against any brain-drain.

The States parties to the Warsaw Treaty support the work being done within the framework of the United Nations on a code of conduct for transnational corporations, which is to help the developing countries to exercise effective control over the transactions of foreign capital in their economies.

7. The States parties to the Warsaw Treaty, reiterating their fundamental stance on the strict observance of every people's right freely to choose their own socioeconomic system and path of development, assist the process of eliminating colonialism definitively. They consider it their duty to pursue an active policy of broad economic cooperation with all developing countries on the basis of mutual advantage and full equality in order to resolve the major economic problems facing those countries and to ensure their economic and social advance and the

elimination of underdevelopment.

On the basis of the main lines of their foreign policy, they are prepared to step up economic cooperation with the developing countries in a variety of ways according to long-term agreements and programmes which take into account the possibilities and requirements of the national economies of the States concerned and which lend stability and prospects to economic relations between socialist and developing countries.

The States parties to the Warsaw Treaty are sympathetic to the preparation of socioeconomic development programmes by the developing countries at the regional and subregional level and are prepared, in line with their possibilities, to cooperate with the economic organizations of the developing countries, including organs of the non-aligned movement, in the implementation of these programmes.

8. Strongly committed to broad cooperation with all the countries of the world, the States parties to the Warsaw Treaty deem it to be of decisive importance for every developing country to increase its own efforts for a more intensive mobilization of its material and human resources and of all the energies of the people and for the maximum use of its available resources in its own interests, on the basis of national socioeconomic development programmes geared to the priorities, requirements and specific possibilities of any one country.

The history and experience of the socialist countries provide evidence that an effective elimination of underdevelopment requires a comprehensive approach to socioeconomic development, the attainment of economic independence and the creation of a rational structure of the national economy. The establishment of a public sector and other progressive forms of economic management as well as the use of planning methods help to accelerate socioeconomic development, to strengthen national independence

and to counteract unfavourable external factors. The creation and development of a scientific potential of their own, including the education and training of qualified personnel, is a matter of great importance for more rapid progress in developing countries.

The States parties to the Warsaw Treaty are prepared to share with the developing countries the experience they have gained in the solution of these key problems, with due regard for the specifics and conditions of the national economies of these countries as well as their plans and programmes for socioeconomic development.

9. The solution of the problems confronting the developing countries would be aided by close cooperation among them and the strengthening of their solidarity and unity. The States parties to the Warsaw Treaty wholeheartedly welcome and support the legitimate efforts of those countries to this end. Concerted efforts by the developing countries are becoming increasingly important for the elimination of underdevelopment and the strengthening of their economic independence.

10. In their relations with the developing countries the States parties to the Warsaw Treaty will continue to strictly observe the following principles: respect for the national independence and sovereignty of those countries; non-interference in internal affairs, the non-use and non-threat of force, full equality, respect for national interests and the right of any one people to run their own affairs, mutual advantage, non-discrimination and most-favoured-nation treatment.

As before, they express their solidarity with the endeavours of the developing countries to enhance their national economic potential and to strengthen their economic independence.

11. Considering that the elimination of underdevelopment - the anachronism of our time which affects two thirds of the world's population - and the solution of the global economic problems can only be achieved with the participation of all the countries in the world, the States parties to the Warsaw Treaty call on all countries, irrespective of their size, social system and level of development, to join in a common effort and cooperate actively so as to attain these goals.

The States parties to the Warsaw Treaty underlined the importance of concrete and effective negotiations within the framework of the United Nations with the participation of all States in order to achieve a global and just solution to the most important international economic problems. Once again they advocated the convening of an international forum where coherent and integrated discussions on the issues of economic security, the establishment of a new international economic order, the development of cooperation in trade, science and technology, and the elimination of all factors straining world economic relations could be held.

12. The States parties to the Warsaw Treaty reaffirm their determination to assist in the elimination of underdevelopment and in the establishment of a new international economic order as well as in the restructuring of international economic relations on a just and democratic basis and to play an active part in the efforts being made to this effect internationally with a view to making their contribution to economic stability and a healthy international political climate.