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REQUEST FOR THE INCLUSION OF AN ITEM IN THE PROVISIONAL , CNDA OF THE FORTY-FIRST SESSION

EXTERNAL DEBT CRISIS AND DEVELOPMENT

Letter dated 20 June 1986 from the Permanent Representative
Of Yugoslavia to the United Nations addressed to the
Secretary General

I have the honour to request, on behalf of the States Members of the United Nations which are members of the Group of 77, that in accordance with rule 13 (e) of the rules of procedure of the General Assembly a separate item entitled "External debt crisis and development" be included in the provisional agenda of the forty-first session of the General Assembly.

In conformity with rule 20 of the above-mentioned rules of procedure, an explanatory memorandum is enclosed herewith,

(Signed) Iqnn GOLOB
Ambassador Extraordinary and Plenipotentiary
Permanent Representative of Yugoslavia
to the United Nations
Chairman of the Group of 77

ANNEX

Explanatory memorandum

The Group of 77 proposed that a separate item entitled "External debt crisis and development" be inscribed on the agenda of the forty-first session of the General Assembly because external debts are assuming ever more dramatic proportions, seriously affect the world economy and have a devastating effect on developing countries.

The enormous and unbearable burden of servicing the growing external debt of developing countries is particularly aggravated by the negative impact of the adjustment process, lack of access to financial markets, high real interest rates, fluctuations in exchange rates, reverse flow of financial resources from developing to developed countries, stagnation or even decline in official development assistance in real terms, deteriorating terms of trade of developing countries, the falling commodity prices and escalating protectionism in the developed countries,

Developing countries have undertaken strenuous adjustment efforts at an enormously high political, social and economic cost. In many cases the imposed conditions and conditionality have resulted in unemployment and recession and in the impairment of their capacity to grow and develop. Periodic rescheduling of debt payments very often only postpones the problem, aggravating its final consequences. Developing countries recognize their financial obligations in relation to debt. However, unless urgent, genuine, just, equitable and durable solutions are found by the international community, these obligations may become, for some of the developing countries, beyond the capacities of their economies.

It is important to emphasize that a great majority of heads of State and Government and foreign ministers did give priority during the fortieth session of the General Assembly to the problem of the external debt crisis.

The United Nations is a universal forum for negotiations with a view to promoting solutions to economic and social problems in the interest of the international community as a whole and the prosperity of all its constituent parts.

The Group of 77 thus believes that the General Assembly at its forty-first session can and should make an adequate contribution to the solution of the problem of the external debt crisis and development.