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*President:* Mr. Ismat T. KITTANI (Iraq).

**AGENDA ITEM 9**

**General debate**

1. The PRESIDENT (*interpretation from Arabic*): This morning we shall begin the general debate. I should like to remind representatives that the list of speakers will be closed at 6 p.m. on Wednesday, 23 September, in accordance with the decision taken by the General Assembly at its 4th meeting. I request delegations to provide estimated speaking times that are as precise as possible so that we can plan our meetings in an orderly way.

2. Mr. SARAIVA GUERREIRO (Brazil):\* Sir, as the first speaker in the general debate, it is my privilege to extend the first words of congratulation to you upon your election as President of the General Assembly at its thirty-sixth session.

3. Relations between Iraq and Brazil, based on the solidarity between our two nations and strengthened by our converging action towards common objectives, fit into the broader context of co-operation between developing countries on an equal basis.

4. Your election is certainly a tribute to your country, but just as certainly a tribute to your personal and professional qualifications. I am confident that under your leadership the work of the present session of the General Assembly will be conducted with the greatest skill and efficiency.

5. I should also like to express our appreciation for the able and confident manner in which Mr. von Wechmar presided over the thirty-fifth session. His performance fully justified the international community's decision to entrust him with this important role in such particularly difficult times.

6. On the occasion of Vanuatu's admission to membership in the United Nations, I should like to express a cordial welcome to this new Member of our Organization.

\* Mr. Saraiva Guerreiro spoke in Portuguese. The English version of his statement was supplied by the delegation.

7. In the Latin American tradition of support for decolonization, I congratulate Belize upon its accession to independence. Brazil wishes for that country a future of peace and prosperity.

8. Conflicts and tensions of both a political and an economic nature exist in various parts of the world, adversely affecting the Organization and the functioning of the international system. Beyond those tensions and conflicts, which are almost inevitable given the present state of relations among nations, what causes us even greater concern is the perception that the international order's ability to contain and resolve those conflicts is diminishing. The ideal of a community of nations is being gradually replaced by an attitude of conformity and the acceptance of perpetual conflict. The strategy of mutual challenge tends to limit the efficacy of the means for peaceful solutions of international disputes. Purportedly for the purpose of strengthening peace and security, the arms race has resumed, particularly in the nuclear field, to the detriment of essential priorities for the building of the future.

9. For some years now we have been living in the age of overkill. What was once to have been the final absurd chapter in a spiralling race has now proved to be only the groundwork for building new nuclear arsenals. Nevertheless, no country is more secure now that it was then. Despite the fact that the stockpiled capacity for nuclear destruction has now reached the equivalent of two tons of dynamite for every living human being, the diversification and sophistication of strategic weapons continue. But the risk of war is as great as ever. Hundreds of billions are spent on activities which are, at best, unproductive. International co-operation to improve living conditions and to create a more equitable international society receives a lesser priority, as if the problems of development should, or even could, wait for a better opportunity.

10. That irrational allocation of resources and the very international order that endorses it neglect the real problems that beset most of mankind. This state of affairs only favours the perpetuation of inequality among nations.

11. We do not face a purely moral or ethical issue. What is at stake is the future of the international system itself. A new sense of direction is urgently needed in order to reverse this trend. The second special session of the General Assembly devoted to disarmament scheduled for next year therefore takes on a very special significance.

12. Even though the nuclear-weapon States bear the responsibility of reversing the arms race, the search for satisfactory and lasting solutions must take into account the aspirations of the international community as a whole. Full use should therefore be made of the negotiating ma-

chinery provided by the United Nations, which plays a vital role with regard to disarmament.

13. The present world economic crisis has been with us now for a decade. Yet no clear signs of recovery are in sight. This lack of progress is in itself the strongest evidence of the international community's incapacity so far to adapt to changing circumstances and to react in a creative way to new realities.

14. Besides the very complexity of the economics involved, perhaps the worst crisis we face is one of management. What is still lacking is due recognition of a basic fact: that however traumatic its immediate consequences may be, the meaning of the rapid and unique process of change in the world economy is essentially positive.

15. The new, more dynamic, and increasingly diversified role played by developing countries in all areas of international trade is a healthy event. Its overall effect has been to expand opportunities for growth in the world economy as a whole. The maintenance of relatively high rates of growth by several developing countries in the 1970s was an important factor in sustaining basic rates of expansion in certain highly industrialized countries, which otherwise would have been in even greater difficulties than the ones they currently face.

16. What is missing now, particularly on the part of the developed countries, is the recognition of the need properly to manage the process of change so as to maximize the numerous opportunities for creative partnership between developed and developing countries. That process of change, I might add, cannot be halted and should not be hampered, because it is healthy and desirable for us all.

17. The unprecedented expansion in trade and capital flows over the past decades, together with the increasing trend towards the internationalization of the factors of production, far outstripped the resources and managerial capacity of the structure devised at Bretton Woods to carry out an orderly evolution of international trade.

18. As regards the third world, there was a widening of the gap between its needs for external support and the resources available for development co-operation. Insufficient progress in the improvement of the rules and mechanisms of multilateral agencies has made even more acute the inadequacy of the institutional framework to meet the new, larger, and often more complex needs of developing economies.

19. The international agenda has thus been broadened to include new issues. In many cases, linkages have become apparent between problems that formerly seemed amenable to topical, isolated treatment. In a complex and increasingly diversified world economy, it is not enough to proclaim the fact of interdependence. A serious attempt must be made to resolve the problem of underdevelopment, which affects nearly two thirds of mankind.

20. For too long the third world countries have been told that development in the South must come about as a byproduct of prosperity in the North, as if high levels of demand in the industrial world for products from the developing countries would by themselves ensure the solu-

tion of problems that are qualitative in nature and are directly related to the unequal patterns of trade with the highly developed countries.

21. Almost three decades of accelerated growth and hard, though mostly fruitless, work on the North-South issues have demonstrated that prosperity in the central economies does not necessarily lead them to a higher predisposition towards progress in redefining obsolete and unfair patterns of trade with the third world. Recent events have shown that difficulties in those countries tend immediately to harden their position vis-à-vis the developing world, while the remedies resorted to often have a strong negative impact on the situation of the latter.

22. We think it would be a mistake, besides being a waste of precious time, to hold the North-South issue in abeyance until the major economies succeed in recovering. On the contrary, we hold that what the international community needs in the present circumstances is a concerted effort to draw up, for the first time in history, an integrated, comprehensive set of principles and measures capable of sustaining world trade, finance and technology flows on a sound course, while paying due attention to the needs of the developing countries.

23. The North-South issue has passed the stage of confrontation—which, incidentally, was never inherent in the exercise—but it has yet to move on to the stage of true dialogue. This will come about only when the developed world shows itself ready to engage in a negotiating process with the third world. Moderation is, after all, required on both sides, and its expression by the North will have to take the form of a constructive position on development issues as a whole.

24. The basic premise underlying the whole North-South issue is that it affects all nations, rich and poor alike. In this context, differences of perception need not stand in the way of negotiations about what ultimately are common interests, provided that issues are tackled in a broader, longer-range perspective. The North-South exercise is not a win-or-lose game; it is not a matter of redistributing existing wealth, but, rather, an attempt to define a framework of relations that will provide all countries, developed as well as developing, with greater opportunities for growth.

25. An inescapable conclusion should be drawn: the time is over when benefits in the economic sphere would be best assured by continued additions to a country's power. When the world economy becomes highly diversified and problems assume global dimensions, the challenge is no longer how to gain unilateral advantages, but rather how jointly to define viable ways of managing an increasingly unstable system. It is our hope that the major developed countries, precisely because of their global responsibilities, will not fail to acknowledge the need for multilateral action on global issues.

26. The international community has at its disposal a vast heritage of concepts and ideas to use as a basis for a serious commitment to settle the North-South issues. It is high time to take a decision to that effect. The meeting of 22 Heads of State or Government of North and South, to be held in Cancún, Mexico, next October, will provide a unique opportunity for the major Western Powers to regain the trust of the third world by showing that there will

be no relapse into unilateral attitudes and negative judgments on the relevance of North-South problems. It is essential that this exercise be conclusive. We expect it to result in a clear-cut commitment to contribute to the early launching of the global negotiations, to be conducted in the universal forum of the United Nations. We also hope that a basic consensus will be reached on principles and premises to inspire thereafter what will only then become worthy of the term "North-South dialogue". I am instructed to assure this Assembly that President Figueiredo has a deep personal commitment to the success of the Cancún meeting, and that he will spare no effort to help bring about the results we all look forward to.

27. The prospects for concluding this year the long work of codification of the new law of the sea were frustrated by the sudden decision of one country to revise its entire position on the draft convention. This setback, with its serious implications, gives rise to real concern among all those devoted to the success of the multilateral co-operation effort. However, it served to demonstrate that the vast majority of the countries represented at the Third United Nations Conference on the Law of the Sea firmly adhere to the principles subscribed to in the Declaration incorporated in resolution 2749 (XXV) and show no disposition to reopen the fundamental points in the draft convention.

28. Thus the Conference succeeded in advancing its mandate and formalizing the draft convention. A sign of the firm determination of the international community to adopt the convention and to open it for signature next year was the selection of the headquarters of the International Sea-Bed Authority and of the International Tribunal of the Law of the Sea. I take this opportunity to congratulate once again Jamaica and the Federal Republic of Germany which were chosen, respectively, to host those two international bodies.

29. At this time, when there is so much international instability, the movements being made by developing countries towards regional affirmation must not be wasted, since they may well be one of the most efficient means of containing international differences. Regional affirmations supply a basis that cannot be dispensed with if we are to safeguard the complexity and variety of the international scene and to relaunch the drive towards peace, justice and development, in all their aspects.

30. The efforts of Latin American countries to act on the international scene on the basis of their own national profiles fit perfectly into this larger movement effectively to reduce the levels of international tension.

31. The Latin American inclination for international co-operation stems from no artificially created option. Attitudes that favour the peaceful settlement of disputes are deep-rooted in Latin America. These attitudes define the mechanisms of international co-operation and demand from States mutual respect, equilibrium and equity in bilateral relations.

32. Just as deeply implanted in Latin America is the disposition towards multilateral efforts, towards working together to mould the international system, on the basis of the principles of justice and progress. In fact, the Latin American contribution is its understanding that acceptance of change is the minimum prerequisite for the construc-

tion of peace. The processes of change must be democratic, open to participation and based on freedom. The objectives of change must be generous, shaped by ideals of justice and the contours of tolerance.

33. I do not wish to paint an idealized portrait of Latin America. The countries of Latin America have differences of opinion since areas of controversy still remain. There are still disputes over boundaries. The political processes are subject to difficulties. There are structures of dependency that have not been eliminated. Painful problems of development cry out for urgent solution and our countries lack the immediate means to deal with them.

34. Nevertheless, through all this diversity there is a clear perception that we must work together. We are proud of the values we have forged from our rich historical experience, in which the defence of the principle of non-intervention is outstanding. Our efforts are inspired by our own ideals and do not attempt to repeat what may have been successful elsewhere. Our major contribution to the international system, a disposition towards negotiation and peace, has never been denied, even in the most difficult and controversial situations.

35. Brazilian diplomacy has always been faithful to these ideals. One of the cornerstones of our foreign policy has been the stimulation of dialogue with our neighbours at every opportunity and at every level. President Figueiredo has had meetings with his Latin American colleagues, accepting as his own the responsibility for promoting the ideals of regional co-operation.

36. Brazil views the situation in El Salvador, as well as in any other part of Latin America, in the same spirit of full respect for the principle of non-intervention. It is the hope of the Brazilian Government that all States will respect the sovereignty of that country and the right of the people of El Salvador to solve their own problems without foreign interference. Brazil believes in the importance of intensifying consultations among the countries of the region so as to avoid the weakening of the fabric of Latin American unity and solidarity by specific issues to the detriment of our common interests.

37. Brazil is proud of its African roots and, faithful to them, is open to co-operation with the developing countries on the opposite shore of the South Atlantic. I should have preferred to confine my remarks to the accomplishments in the process of bringing Brazil closer to Africa. However, one cannot speak of Africa without dealing with two crucial questions which remain unresolved—those of *apartheid* and of the independence of Namibia.

38. Brazil emphatically condemns the institutionalized practice of racism which characterizes the régime of the Republic of South Africa. The universal conscience of mankind, and more specifically the Brazilian national conscience, totally rejects such a way of life, which is incompatible with any idea of justice and equality. Brazil associates itself with the community of nations in the renewal of efforts to ensure South Africa's total compliance with the purposes and principles of the United Nations Charter, to which we are all committed.

39. The question of the independence of Namibia has been dealt with by the international community on the basis of Security Council resolution 435 (1978) and of the

plan drawn up by our Organization which the Council has embraced by that resolution and which has been internationally accepted. Brazil fully supports the independence and territorial integrity of Namibia founded on the efforts of the United Nations. The problem, however, has not yet been solved, owing to the intransigence of South Africa, which persists in its illegal occupation of Namibia and deliberately undermines international attempts to achieve a negotiated solution, in sharp contrast to the flexibility and willingness for negotiation shown by the other parties involved. And that is not all. Using illegally occupied Namibia as a base for operations, South Africa carries out systematic acts of aggression against Angola which culminated recently in the invasion and prolonged occupation of areas in the south of that country. These violations of the United Nations Charter, international law and elementary rules of international behaviour have been compounded by acts of aggression against other countries that border on South Africa.

40. The attitude of the South African régime constitutes a flagrant disservice to the cause and interests of the West which it absurdly claims to defend. It is a permanent source of tension and polarization in southern Africa, contributing towards turning it into one or more areas for East-West confrontation, to the detriment of the freedom of the peoples of the area. These South African acts of aggression must stop immediately. The illegal occupation of Namibia must cease at once so that it can achieve its independence forthwith and so that all countries of the region, freed at last from the tensions of war, its burdens and commitments, may devote themselves, in favourable circumstances, to the just cause of their own development and to the authentic expression of their national existence in independence and sovereignty.

41. In the Middle East a succession of crises bears witness to the deterioration of the general situation. The issues relating to the future of the Palestinian people, that is to say, to the creation of the State of Palestine, and to the conditions that exist in the occupied Arab territories, seem to perpetuate themselves. Furthermore, we have had to witness the aggression against the nuclear reactor of Tamuz and the renewed aggression against the territory of Lebanon.

42. In the face of such a worsening of the situation, it becomes more and more urgent to implement the resolutions of the United Nations that reflect the international consensus regarding the search for a comprehensive, just and lasting peace. My Government firmly holds to the proposition that the conditions indispensable for peace are the complete withdrawal of occupation forces from all Arab territories; the exercise of the right of the Palestinian people to return to Palestine and recognition of their right to self-determination, independence and sovereignty; the participation of the Palestine Liberation Organization [PLO] in the peace negotiations; the recognition of the right of all States in the region to live in peace within recognized borders.

43. The absence of a comprehensive solution helps to increase tension and provokes localized crises. By the same token, it lessens the possibility of resorting to means for a peaceful solution provided for in the Charter and leads to further violation of its principles. The attack on the nuclear plant in Iraq comes within this context. Despite the attempt made to classify this act as "preemptive",

the attack on Tamuz was a flagrant example of the use of force incompatible with the Charter of our Organization.

44. Although the position and reactions of my Government in this case have already been expressed, I should like to reaffirm our solidarity with the Government and people of Iraq in the face of the act of aggression they have suffered, in violation of their sovereignty. Moreover, I cannot fail to convey the anxiety we feel about the turmoil and violence in Lebanon, which has so often been the victim of aggression. I reiterate our support for the preservation of the independence, sovereignty and integrity of Lebanon, which has made such a great contribution to the progress of Brazil through the efforts of its emigrant sons.

45. I could not conclude my remarks on the Middle East without expressing my concern about the status of Jerusalem, particularly the steps most recently taken by the Israeli Administration regarding the Holy City.

46. Our position concerning events in Afghanistan is clear, and coincides in essence with that of the broad majority of the developing countries. We are opposed to the violation of the principles of non-intervention and the self-determination of peoples. We are equally in opposition to the manipulation of domestic political conditions in a country in order to create a facade of legitimacy for acts which amount to foreign intervention. Legitimacy cannot be imposed from the outside, and any attempts in that direction only aggravate the situation they purport to resolve. Our support for these principles is universal in scope. Any attempt to interfere in internal political processes in Asia, in Africa or in Latin America, as well as in Europe, will forever be the object of unconcealed, open condemnation by the international community.

47. Looking back on the year just past, we see once again that events give us no reason to be optimistic. Serious problems continue to plague international relations, due less to an inability to balance them properly than to an absence of the political will to make use of the mechanisms designed to resolve them. In these circumstances, we should lose neither our confidence nor our analytical spirit, neither our creativity nor our realism. We reaffirm that the international system, to be both just and efficient, must allow for broad, effective and representative participation by the entire community of nations in the decision-making process on world issues. We reiterate our respect for the United Nations Charter, for its purposes and principles, to be equally observed by all. We renew our pledge of confidence in the Organization under the Charter, for which there is no substitute as the legally competent instrument for the achievement of our highest aims.

48. Mr. President, I wish every success for the work of this thirty-sixth session of the General Assembly under your able guidance in dealing with the issues on our agenda. The Brazilian delegation will always stand ready to give you its best and most attentive co-operation to help make that success possible.

49. The PRESIDENT (*interpretation from Arabic*): The Assembly will now hear a statement by the President of the Republic of Venezuela. On behalf of the General Assembly, I have the honour to welcome His Excellency Mr.

Luis Herrera Campíns, President of the Republic of Venezuela, and to invite him to address the Assembly.

50. Mr. HERRERA CAMPÍNS (*interpretation from Spanish*): Mr. President, on behalf of Venezuela and of my Government, I sincerely congratulate you on the honour of having been elected President of the General Assembly. Your personal qualities and experience as representative of Iraq are an assurance of correct and effective action.

51. I should also like to pay a cordial tribute to your predecessor, Mr. Rüdiger von Wechmar, whose composure has earned him the affection and respect of the Organization.

52. I am also pleased to welcome Vanuatu, which this year participates in the work of the Organization, and with which Venezuela will work closely towards the common objectives of peace, progress and social justice.

53. To me as a Venezuelan, and as Constitutional President of Venezuela, addressing this gathering represents the embodiment of the admirable and grandiose foresight of The Liberator, Simón Bolívar, the 200th anniversary of whose birth we shall celebrate on 24 July 1983.

54. When Bolívar conceived the still unrealized dream of Latin American integration, of "forming a single nation from the entire New World", he wrote:

"How beautiful it would be if the Isthmus of Panama were to us what the Isthmus of Corinth is to the Greeks: Would to God that we may some day have the good fortune to convene there an august assembly of the representatives of republics, kingdoms and empires to deliberate upon the high interests of peace and of war with nations from three-quarters of the globe. This type of organization may come to pass in some happier period of our regeneration. . . ."

55. Thirty-six years of United Nations life have led to the identification of its pathway, the consolidation of its perspectives and the evaluation of its achievements and failures.

56. Those years have seen much progress in terms of decolonization and the furthering of human rights. World political geography has a new design; the traditional great empires have disappeared. None the less, power politics, cruel and covert, have made themselves felt in the life of this institution, but the constant labour of the small countries has given it an authentic being of its own.

57. The last decade bears witness to a growing distortion of the ends, purposes and principles of the Charter of the United Nations, and the reality of a world in which the dizzy kaleidoscope of events damages those principles.

58. Many peace-keeping efforts have been made in this forum, and we must overcome great difficulties for this institution to contribute effectively to the achievement of a true peace. The evils threatening mankind are not invincible, and hope in the United Nations is far from vanquished.

59. The peoples of the world are anxious for the truth, for the abolition of pious lies. They seek authenticity and turn aside from hegemonic pretences disguised as ideological crusades. Nations previously colonized from without do not now wish to be colonized from within. They not only want to be recognized and known as independent; they wish to be and know themselves to be non-dependent.

60. The ideal of this Organization is to "save succeeding generations from the scourge of war". Article 4 of the Charter allows as Members only "peace-loving states". For the same reason, a collective security system was established to prevent and control aggression.

61. Yet aggression occurs frequently, shamelessly, undisguisedly. Responses to such aggression are barely formal resolutions devoid of concrete substance, or may simply not even reach the level of operative recognition of the Organization, which often seems to have eyes so as not to see.

62. How long can this breach between principles and facts be maintained?

63. One of the bases of the United Nations is respect for the self-determination of peoples. Memorable General Assembly resolutions have bravely and rightly developed that principle, but solemn words alone do not become practical effectiveness.

64. Manifest examples and subtle evidence of the absurd policy of blocs abound. On behalf of that policy of force, interventions occur with the intention of imposing or maintaining given political régimes leaning towards one ideology or another, or intervention is threatened, to intimidate with the force of arms.

65. In 1945, the founding Members of the United Nations proclaimed our will "to employ international machinery for the promotion of the economic and social advancement of all peoples".

66. We committed ourselves "To achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character".

67. In that regard, reality has led us over very different and overwhelmingly opposed paths.

68. The gap between the more developed and the poorer countries has widened. Material resources of the latter group, usurped or acquired at ignoble cost, have served to develop the industrialized nations.

69. In his Encyclical of 14 September 1981, "Human Work", His Holiness John Paul II bravely denounced that deplorable reality:

"... the *highly industrialized countries*, and even more the businesses that direct on a large scale the means of industrial production (the companies referred to as multinational or transnational), fix the highest possible prices for their products, while trying at the same time to fix the lowest possible prices for raw materials or semi-manufactured goods. This is one of the causes of an ever increasing disproportion between national incomes. The gap between most of the richest

countries and the poorest ones is not diminishing or being stabilized but is increasing more and more, to the detriment, obviously, of the poor countries. Evidently this must have an effect on local labour policy and on the worker's situation in the economically disadvantaged societies. Finding himself in a system thus conditioned, the direct employer fixes working conditions below the objective requirements of the workers, especially if he himself wishes to obtain the highest possible profits from the business which he runs (or from the businesses which he runs, in the case of a situation of 'socialized' ownership of the means of production)."

He adds:

"... it is respect for the objective rights of the worker—every kind of worker: manual or intellectual, industrial or agricultural, etc.—that must constitute *the adequate and fundamental criterion* for shaping the whole economy, both on the level of the individual society and State and within the whole of the world economic policy and of the systems of international relationships that derive from it."

70. Indifference, dehumanization and selfishness influence those who refuse even the most modest co-operation in reasonable plans for participation and for redistribution of wealth on the world level, adopting increasingly restrictive policies protective of their own markets, using capital and technology to bend the sovereign will of others and not hesitating to disrupt institutions and Governments which oppose their designs of economic dominance.

71. A difficult world environment hinders the third world's efforts and the capacity of its individual nations to apply policies with a social content.

72. Our countries demand that perspectives of independent development be allowed; that our efforts be permitted to result in full and integral well-being.

73. In a year which has imparted many lessons, Venezuela presided over the Group of 77. The North-South dialogue faces difficult circumstances. Venezuela was honoured to host the High-Level Conference on Economic Co-operation among Developing Countries, and to have our capital as reference point in the Programme of Action adopted [see A/36/333]. That effort reinforces our solidarity and we establish among ourselves the necessary principles of co-operation, self-confidence, equity and mutual benefit.

74. The Group of 77 considers the Programme and its implementation as an effort at the collective restructuring of international economic relations, the establishment of a new international economic order, and a way for developing nations to become aware of and apply their potential, exercising the prominent position which is theirs by right and showing that, through will and vision, the obstacles which stand in the way of a better future for all may be overcome.

75. The areas selected are strategic in the evolution of our societies and through them we seek a balanced approach to handling our complementary attributes.

76. I am honoured to present this Programme to the international community; it does not seek to replace the responsibilities of the developed countries. Its implementation will help to construct an international community ruled by the will to live in co-operation through self-managed human and material resources.

77. We aim at the operative levels, recognizing the global nature of the crisis and its solutions and seeking a negotiating process which will commit the political wills of the participating nations. We know what is at stake and must make the necessary decisions. It is not a matter of lapsing into transitory phases, nor of remaining therein. We must have clear objectives and programmes and carry out the required action until we achieve fair, sound and beneficial world relations.

78. The challenge assumes gigantic dimensions. If our efforts fail out of stubbornness or impermanence in decision-making, we shall have exhausted the roads to negotiation and consultation and placed the United Nations system in a powerless vacuum.

79. We have waited as long as necessary to adopt decisions and to present them to this forum, the appropriate one in which all can participate equally in a debate on matters of general and fundamental interest.

80. Venezuela is honoured to have been invited to speak at the highest level with countries of great political and economic importance, on the subject of international co-operation in its widest sense. We trust that at the forthcoming meeting in Cancún, Mexico, the will to find solutions will prevail and be rapidly reflected in the global negotiations which the international community must undertake to regulate its economic relations. The presence in this Assembly of the representatives of participants at that meeting leads me to ask, on my own behalf and—with permission of the Assembly—on behalf of all developing countries, that the dialogue live up to the objectives of the global negotiations process which we propose.

81. We must overcome the reticence confronting the North-South dialogue, reactivate it and impart to it a substantial and operative content with clear objectives. Thus, within a period of months, we shall have launched a complete revision of international economic relations in the North-South and South-South channels, recovering faith in our own collective future.

82. During this season Venezuela will end its chairmanship of the Group of 77. We cannot judge our own actions, but we made the greatest possible effort to be loyal to and worthy of the trust placed in us. We had made the same effort long before assuming chairmanship of the Group and we shall continue to do so in the future: our international actions are consistent with the democratic principles on which they are based and are not confined to the temporary presidency, with which we were honoured, of the Group of 77.

83. An African nation will soon replace Venezuela at the head of this Group. That encourages us to reflect on the understanding among Africa, Asia and Latin America in the context of the current world situation. The peoples of those three continents, with their similarities and differences, have a permanent vocation for justice, liberty and peace.

84. Venezuela believes that the challenge of the future lies in the cultural, scientific and technological development of the third world countries, allowing them to evolve on autonomous bases. In 1980 we created the Foundation for the International Institute of Advanced Studies, among whose major and most representative programmes insofar as Venezuela's co-operative effort is concerned is the creation of the "Institute of Higher Studies of Third-World Science and Technology", or "Inter-mundo" which will be solidly backed by the member countries of the Organization of Petroleum Exporting Countries [OPEC], for the purpose of providing centres where people may meet and for the dissemination of scientific progress through graduate courses offered to young technicians and professionals in the developing world.

85. Concern for the Caribbean Basin's economic and social development led the Governments of Canada, Mexico, the United States and my own Government to meet in Nassau last July.

86. The participating Governments issued a joint communiqué<sup>2</sup> in which they restated their determination to continue efforts on behalf of the continuing, integral development of the area, with plans and priorities laid down by the countries of the area, free of military considerations or prior political conditions.

87. My country shares many problems and needs with the nations of that Basin and supports them as far as its means and level of development allow.

88. This co-operation effort is a move towards the new international economic order rather than the establishment of any particular relations in detriment of the North-South dialogue. Conscious of the size of this undertaking, we should like other Governments within or outside the region to help those countries to achieve their national development. I extend this invitation to the Assembly.

89. No new international economic order can exist so long as colonialism endures. Since the creation of the United Nations my country has remained firmly anti-colonial in its policy, regardless of the centres of power in question.

90. Confronted by colonialism, this Organization has complied with and will continue to further the struggle for the independence of peoples subjected to foreign domination and should be particularly energetic not only in the face of conventional colonialism, but also of new and subtle types of pressure of one State over another—new forms of covert colonialism.

91. Venezuela has been especially interested in the work of the Third United Nations Conference on the Law of the Sea and hopes that that Conference, one of the most important held under the Organization's auspices, can fulfil next year the mandate which it received from the General Assembly in 1970. The Venezuelan people are very pleased that the Conference began its work in Caracas.

92. In Latin America and the Caribbean we also suffer from problems of colonialism or its vestiges, or other types of foreign domination.

93. On our continent, particularly in the Caribbean area, new States have entered the international community as full sovereign nations. Venezuela, because of its geographical ties and as a friend and good neighbour, feels committed to the efforts of those nations as they become ever increasingly the masters of their own destiny. However, there are still cases to be solved and we trust that solutions will continue to be found, without the traumas that have occurred in other parts of the world.

94. I hope that the day is not far off when the Latin American people of Puerto Rico take their place among us. We nurture this hope of all Latin Americans, in the conviction that it is for the people of Puerto Rico alone to determine their future.

95. The Movement of Non-Aligned Countries is one of the major organized expressions of the third world. Venezuela, as an observer of the Movement, shares the basic principles and objectives which inspire it.

96. We live in very difficult times. Tensions increase, and we return to a cold war which seems to spread and deepen. Extremists use terrorism as a weapon to subjugate the will of the people. Human rights are violated day after day, not only by Government régimes, but by organizations which share the common denominator of practising violence.

97. In Africa, racism and the intervention of diverse poles of power fuel the flames of violence. *Apartheid* provokes indignation in the spirits of free men, and the United Nations has always condemned and stigmatized this practice.

98. The Middle East continues to be an explosive region. No serious effort is made to terminate the conflict between Iraq and Iran. Lebanon continues to be martyred, and peace cannot be achieved nor kept until there is a global solution to the conflict accepted by all the parties involved and until the legitimate rights of both the Palestinian and Israeli peoples to live in peace and freedom are recognized.

99. In Europe and North America, the neutron bomb is announced and the world recoils in justified horror. Never has man felt so afraid of himself—of his destructive creation, to state it paradoxically.

100. In Asia, foreign occupation threatens the peace, sovereignty and independence of the countries of the region. Afghanistan is pain writ in red letters.

101. In Europe, the noise of tanks and boots reverberates and the silhouettes of missiles point in every direction. While Solidarity shakes the popular soul of Poland, the shadow of powerful manoeuvres huddles like a threat over that often-invaded country, whose people remain intact as such, in spite of successive dismemberments.

102. Sometimes it seems that the United States and the Soviet Union feel themselves to be the owners of a world at whose creation they were absent, but whose hour of destruction they feel capable of imposing in an act of anti-gods.

103. Latin America and the Caribbean, like other continents, cannot cease to serve as a stage for confrontations among the global-domination strategies.

104. On this occasion the sister Republic of El Salvador, a small Central American country and the long-time victim of typical military dictatorships serving the interests of predatory, selfish and insensitive oligarchies, was chosen. Dictatorship was overthrown by a civilian and military alliance which stated democratic convictions and received the support of the Salvadorian people. Deep political, social and economic reforms were immediately undertaken, transforming the agrarian, financial and commercial structure and attempting to open roads for the people, through free elections, to decide their own destiny, without foreign interference.

105. The reaction could not be crueller or more fearful. The extreme right, rightly deprived of its ancestral privileges, has unleashed a perverse series of terrorist actions, violating human rights in an attempt to recover its lost power and to impose a new dictatorship in its own interest.

106. The extreme left, relying on the material backing of foreign countries, has also resorted to violence to attempt at any price to retain the abolition of social and economic injustice and to prevent the holding of free elections from ending its opportunity.

107. The "ultras" attempt to erase any possibility of a political, democratic and civil centre. Neither side will allow itself to be counted, so as not to reveal its smallness.

108. Unfortunately, some democratic countries have recently committed the error of attempting to impart an undeserved respectability to groups devoted to terrorism and to play the game of those who see a moral equality between the side that is making efforts to offer a political opening through elections leading to legal institutions, and the side that is undertaking efforts to prevent such a process. Believing that they are facilitating peace, they may institutionalize war on Central American soil. El Salvador could relive the tragedy of Spain.

109. My Government has offered support to the Government of President Napoleón Duarte on the basis of its solemn promise to allow the Salvadorian people to elect their Government. This is done in support of freedom and peace, and not of any given tendency or group, as we do not wish to influence the internal affairs of that sister nation.

110. Venezuelans believe in and practise democracy. We do not attempt to impose our own values and concepts of society on anyone, but we know that freedom is the road of history.

111. We believe in pluralism, within and without. We believe in solidarity and international co-operation. We contributed to the foundation of OPEC and helped to make it a formidable instrument to guarantee a fair price for a rare, strategic and expensive energy resource. This was a first step, which pointed the way for weak and developing countries. The road is open; traffic is invited.

112. The effect of the price of non-renewable energy sources on the international economic situation is frequently cited, overlooking the contribution which those same resources, very differently valued, have made to the material and social progress of advanced industrial societies. We need not recall that OPEC is a necessary defence mechanism in the face of the increasing prices of manufactured goods which we import.

113. The wealth enjoyed and largely wasted by the industrialized countries today is tied to the systematic undervaluation of these resources, dating back many decades. We received an unfair price and were almost expected to be grateful for it, as though it were a generous gesture.

114. Oil is an example typical of the many adverse effects of international economic relations based on the undervaluation of the developing world's resources and on poorly conceived and badly managed independence, as well as on the possible internal and international effects of the indefinite postponement of decisions related to the future evolution of those relations.

115. The situation is only partially resolved when new global responsibilities are imposed in the monetary or financial order. We must recall that constantly devalued foreign exchange is of little real value, as are investment portfolios subject to the goodwill of nations receiving our investments in public debentures, if it is not recognized that our financial surplus, eminently circumstantial over the long term, also helps to maintain the levels of investment, production and employment through the placement of capital in productive sectors through credit and the importation of goods and services.

116. Current technological challenges continue to be motivated and justified in terms of costs, because of the revaluation of hydrocarbons. The time has not yet come when the contribution to the progress of humanity of a group of oil exporting countries can be objectively evaluated, although many developing countries consider the experience as traumatic.

117. Recent events have proved us to be right. We have maintained that oil prices are not responsible for inflation and the West's economic crisis. For some time the increase in oil prices has been checked; the price has even dropped in some instances. But the inflationary process has not stopped, for the simple reason that it is the result of the economic policies of the various governments.

118. Venezuela, as a developing country, has been willing to respond to calls for international solidarity. Our principles are devoid of selfishness, and our objectives of progress are not and never will be based on the exploitation of the needs of others.

119. At the regional level we took the initiative of inviting Mexico to participate in an Energy Co-operation Programme for Central American and Caribbean Countries, not only guaranteeing these nations a supply of oil and favourable terms of payment, but permitting 30 per cent of the oil bill to be converted into long-term (20-year) loans at minimum interest (2 per cent) if used for development plans, particularly the search for new sources of energy. At the bilateral level, we have major co-operation programmes with countries of diverse socio-political ori-

entations, such as Nicaragua, Grenada, El Salvador, Dominica and Jamaica. We are also prepared to consider possibilities of co-operation with our brothers in Africa and Asia, within our modest limitations. We do this in the conviction that unconditional co-operation and the greatest respect for the international processes of Governments are tension-releasing and peace-generating factors.

120. The evolution of the developing countries' economies depends both on their own efforts and on the existence of favourable external conditions. They face today a series of outside pressures, as indicated by the financial problems pressing upon them.

121. The growing imbalance in developing countries' transactions—apart from the oil countries—with respect to the rest of the world during the seventies, has increased dramatically in the last two years. According to International Monetary Fund calculations, the current account deficit in 1980 rose to \$82 billion, as against \$38 billion in 1978. Estimates for the current year indicate that the deficit will approach \$100 billion.

122. The major factors involved in this recent deterioration were the erosion of the purchasing power of exports and the foreign exchange drain caused by the cost of foreign debt. The recession in the industrialized countries and the emergence of protectionist pressures resulted in lower growth in exports and weakened prices for raw materials. This was complicated by losses caused by international inflation and the adjustment of oil prices. Debt servicing further reduced the availability of foreign exchange to finance the foreign cost of the development process.

123. Limitations imposed on growth by world imbalances were attenuated by resorting to foreign indebtedness. During the last 10 years, the pending obligations of developing countries have multiplied more than sixfold: in 1980 they amounted to \$370 billion.

124. In 1973, private financing accounted for more than 50 per cent of those countries' total liabilities, rising to 58 per cent by 1980. This dependency might have possibly been even greater without the active participation of OPEC in international financial co-operation. In contrast, the unfavourable attitude of the industrialized nations with respect to international aid helped create an even greater need for developing countries to seek assistance in private markets.

125. The volatility of exchange rates and deficiencies in the adjustment, creation and distribution of international liquidity caused by the lack of a real international monetary system constitute a set of problems in addition to those attributable to prevailing economic conditions and to structural deficiencies in the world economy, in which the third world—as reflected in the Brandt Report<sup>3</sup>—does not participate effectively in controlling its own development financing.

126. The major problems of social injustice, unemployment, inflation, production, access of the developing world's manufactured goods to the industrialized nations' markets, the urgent need for women to participate in social life, the increasing organized power of workers and farmers, the need for development models, educational reform, cultural animation and the advance of science and

technology—all are problems of capital importance which call for comment.

127. However, I shall address myself briefly to the problem of hunger, the greatest threat now facing mankind.

128. On 24 June 1981, a select group of 50 men of science and the arts, winners of the Nobel Peace Prize and of the Nobel Prizes in literature, physics, chemistry, economics and medicine, made a dramatic call "... to return to life tens of millions of human beings, dying of hunger and underdevelopment, victims of the political and international economic disorder currently prevailing", and concluded, optimistically, that "it is necessary, without delay, to choose, work, create and live in order to create life".

129. FAO, in making 16 October World Food Day, has attempted to emphasize the fact that man must become aware of the need for food security, intimately tied to agrarian social reform, the agricultural, productive and technological process, to the fair distribution of surpluses, to poverty, which is the main cause of hunger, and to international solidarity.

130. We must turn again to the land, to agricultural growth within the positive social framework of integrated rural development, in a joint and sustained effort. Today, two thirds of the world's food comes from the United States, which supplies 50 per cent of the wheat, 50 per cent of the corn and 80 per cent of the soybeans required by the rest of mankind. As for cereals, three quarters of the world's population depend on the United States for their supplies.

131. The United States dominates "food power". The former French Minister of Agriculture, Mr. E. Pisani, has stated:

"There are five ways of ruling the world: through arms, science, energy, minerals and food. In the first four sectors, the United States is neck and neck with other Powers, but it dominates the world market in staple foods (cereals, sugar and oilseeds). This domination will grow, and the world imbalance will worsen".

That fact increases the social and human responsibility of the United States in a world threatened by hunger.

132. The developing countries have been asked on several occasions to set as their objective an average yearly increase of 4 per cent in food and agricultural production. This goal has not yet been reached. In the 1970s the effective increase was 3 per cent. These efforts must be constant and persistent, since imported food is very expensive. For example, between 1967-1969 and 1976-1978 the volume of cereal imported by the weaker developing countries increased by only 14 per cent, but the prices nearly doubled, and the shipping costs increased fourfold.

133. Finally, it is worth pointing out that by the year 2000 foreign assistance for agriculture, according to the experts, should reach \$10 billion. In contrast, the programme for the continuance of world military expenses currently amounts to \$450 billion per year.

134. I should like to state the five principles which guide the policy of Venezuela in the United Nations as a Latin American country.

135. First, the problems of Latin America should be solved by Latin Americans, without foreign interference, and without direct or indirect hemispheric or extra-hemispheric intervention.

136. Second, Latin America's position vis-à-vis the world's great and serious problems should be autonomous, and neither related to nor integrated with the interests of bloc politics.

137. Third, Latin America should seek agreements with Africa and Asia in the framework of South-South co-operation.

138. Fourth, Latin America should seek increasing agreements with Africa and Asia, both in adopting a common approach to problems in North-South relations and in assuming positions with respect to the many aspects of the East-West confrontation.

139. Fifth, Latin America should seek with Africa and Asia the structural reform of international institutions to ensure democratic control of the international community.

140. The peoples of the third world have growing bargaining power and should use it to the maximum to bring about a new international order.

141. Venezuela and the countries of Latin America and the third world need a secure policy to strengthen our political independence, economic stability, cultural identity and defence against possible aggression.

142. The present international order is the product of self-seeking nations which have grown old and worn themselves out exploiting us and of new Powers which only attempt to replace them in their negative role.

143. We are the vigorous expression of the world's youth, the powerful presence of the new age. This new age is growing up in the furrows of history, beautiful in its challenge, and, with God's help and the backing of our peoples, we will respond in greatness.

144. At the founding of this Organization we proclaimed the need to promote and encourage respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion. We proclaimed those fervent and hopeful principles so that there should be no repetition of persecution and torture and the annihilation of human groups, or of disregard for the most elementary guarantees of dignified coexistence.

145. Yet political persecution, racial discrimination, religious intolerance, open or concealed genocide, and the drug traffic continue and increase, with no effective possibility of terminating these abuses and prosecuting those responsible. We have not been able to uproot terror and plant firm hope.

146. This is an Organization of "peace-loving countries". In that spirit it was created, and in that spirit it should continue. That is the spirit that imbues Venezuela's foreign policy in all situations.

147. Those countries which continually intervene in the internal and external affairs of others and inflict bloodbaths on resisting peoples are not lovers of peace.

148. Those countries which openly trample on fundamental human rights and torture, kill or cause to disappear their presumed or real enemies are not lovers of peace.

149. Those countries which have built an unfair world which they have held for their own benefit for generations, and which refuse to make the smallest changes to alleviate manifest injustice, are not lovers of peace.

150. As President of a peaceful and united people, I again express my wishes for peace, a true peace, a peace without pitfalls.

151. The gap between the more developed and less developed countries cannot be maintained indefinitely.

152. It cannot be assumed that the dispossessed will for long accept with resignation their gradual and irreversible impoverishment.

153. The United Nations is the proper forum for the correction of existing wrongs through negotiation. I wished to be present at this thirty-sixth session of the General Assembly to restate Venezuela's faith in this Organization, and in peace and the hope of achieving peace.

154. We, the developing countries, constitute a majority in the United Nations, and our solidarity is our most formidable power resource. We hereby give notice that the powerful cannot be endlessly insatiable, nor can the poor and exploited be endlessly patient.

155. We all need peace to live in justice and liberty, and thus to make of love the highest and most solid spiritual and creative link among men and peoples.

156. The PRESIDENT (*interpretation from Arabic*): On behalf of the General Assembly I thank Mr. Luis Herrera Campíns, President of the Republic of Venezuela, for the important statement he has just made.

157. Mr. HAIG (United States of America): The United Nations, this parliament of man, offers us a unique opportunity to examine the human condition. We are each called upon to declare our national purposes. We are all obligated to address those problems that obstruct the vision of the Charter.

158. Let us begin with the vision. The Charter of the United Nations reflects cherished dreams of a world distinguished by peaceful change and the resolution of international disputes without resort to force.

159. The United States believes in these dreams. They offer the best chance of justice and progress for all mankind. They promise a world hospitable to the values of our own society, including a certain idea of man as a creative and responsible individual, democracy and the rule of law.

160. The ideals of the United Nations are therefore also American ideals. The Charter embodies American princi-

ples. It will always be a major objective of our statecraft to make the United Nations an instrument of peace.

161. We all know that the realization of our dreams cannot depend on hope alone. Obstacles to progress must be overcome through united efforts. The threats to peace are many; suspicions persist; and the price of inaction is great. Truly we face a most difficult agenda.

162. As I make these comments I am reminded that an observer once said of this annual debate: "Every year . . . a great and sacred orator . . . preaches before the assembly of nations a solemn sermon on the text of the Charter". Today, however, I would like to focus instead on an issue of compelling interest: international development.

163. International development reflects the worldwide search for economic progress, social justice and human dignity. Short of war itself, no other issue before us will affect more people, for good or ill, than this search. And peace itself cannot be truly secured if the aspirations of mankind to a better life are frustrated.

164. Development is therefore an enduring issue. It has preoccupied the United Nations from the beginning. It will survive the agenda of this Assembly and every Assembly far into the future. And although great progress has been made we face today a crucial choice of strategy that will dramatically affect the prospects for future success.

165. Since the Second World War the progress of development has been uneven but none the less widespread. Enormous economic growth has been registered: for example, in the last three decades average incomes have actually doubled. There have also been great advances in health. Life expectancy has increased dramatically even in the poorest countries and infant mortality has been reduced.

166. This experience, however, has not been fully shared by all countries and the prospect for the future is now clouded by recent trends.

167. The pattern of increasing economic growth, critical for development, has been slowed by inflation, high energy prices, severe balance-of-payments problems, heavy debt and slower growth of markets. Political turmoil and instability have diverted precious resources into arms and conflict. The necessary synthesis of traditional values and modernization, never easy to achieve, has grown more difficult under the impact of accelerating change.

168. Let us dispense with illusions. We must choose today between two futures: a future of sustainable growth, an expansion of world trade and a reduction of poverty; and a future of economic stagnation, rising protectionism and the spread of poverty. As the World Bank has put it, "By the end of the century, the difference between the two cases amounts to some 220 million more absolutely poor people".

169. Clearly, our task is to give a fresh impetus to development by devising a new strategy for growth. Such a strategy begins by recognizing the highly complex and difficult situation we face.

170. The poorest developing countries require long-term and generous concessional aid from developed and other developing countries to raise productivity through broadly-based education and training, improvements in health and nutrition and better infrastructure. They also need sound economic policies, particularly in the agricultural sector. Ultimately, the objective must be to involve them in the international economic system, thereby strengthening opportunities and incentives for self-sustaining growth.

171. The middle tier developing countries have made significant progress. Nevertheless, they still suffer from widespread poverty. They are also acutely vulnerable to any economic downturn, especially in volatile commodity markets, because of their narrow range of exports. These countries need foreign capital and assistance in developing the experience and credit-worthiness to borrow on international capital markets. Technical support and manpower training are important to ensure that their populations are both productive and competitive. They also need an open international trading system to encourage export development.

172. The more advanced of the developing countries are able to maintain living standards and economic performance comparable to what some of today's industrialized countries achieved less than a generation ago. Their further development is sustained best by a strong international economy with an open capital and trading system. They must be able to pursue national policies that take advantage of the international opportunities and foster domestic adjustment. These countries also play a key role in helping poorer nations, both directly and as policy models.

173. The capital-surplus oil-exporting countries need a stable and prosperous international market for their oil exports and a favourable environment in which to invest their financial assets and to develop their domestic economies. The international system must continue to evolve to reflect the growing importance of these countries as they assume increasing responsibility for the management of that system and for assisting poorer nations.

174. Finally, the industrialized countries are today suffering from low rates of growth and high rates of inflation. They are trying to increase savings and investment in order to create employment, improve the environment, eliminate pockets of poverty and adjust to the changing competitiveness of their exports. They must sell more abroad to pay for the increased cost of imported energy.

175. In a slowly growing world these complex and diverse requirements would become potent sources of conflict. But the struggle for the world product can be avoided. The international economy can help all countries to achieve their objectives through a strategy of growth which creates the resources and the employment needed for progress. This cannot be the task of a single nation. As the report of the Independent Commission on International Development Issues, chaired by Willy Brandt, has pointed out: "Above all, the achievement of economic growth in one country depends increasingly on the performance of others".<sup>4</sup>

176. It is on this view of a differentiated and interdependent world that we must build a new strategy for

growth; but our strategy must also be informed by the lessons of the past. Such lessons, extracted from hard experience, offer the basis for principles to guide us through these austere and difficult times.

177. First, development is facilitated by an open international trading system. Developed and developing countries together face the challenge of strengthening GATT and the international trading system to create mutual export opportunities for all.

178. Today the trading system is under enormous stress—rising protectionist pressures, new and subtle types of import barriers, restrictive bilateral arrangements, export subsidies and investment policies which distort trade. These are especially troublesome in a period of slow growth. Unless they are reduced or eliminated the international trading system will be seriously weakened. Such a setback to the world economy would inflict the most suffering on the developing countries.

179. The industrialized countries have a special responsibility to work for a more open trading system with improved rules. We also look to the more successful developing countries to play a fuller role in strengthening the trading system. It will be difficult for each of our countries individually to open markets further unless we are committed to doing so collectively.

180. For our part, the United States has long supported open markets. Despite current complications, America remains a strong advocate of free trade. Although our gross national product is only one third of the Western industrialized group's total, the United States imports roughly one half of all manufactured goods exported by developing countries. Earnings of developing countries not members of OPEC from exports to the United States amount to some \$60 billion—more than double the foreign aid coming from all Western developed countries.

181. We call upon all members of the international community to join in resisting the growth of protectionism. Developing nations must have the greatest possible opportunity to sell their commodities and manufactured products. Let us also work together to achieve a successful conclusion of the multifibre agreement.

182. A dynamic and successful trading system requires a smoothly functioning international financial system. We must therefore continue to work with other countries to encourage their support for IMF and their constructive participation in the Fund's programmes to facilitate adjustment. We will continue to co-operate with our developing country colleagues to strengthen the Fund. We share the view that the responsibilities of the developing countries should be increased to keep pace with their growing economic importance.

183. Secondly, foreign assistance coupled with sound domestic policy and self-help can facilitate the development process. The United States has long believed in assistance as an effective tool in helping to promote development. Over the last three decades the United States has given more than \$130 billion in concessional assistance; over the last decade alone the total has exceeded \$50 billion. In 1980 the American people provided \$7.1 billion, almost twice as much as any other donor.

184. The United States has also been a major force in the creation and support of the multilateral development banks. The banks represent an important and to many countries an essential feature in the international financial system. In the last five years the United States has authorized and appropriated an average of \$1.5 billion per year for support of the multilateral banks. There is no question about their value as development institutions. As intermediaries they help to mobilize the resources of international capital markets to lend to developing countries. The banks' loans for key projects are important catalysts for productive domestic and foreign private investment.

185. We recognize that many of the poorer developing countries must continue to rely heavily on concessional assistance for some time to come. Moreover, certain kinds of vital development programmes will not pay the quick and direct financial returns needed to attract private capital. For this reason a continuing bilateral assistance programme and continuing support for the multilateral banks will be essential.

186. Given today's economic conditions and the limitation on aid budgets in many countries, it is especially important that concessional assistance be utilized as effectively as possible; that it focus on countries which need it most and which use it best; and that it be a more effective catalyst for mobilizing other foreign and domestic resources. We must also recognize that a strategy for growth that depends on a massive increase in the transfer of resources from the developed to the developing countries is simply unrealistic.

187. Thirdly, regional co-operation and bilateral consultations can be effective in promoting development. The United States is working with other regional States to promote economic progress in the Caribbean area. We are convinced that the example of the recent multinational co-operation in the case of Jamaica and the broader Caribbean Basin initiative holds promise for other regions.

188. We are already committed to a close working relationship with the Association of South-East Asian Nations [ASEAN]. We have benefited considerably from a better understanding of ASEAN's views on multilateral issues and on ways to strengthen our bilateral commercial ties. The United States-ASEAN Business Council is a model of how our private sectors can work together for mutual benefit.

189. In Africa we look forward to a close working relationship with the Economic Community of West African States as it attempts to strengthen economic ties within the region. Constructive consultations on trade and investment issues have already occurred. We believe that mutually beneficial co-operation can be strengthened to our common benefit. Similar consultations with the developing countries of southern Africa are desirable. We have a strong interest in the economic health and stability of those nations. Commercial relationships, along with foreign assistance, will help us to attain that objective.

190. The United States has also worked with the capital surplus members of OPEC on both a bilateral and a multilateral basis. We have been able to combine resources to attack development problems of common interest, such as food production. This co-operation should be continued and expanded.

191. Finally, we plan to make bilateral consultative groups between our Government and those of developing countries more effective and to give full support to similar private sector arrangements. The United States Chamber of Commerce and its counterparts in many developing countries have developed particularly good relationships. We fully support these efforts and those of the private voluntary agencies. We are searching for means to work more closely with them.

192. In all of these cases the United States recognizes the need to be sensitive to the diverse character of the societies involved and to the international circumstances in which development must occur.

193. Fourthly, growth for development is best achieved through reliance on incentives for individual economic performance. The individual is the beginning, the key element and the ultimate beneficiary of the development process. The greatest potential for development lies in the hard work and ingenuity of the farmer, the worker and the entrepreneur. They need incentives to produce and the opportunity to benefit from their labours.

194. Suppression of economic incentives ultimately suppresses enthusiasm and invention, and the denial of personal freedom can be as great an obstacle to productivity as the denial of reward for achievement.

195. History cautions against régimes that regiment their people in the name of ideals, yet fail to achieve either economic or social progress. Those Governments that have been more solicitous of the liberties of their people have also been more successful in securing both freedom and prosperity.

196. The United States can offer what it knows best from its own experience. We have seen that policies which encourage private initiatives will promote better resource allocation and more rapid economic growth. Within a framework basically hospitable to market incentives, foreign private investment can supplement indigenous investment and contribute significantly to development.

197. But our goal is not to impose either our economic values or our judgements on anyone. In the final analysis, each country's path to development will be shaped by its own history, philosophy and interests.

198. Fifthly, development requires a certain measure of security and political stability. Political insecurity is a major barrier to development. Fear and uncertainty stifle the productivity of the individual. Scarce resources are squandered in conflict.

199. The close relationship between security and development cannot be ignored. We are therefore committed to maintain and, where possible, to increase programmes essential to deter international aggression and to provide the domestic security necessary to carry out sound economic programmes. We have no intention of providing foreign assistance, moral comfort or the prestige of international platforms to countries that foster international violence.

200. The United Nations has a key role to play in resolving conflict and promoting international stability. We welcome the Secretary-General's efforts to promote inter-

communal talks and a just settlement on Cyprus. We support a continuing role by the Secretary-General's representative in the Iran-Iraq conflict. And South Korea's attempts to initiate a dialogue with the North epitomize the search for a peaceful settlement that is at the heart of the Charter.

201. One of the greatest dangers to the Charter today and to development itself is the wilful violation of the national integrity of both Afghanistan and Cambodia by the Soviet Union and Viet Nam. Their behaviour challenges the basic rights of all sovereign States. The world's hopes for peace, for security and for development will be jeopardized if "might makes right" becomes the law of nations.

202. The United States will continue to support security and stability as essential to progress. This is the basis of our active and continuing efforts to strengthen and expand the cease-fire in southern Lebanon. We shall also assist the negotiations specified by Security Council resolutions 242 (1967) and 338 (1973) in order to bring a just and lasting peace to the Middle East. Our policy is to remain a credible and reliable party in the negotiations to bring independence to Namibia on the basis of Security Council resolution 435 (1978) and in a fashion acceptable to both the nations concerned and the international community.

203. The United States also believes that efforts to control arms either among regional States or between super-Powers can make an important contribution to the security that facilitates development. But these efforts do not occur in a vacuum. The international community has tended over the years to overestimate the beneficial effects of the Strategic Arms Limitation Talks [SALT] in dampening regional conflict. We have also tended to underestimate the impact of such conflict on the negotiations themselves.

204. The United States is strongly committed to balanced and verifiable arms control. We are equally committed to the peaceful resolution of regional disputes. Clearly the restraint implied by arms control must become a more widespread phenomenon if such agreements are to survive and to make their proper contribution to a more secure environment for development.

205. The United States is confident that a strategy for growth guided by these principles can succeed. We believe that three areas of action deserve immediate international attention.

206. The first is a global expansion of trade. Plans could be formulated for the 1982 GATT ministerial meeting with special concerns of growth in mind. A major priority should be to integrate more fully the developing countries into the international trading system on the basis of shared responsibilities and shared benefits.

207. The second area is an increase in investment. Our common objective should be to stimulate domestic and international private investment. We must encourage and support the individual investor.

208. The third is stronger international co-operation in food and in energy. The recent United Nations Conference on New and Renewable Sources of Energy recommended that the developing countries be assisted in as-

sessing their energy resources and determining the best way to exploit them.<sup>3</sup> The United Nations Development Programme and the World Bank have important follow-up responsibilities. We must all work to engage more effectively private participation in exploration and production in oil-importing developing nations.

209. Domestic and international action must also go hand in hand to achieve food security. The United States continues to be the largest donor of food aid and places a paramount emphasis on its bilateral programme to help developing countries increase food production. Greater attention should also be given to scientific and technological research that will yield more bountiful food supplies.

210. I have outlined today the broad principles that guide America's approach to a new strategy for growth. In the immediate future, and prior to the Cancún meeting, we will announce specific proposals to deal with this and other issues of development.

211. These broad principles reflect our view that the United States can and indeed will continue to make an essential contribution to the process of development. We do not claim to have all the answers, but we believe that our collective responsibilities for the future allow no more time to be lost in sterile debate and unrealistic demands. The time has come for a reasoned dialogue with promise for the future.

212. The search for economic progress, social justice and human dignity has been supported by the American people, themselves an example of successful development. Our initiatives and resources, through bilateral programmes, the United Nations and other multilateral agencies, have made major contributions to the process of modernization throughout the world. For the United States, support of development constitutes a practical imperative.

213. At the Ottawa meeting the United States reaffirmed its willingness to join its partners in exploring all avenues of consultation and co-operation with developing countries. In October President Reagan will go to the meeting in Cancún. He looks forward to a genuine and open exchange of views on questions of economic development and international co-operation. That meeting offers a novel opportunity to gain fresh understandings of the problems we face together. The United States will join in a constructive and co-operative spirit. Our objective is to bring about a new era of growth. But the purpose of both growth and development goes beyond simple materialism. As Winston Churchill said: "Human beings and human societies are not structures that are built, or machines that are forged. They are plants that grow and must be treated as such".

214. Despite the difficulties of the moment, we should go forward in a spirit of optimism. We have the vision bequeathed to us by this Charter. We have the potential of all the peoples represented in this Hall. Let us go forward together to achieve a new era of growth for all mankind.

215. Mr. STREET (Australia): I wish to congratulate you, Sir, on your election as President of the thirty-sixth session of the General Assembly. This session takes place at an important moment in international affairs. I believe you will ensure that it achieves significant and lasting re-

sults. I also join in the tributes to the contribution of the outgoing President, Mr. von Wechmar of the Federal Republic of Germany, to the work of the thirty-fifth session of the General Assembly.

216. I should also like to join other speakers in welcoming Vanuatu, a Pacific partner and fellow Commonwealth member, as a Member of this Organization. I had the good fortune to pay a visit to Vila in August, when Vanuatu hosted the South Pacific Forum.

217. Australia's relationships with its Pacific neighbours continue to expand. So too do our relationships with other neighbouring countries in South and South-East Asia. Indeed, Australia is perhaps unique among the developed countries, being in a region otherwise populated by countries in and of the third world—which brings me to the main theme of this statement, the North-South dialogue.

218. I am aware, of course, of the vast range of issues before this Assembly, many of which demand our immediate and earnest consideration. In the coming weeks our delegation will be making Australia's attitude on these issues known. However, today I will concentrate on the North-South dialogue. We have reached an important stage in relations between developed and developing countries and we must be prepared to make genuine progress.

219. Australia would welcome progress. We do not seek change simply for its own sake. Our belief in the need for change stems from our conviction that new attitudes and new arrangements and, above all, a new commitment are needed to tackle the most fundamental problems of the present international economic system. We believe that merely preserving the *status quo* is not enough and that all nations will gain from a growing and more integrated world economy.

220. Over the last seven years a number of significant declarations have been made under the auspices of the United Nations. Many of these resolutions are landmarks in the search for a new basis for international co-operation. Unfortunately, we have so far found it very difficult to put the spirit of them into practice. Rhetoric, conflict and division have characterized debate over North-South issues. Nevertheless, there have been some encouraging developments—notably the agreement to set up the Common Fund for Commodities and the creation of the International Fund for Agricultural Development. The need to manage the growing interdependence of States demands that we do much more.

221. If the North-South dialogue is managed effectively and in a spirit of co-operation and compromise the international economic system will be able to make necessary and equitable adjustments. We can avoid serious disruptions, which would be damaging for developed and developing countries alike.

222. To do that we need to understand the consequences of greater interdependence. Recognition of interdependence is essential, not only for prosperity, but also for long-term peace and security. Nations cannot put up the shutters and attempt to live in self-imposed isolation. We must respond not only to the demands of our own national communities but to those of the world as a whole.

223. In approaching the North-South dialogue, we must concentrate on its essential elements. Over time, procedures and agreements will have to be devised which generate benefits for us all, not in equal measure perhaps, and certainly more for the most disadvantaged, but nevertheless benefits for us all.

224. In Australia's view, genuine progress in North-South questions will only be achieved if we acknowledge fully some of the realities of the international economy. We should recognize that the major industrialized countries of the North will be asked to carry the biggest share of the burden. Those economies generate the vast majority of the world's wealth and clearly, any setbacks they suffer will be felt far beyond their own borders. The fact is that the prospects for the peoples of the world's less developed nations hinge largely on the economic fortunes of those motor economies. In looking at how progress can be made in the North-South dialogue, we must not lose sight of the stake all nations have in a strong and dynamic international economic system.

225. Australia's recent economic performance is in contrast to that of most of the other industrialized nations. We have made real progress in fighting some of the most intractable economic problems. I suggest it is worthwhile to examine how we have done it. In mentioning Australia's distinctive economic performance, I am aware that within the market economies different economic strategies will have to be used, as appropriate, to produce the results both North and South are looking for. Over the last decade Australia has used two strategies, with very different results.

226. We initially looked to government to provide the solution to our economic problems, in the expectation that government could provide a comprehensive shelter from the harsh economic realities of the times. Rapid growth of government spending and relaxation of restraints on the money supply were translated directly into unacceptably high levels of inflation. The damage to employment and investment was immediate and severe.

227. We subsequently chose the alternative of fighting inflation as a first priority, restricting government spending, cutting back government deficits and making careful use of monetary policy. That strategy has resulted in a significant reduction in inflation and unemployment, higher rates of growth and a greater inflow of the overseas capital so vital to the development of our national resources.

228. But Australia recognizes that for progress to be made in the North-South dialogue industrialized nations must do more than simply use whatever strategies they see fit to put their own houses in order. Those nations, whose participation will be vital to the success of any global round of negotiations, must be persuaded that on balance their domestic and external interests can be preserved and indeed furthered. If we cannot do that we shall find, even though the negotiations may begin, that the process will constantly be placed in jeopardy because the expectations exceed the results that are politically possible or economically feasible. If the process of global negotiations is to be resumed in the most promising context we should all carefully review our demands and expectations, in terms not only of what can be achieved but also of the time-scale which might be necessary. We must devise

proposals and procedures which will enable all nations and groups to make the maximum contributions within the realistic limits of their politics and capabilities.

229. In any event, Governments alone cannot create the climate of international prosperity which will be necessary if we are to achieve the goals of the North-South dialogue. The potential contribution of the private sector must be recognized and it must be given the opportunity to participate. We are sure that the global negotiations process, conducted in a multilateral framework, will be able to provide a role for the private sector. Our approach to global negotiations must embrace all aspects of economic endeavour.

230. The problems of a difficult world economic situation have not prevented the efforts of member countries to get North-South co-operation moving again. Recent meetings in Caracas, Ottawa, Nairobi, Cancún and Paris have held out some prospect of progress.

231. In a few days time there will be an opportunity to review the state of North-South relations when the biennial meeting of the Commonwealth Heads of Government takes place in Australia. I am aware that non-Commonwealth Members of the General Assembly may not be fully aware of the role and function of the Commonwealth.

232. The notion of the Commonwealth as a colonial relic has now been well and truly dispelled. The modern Commonwealth has been responsive to the needs and aspirations of its members. Moreover, it has made several important contributions to the international community, including arrangements for majority rule in Zimbabwe and support for establishment of the Common Fund.

233. The Commonwealth has some distinct advantages as a forum for the consideration of North-South issues. Over a quarter of the States represented here today are members of the Commonwealth. It includes major industrialized States, newly industrializing States, least developed countries, island developing States and oil-exporting developing States. Its frank and informal way of working has helped build consensus among its members.

234. The Commonwealth Heads of Government Meeting will be considering many of the subjects before this Assembly. It will take up the questions of decolonization and racism in Africa, particularly as they relate to Namibia and South Africa; the Soviet occupation of Afghanistan and the Vietnamese occupation of Kampuchea; arms control and disarmament; the Indian Ocean; human rights; and the law of the sea. Nevertheless, a principal focus of the meeting will be the present state of North-South relations. Discussions with participating Heads of Government have indicated that special attention will be given to food and food security, trade and industrialization, international financial questions and energy.

235. Commonwealth leaders will have the opportunity to examine those matters at that meeting, which comes shortly before the North-South summit meeting to be held in Mexico in October. They have indicated that they wish to do so, and I am confident that the results of that review will make a positive contribution to the work of nations attending the meeting in Cancún and to the work of this Assembly.

236. Seven Heads of Government who will be in Melbourne will go to Cancún. My Government hopes they will be able to carry a clear and unequivocal message from the whole membership of the Commonwealth that there should be new progress in North-South relations and that at this session the General Assembly should resume efforts to achieve an effective framework for the global negotiations.

237. I should now like to make some specific comments on the principal issues on the North-South agenda.

238. One of the most pressing problems facing the developing countries is food production and food security. Clearly, the only long-term solution lies in the developing countries increasing their own production, through increased investment in agriculture and the adoption of appropriate national food strategies.

239. There is also a need for international measures which will assist world food security in both the short and long terms. Australia has consistently supported such measures. They include increased food grain aid commitments to meet the World Food Conference target of 10 million tonnes per year and a concerted effort to reach agreement on the replenishment of the International Fund for Agricultural Development. I also believe that a significant contribution could be made to world food security by the negotiation of an international grain agreement, with economic provisions which would safeguard the common interests of both exporting and importing countries while recognizing the special needs of developing countries.

240. In recognition of the continuing need of developing countries, Australia recently announced a number of initiatives relating to food security. Those include an increase in food aid to over \$US 120 million this financial year and the establishment of an Australian Centre for International Agricultural Research. The principal aim of the Centre will be to contribute to the solution of agricultural problems in developing countries. A trust fund will be established for the Centre with an initial commitment of \$US 28 million over four years.

241. The general situation in world trade is particularly difficult. Economic difficulties in the major world economies have gone hand in hand with mounting protectionist pressures. Some form of protection is now applied to almost 30 per cent of world trade.

242. The developing countries are having an increasing impact on world trade. Their exports continue to increase more rapidly than the world average and they are the fastest growing importers of the products of the major industrialized countries.

243. Increased opportunities for trade offer the most effective means to bring greater prosperity to the developing countries. However, the prospect of increased protectionism, when coupled with the significant deterioration in the terms of trade of non-oil developing countries as a group, means that the outlook of those countries is increasingly uncertain.

244. Despite the achievements of the last global round, the multilateral trade negotiations still left the developing countries facing higher levels of protection than the industrialized countries. The position has continued to deteriorate,

with the major industrialized countries introducing further protectionist measures. Moreover, the fact that many of these measures are not introduced through the conventional institutional framework means that the developing countries are unable to challenge their introduction or to seek redress where they are treated inequitably.

245. There is another angle to all this. To the extent that both the North and the South stand to benefit from improved world economic conditions and higher levels of North-South trade, it can be shown that the participants in North-South dialogue are not necessarily participants in a "zero-sum game". There does not have to be a winner and a loser. The gains from higher levels of trade are shared by both importer and exporter, by both North and South. That is an aspect which could be given more attention than it has in the past.

246. There is an urgent need for international bodies to consider ways and means of better accommodating developing countries within the international trading system. Both the global negotiations, when they take place, and the forthcoming GATT meeting of trade ministers should address that issue.

247. Important contributions can also be made in the field of commodities. Commodity trade is fundamental to the well-being of the developing countries and price stabilization alone will not provide the means to greater prosperity. There is only limited scope for the introduction of buffer-stock finance schemes and these are not appropriate for all commodities. Other aspects of the UNCTAD Integrated Programme for Commodities must be seriously explored. In that context special attention should be given to the scope for increasing commodity processing within commodity-exporting countries.

248. We are all aware of the severe problems of higher energy prices for non-oil-producing developing countries. Although national Governments themselves must introduce energy policies aimed at encouraging conservation, conversion and development of new resources, the international community again can play an important part.

249. The United Nations Conference on New and Renewable Sources of Energy, held in Nairobi, was able to demonstrate that the United Nations could make a positive contribution to the discussion of energy matters. It also highlighted some of the special problems of developing countries, including the supply of the most ancient of energy sources—fuel wood. The international community must address these critical problems, while not neglecting the needs of all countries for conventional fuels. Measures to implement the Programme of Action adopted by the Conference<sup>5</sup> must now be taken. For its part, Australia has agreed to support financial proposals from that Programme.

250. Australia supports the establishment of the proposed World Bank energy affiliate to develop new sources of oil supply and to promote the use of alternative energy sources. However, greater lending for those purposes should not be delayed until some new body is established. We therefore welcome the recent increase in energy lending by the World Bank.

251. The debt situation for many countries now imposes a severe burden. High energy costs, inflation, steep in-

creases in interest rates and changing exchange rates have all had their impact. Debt management problems appear to be particularly harsh for those developing countries which are at the two extremes: those which are going through a process of dynamic growth face difficulties in financing that growth, while the low-income countries are having difficulty in paying for imports, particularly energy.

252. Australia welcomes the response so far by IMF to these difficult problems which confront the developing countries. The IMF has shown flexibility in its approach and has made an important contribution to the recycling process. Australia supports soundly based improvements in the Fund which will benefit developing countries. The new enlarged access to the Fund's resources, the establishment of a food facility and an interest subsidy account are innovative and important developments.

253. There remains a need for the Fund to continue to adapt its activities to changing circumstances. Australia would support increased IMF capacity to assist the financing and adjustment of large financial deficits and in that context welcomes the recently concluded borrowing agreements to assist in ensuring that adequate resources are made available to countries in balance of payments difficulties.

254. Australia recognizes the importance of industrialization for the developing countries. Industrialization provides the main avenue for achieving rapid economic growth, improved employment opportunities and higher standards of living. Sound, practical economic measures, tailored to the resource endowments and capabilities of each country, are necessary. Recent years have seen progress in those areas, with contributions from UNIDO and the regional commissions and the development banks.

255. Australia is also concerned with the related problems of protection and structural adjustment. These raise complex issues for all countries and Australia is no exception—though on a per capita basis we are already a major importer of manufactured goods from developing countries. The Australian Government has recently commissioned an independent inquiry into our domestic tariff arrangements. The objective of that inquiry, which is to be completed within six months, is to identify possible measures for further general reductions in long-term protection levels.

256. Official development assistance remains an important instrument for growth. It is particularly effective when provided in support of domestic efforts and policies designed to promote self-reliant development.

257. Australia has recently increased its aid programme substantially to just under three quarters of a billion United States dollars in the current Australian financial year. The increase planned for the present financial year of more than \$US 110 million is evidence of our acceptance of official development assistance as a key element in the North-South dialogue. It will allow us to undertake various important new practical initiatives in the main areas of North-South discussion, such as food, energy and international finance.

258. The outcome of the recent United Nations Conference on the Least Developed Countries recently held in

Paris is a significant and positive step in relations between developed and developing nations. The action it has proposed will help to ease the problems of the poorer countries. Australia is one of the few donors actually located among developing nations and its aid priorities reflect its regional links and associations in the South Pacific and in north and south Asia. Australia has, however, more than doubled its assistance to the least developed countries over the period 1978 to 1981.

259. In the coming year we shall be increasing our contributions to UNDP, UNFPA and UNICEF. Similar substantial increases are programmed in our contributions to UNHCR and UNRWA. Australia ranked ninth among the countries to announce contributions at the International Conference on Assistance to Refugees in Africa held earlier this year. Our food aid allocations are increasingly being directed to the famine and emergency situations which have arisen in Africa.

260. Australia, with other developed countries, supported the principle of economic co-operation among developing countries at the fifth session of UNCTAD in 1979. We welcome the potential identified by the Caracas South-South meeting last May for practical co-operation among developing countries in a wide range of economic areas. We are hopeful that South-South co-operation will develop in a way which is complementary to the achievement of improved relations between North and South.

261. I wish to refer also to the United Nations Conference on the Law of the Sea, which is drafting a legal régime to cover the resources of the oceans. The international community has worked in close co-operation for almost a decade to finalize that new legal régime, which places great emphasis on equity and international resource-sharing. It is my Government's sincere hope that next year a convention on the law of the sea, enjoying widespread support, may be opened for signature. I believe that would be a major demonstration of what may be achieved by co-operation between developed and developing countries.

262. I have today focused attention on Australia's interests in the achievement of progress in the North-South dialogue. We must not lose the opportunity we have this year to make a historic contribution to progress in North-South questions. Let us hope that the summit meeting of Heads of Government in Cancún and the Commonwealth meeting will be able to provide a new momentum and a new commitment to the progress towards an effective global dialogue. Let us also recognize that a global round, to be effective, must allow for the participation of all interested countries. All Member States must be persuaded that their interests will be protected and that they will have the opportunity to contribute in a real way to the process of negotiation. The United Nations must have a major role in the process.

263. The world community has only one universal body, the United Nations. The Organization has its limitations. It has its shortcomings. But we will have to work within its framework and capitalize on its possibilities if we are to achieve a fundamental and long-lasting reconciliation of the interests of developed and developing countries.

*The meeting rose at 1.15 p.m.*

## NOTES

<sup>1</sup> Simón Bolívar, "Reply of a South American to a gentleman of this Island [Jamaica]", Kingston, 6 September 1815. For the text, see *Selected Writings of Bolívar*, vol. I, Vicente Lecuna, comp., Harold A. Bierck, Jr., ed. (New York, The Colonial Press Inc., 1951), p. 119.

<sup>2</sup> See U.S. Department of State *Bulletin*, Vol. 81, No. 2054 (September 1981), pp. 68-70.

<sup>3</sup> *North-South: A program for survival*; report of the Independent Commission on International Development Issues, under the chairmanship of Willy Brandt (Cambridge, Massachusetts, The MIT Press, 1980).

<sup>4</sup> *Ibid.*, p. 33.

<sup>5</sup> See *Report of the United Nations Conference on New and Renewable Sources of Energy* (United Nations publication, Sales No. E.81.I.24), Chap. I, sect. A.