

# United Nations GENERAL ASSEMBLY

SIXTH SPECIAL SESSION

Official Records



**2210th  
PLENARY MEETING**

Thursday, 11 April 1974,  
at 10.30 a.m.

**NEW YORK**

## CONTENTS

	Page
Address by Mr. Albert Bernard Bongo, called Omar Bongo, President of the Gabonese Republic .....	1
Agenda item 7: Study of the problems of raw materials and development (continued) .....	3
Agenda item 5: Organization of the session (continued) .....	16

*President: Mr. Leopoldo BENITES (Ecuador).*

*Address by Mr. Albert Bernard Bongo, called Omar  
Bongo, President of the Gabonese Republic*

1. The PRESIDENT (*interpretation from Spanish*): On behalf of the General Assembly, I am honoured to welcome His Excellency Mr. Albert Bernard Bongo, President of the Gabonese Republic. I now invite President Bongo to address the Assembly.

2. Mr. BONGO (President of the Gabonese Republic) (*interpretation from French*): I am happy to be able today to have the voice of Gabon heard from this rostrum, where the nations of our world have the possibility to engage in a dialogue, which we hope will be fruitful.

3. I was gratified at the initiative taken by my brother the President of the Revolutionary Council and of the Council of Ministers of the People's Democratic Republic of Algeria, Houari Boumediène, who, on behalf of the group of non-aligned countries, made possible the convening of this General Assembly session.

4. May I first of all be permitted to pay a tribute to his brilliant and appropriate initiative, which has the great merit of explaining clearly what our concerns are, and of setting priorities and courses of action likely to open the way to fruitful co-operation between the industrialized and the developing countries. All those who wanted to see this meeting come about—Gabon, in particular—hope that it will lay the foundations for better understanding and greater justice in international relations.

5. At the present time we are confronted with a crisis, which became most acute with the devaluation of the United States dollar in the course of the summer and autumn of 1971 and reached its full dimensions with the recent energy shortage. As far as we are concerned, that spelled the death knell of the international monetary system and of certain economic concepts which proved unable to raise the standard of living of more than three

quarters of mankind, or even to maintain economic and monetary stability for the very ones who had created them or had put them into practice.

6. Indeed, it appears to us that the energy crisis, which commands everyone's attention, is only the reflection of a crisis in international trade which has existed for quite some time, although not many people were deeply concerned about it. True, the effects of this evolution were severely felt, above all in the developing countries, where, despite an increasing need to improve the standards of living of their peoples, we noted a different trend in the prices of manufactured goods and raw materials. Indeed, there was a continuing and regular increase in the cost of manufactured goods essential for this improvement in the standard of living; yet, at the same time, an equally regular decline was noted in the prices of raw materials.

7. That is the well-known phenomenon of the deterioration of the terms of trade, which the developing countries have steadily condemned and attempted to combat.

8. It was necessary that the highly industrialized countries should feel their vital interests threatened by the energy shortage which followed upon the embargo imposed by the petroleum-producing countries, and by a generalized galloping inflation, for the great Powers to become aware of the problem and finally decide to call a meeting bringing together the raw-materials-consuming countries. Of course, the results of that meeting were disappointing.

9. This situation reveals the selfishness of the industrialized countries.

10. Indeed, have we not seen some of them, in Santiago, Chile, attempt cynically to rank themselves among the developing countries in the hope of drawing some of the benefits in terms of trade, finance and other areas to be granted to the latter countries?

11. Even more, have we not also seen certain industrialized countries set aside any formula favourable to assistance in the best possible terms in the properly understood interests of all the needy peoples of the world?

12. We think that the international community should not react only to crisis situations. Rather, it should attempt to foresee and prevent events likely to endanger its own existence.

13. That is why Gabon is entitled to demand that the great Powers take into consideration the concerns of our countries, primarily with respect to the marketing and pricing of our products.

14. That demand obviously affects our interests in forestry; agriculture—in particular, tea, oleaginous seeds, bananas and pineapples—and minerals such as uranium, iron, manganese, copper and tin.

15. And that is why our Assembly should devote its attention to promoting the introduction of a new international order, and this special session should not be marked by rancour, failure or stalemate, nor should it be marked by a mere expression of fine feelings. We should first tackle the problems and try to find solutions to them in a spirit of pragmatism and realism and with a will to succeed. One step forward in the direction of a concrete solution is worth more than any kind of paean to development.

16. We have now become aware that our world cannot continue to be divided primarily into favoured and less favoured countries. We know that all kinds of projects proposed to us are inspired primarily by calculated concern, whereas in fact what is at stake is working out a harmonious balance of international trade.

17. It is therefore essential to provide our countries with the indispensable security to be derived from income coming primarily from the export of our raw materials and commodities.

18. In our opinion it would be illusory to hope that a liberalization of trade, unless followed up by further measures, could increase the incomes of our countries. We know that under such a system the already developed countries would derive the greatest benefits, in particular in the area of transport and maritime shipping.

19. For our part, we have always recommended that trade measures should be combined with financial and technical arrangements, and to that end Gabon and the other developing countries have in the competent bodies of the United Nations Conference on Trade and Development asked that the advanced countries provide us with 1 per cent of their gross national product to assist our development. Our countries have also asked that the largest portion of that assistance should be provided by public aid and that it should not be tied. I would venture to reaffirm those proposals on this solemn occasion.

20. Turning to the serious problem of the prices at which our raw materials are sold I should like without circumlocution or hesitation to set forth the position of my country.

21. We in Gabon know that the extremely low level of prices for our raw materials is a result of the monopolistic situation we inherited from colonial arrangements which multinational companies often enjoy in our countries.

22. We are also aware that those companies have unfortunately involved our countries in a system of contracts under which any discussion of prices is ruled out.

23. In Gabon, we believe that to put an end to that colonial arrangement both producer countries and consumer countries—that is, those countries which produce and those that use raw materials—should succeed in working out international agreements on commodities which will guarantee stable and remunerative prices.

24. Moreover, we think that, like the countries which produce and export petroleum, the countries which provide other raw materials should co-operate and get together in similar organizations to defend their interests.

25. My country is quite ready to associate itself with any initiative that may be taken along those lines.

26. Further, we consider that the present level of prices in the particular case of petroleum is the result of the growing awareness of our countries of the need for co-operation and agreement. That is why we say that the prices now in effect represent a small victory for our countries and a step forward.

27. In any event, it would be unrealistic to speak of a decline in petroleum prices. On the contrary, we consider that present prices are going in the direction of a fair sale price and a just balance of the interests involved.

28. This painful problem of raw materials and development has been put before this distinguished Assembly because it can only have an over-all and world-wide solution.

29. We have already started our conversations. Let us hope they will be truly fruitful! Otherwise, the division of the world can only widen in a climate that will foster tensions, in which extremist solutions will appear to be the only way out and in which the proper harmony in international relations will evaporate and peace become increasingly threatened day by day.

30. I should therefore like to draw to your attention the following African maxim: "When all the animals have been fed, calm reigns over the plains". When the peoples of the earth have the vital minimum and maximum of dignity to which they are entitled, peace and harmony will finally have some likelihood of reigning on earth.

31. People say that petroleum prices should drop. But people forget that certain countries such as Gabon are developing their economies. That is why we in Gabon believe that what is at stake is to determine which are the largest petroleum-producing countries and which countries are still developing their petroleum. We should determine who should help the less favoured nations, but making the distinction between them and those countries which, while they have petroleum, are not in a position to help anyone else. That is the case of Gabon.

32. But, if I may express myself in these terms, we have had enough talk, we have had enough of conference-making. But these conferences should not wind up in a stalemate. We should not have more speech-making, after which everyone goes back home and in the last analysis nothing is really done.

33. Once again I should like to pay a warm tribute to President Boumediène and to the Secretary-General, who have enabled us to come together so that together we can find a solution which will be neither to the detriment of one side nor to the benefit of the other. I think that at the end of the special session of the General Assembly something will emerge. Otherwise, the United Nations will have suffered another failure. Why a failure?

34. You all know that you do not get dogs to come to you by brandishing a stick and you do not catch any flies with vinegar. Therefore we must engage in a fruitful dialogue, a dialogue in which everyone should act to ensure that selfish interests to which I have just referred are set aside; the highly industrialized countries should understand that it is not merely a matter of trembling in their boots because they do not have any petroleum, but let them be aware of the fact that aside from petroleum there is something else involved. Some will not wish to understand me, but I always say what I think. I say to them today: You have everything you need. We have coffee, we have ground-nuts, we have wood. However, we are not talking about wood or coffee because the highly industrialized countries have them too, but they do not have petroleum. We have met here to talk about the problems of energy which some of you do not have—and when I say “you”, I am addressing myself to certain countries. Therefore, we must engage in a dialogue. We have to have some reciprocity: those who have petroleum must give petroleum to those who have none, but you, the highly industrialized countries, must in exchange buy our coffee, our manganese, our uranium, our cocoa. Otherwise, I think there could be no question of lowering petroleum prices.

35. Well, I do not want to go on to any great length, I shall conclude merely by saying that I hope for long life for the United Nations and that I should like to see international co-operation develop.

36. The PRESIDENT (*interpretation from Spanish*): On behalf of the General Assembly, I have the honour to express my warmest thanks to His Excellency the President of the Republic of Gabon for his very important statement.

#### AGENDA ITEM 7

##### Study of the problems of raw materials and development (continued)

37. Mr. MINIĆ (Yugoslavia):<sup>1</sup> On the initiative of the President of the People's Republic of Algeria, Mr. Houari Boumediène, who, in the spirit of the decisions of the Fourth Conference of Heads of State or Government of Non-Aligned Countries,<sup>2</sup> proposed the convening of the special session, we are gathered here to examine in a joint effort the charting of the paths of international co-operation based on equality and to find solutions for the acute problems of concern to all of us. The convening of the special session of the General Assembly, devoted to questions of such importance as development and economic relations in the world, is a unique event. The comprehensive appraisal of international political and economic relations, the positions and the decisions of the Fourth Conference of Non-Aligned Countries, strongly underline the true nature, gravity and scope of the problem of development and of international economic problems in general, as well as the necessity to give priority to their urgent solution. It gives us especial satisfaction that we have participated, together with other non-aligned countries, in the actions that have led to the convening of this special session.

<sup>1</sup> Mr. Minić spoke in Serbo-Croatian. The English version of his statement was supplied by the delegation.

<sup>2</sup> Held at Algiers from 5 to 9 September 1973.

38. The fact that the convening of this meeting was so strongly supported by a great many Member States reflects not only the high degree of interdependence in the world in which we live, but also the growth of awareness that the pressing problems confronting all of us can most successfully be solved in the United Nations. The Government of the Socialist Federal Republic of Yugoslavia attaches a special importance to this fact, convinced that new and progressive solutions of these problems, in the interest of all countries, are indispensable. Mankind is at the cross-roads and the development and stability of international relations as a whole will depend on our ability to provide appropriate answers. For this reason, each country, and the United Nations as a whole, faces a major test.

39. The situation demands that we turn our efforts toward the future and that we concentrate on discovering new possibilities of achieving a substantial turning-point in international economic and political relations. The crisis of the existing economic situation is the result of the real inequality, and of the privileges enjoyed by some at the expense of others, upon which the system is based. This system, characterized by strong neo-colonialist elements and by the remnants of colonialism, has made possible the accelerated growth and prosperity of the most developed countries, concomitantly with further lagging behind and struggling for the elementary conditions of life and development for the greater part of mankind.

40. The developing countries, which have resolutely embarked upon the path of political and economic independence, have been unable, under the existing system of international economic relations, to narrow the gap separating them from the developed countries, or substantially to change their position in international economic relations, although some of them, even in these circumstances, have through their own efforts, and with considerable sacrifice, made some progress. All important indicators on the state of world economic trends irrefutably testify to the very difficult situation of the developing countries. What, indeed, are the prospects in a situation in which countries with enormous human potential and rich natural resources, constantly suffer deterioration of the terms of trade, a continuous decline of their share in world trade and a relative decrease in *per capita* income, while their foreign indebtedness has grown to dramatic proportions.

41. It has become quite clear that these, and other negative trends, cannot be checked by palliative measures and corrections of the existing economic system, or by the extension of so-called concessions and exemptions in treatment of developing countries. These measures have not been able to overcome the inequalities that are inherent in the system. In these circumstances, even the spectacular progress of science and technology, as one of the underlying factors of growing interdependence and great possibilities for over-all development, has increased the inequality and has led to the so-called technological colonialism. The existing system has resulted not only in the cancelling out of the assistance received, but also in the net transfer of real resources from the developing countries to the developed countries.

42. On the other hand, there is a continuing unprecedented growth in the most developed countries, especially

those which have the major share of world trade and which are the largest consumers of raw materials coming from the developing countries. This growth was, to a great extent, based on the low-priced raw materials, including oil, and on the cheap-labour force in the developing countries or the labour which these countries had no choice but to export. At the same time a process of creating closed privileged integrated groups has been going on. This has inevitably caused distortions in international economic flows which have most adversely affected the developing countries. Along with all this, there has been an extraordinary increase in the economic and political power of transnational corporations which have become one of the main instruments of neo-colonialist exploitation, of violation of the sovereignty, and infringement of the independence, of many countries.

43. There is no doubt that this situation in international economic relations presents a major obstacle to efforts directed towards improving political relations in the world. The process of relaxation of tension is fragile and limited, because many countries especially in the Middle East, in South-East Asia and in southern Africa, as well as in some Latin American countries, are still subject to strong outside pressures and aggression of imperialist forces or colonial domination. Without appropriate economic substance, this process is even less stable and exposed to even greater uncertainties. The endeavour to preserve the existing unequal international economic relations, and to seek solutions based on privilege and monopoly, represents a constant source of tension and carries a real danger of all kinds of disturbances and international conflicts and is becoming more and more one of the main threats to peace and security in the world. It is, therefore, essential that the principles of active and peaceful coexistence be applied in relations among all countries and that they should also include the solution of international economic problems, since without this the relaxation of tension could not have a universal and lasting character, while whatever has been so far achieved could be put in question. The Declaration on the Strengthening of International Security adopted at the twenty-fifth session of the General Assembly [resolution 2734 (XXV)], the action directed toward the development of collective economic security and, especially, the initiative of the President of Mexico, Luis Echeverría Álvarez, for the adoption of a Charter of Economic Rights and Duties of States are a further confirmation of the concept of the interdependence of peace, security and development.

44. The initiatives taken so far to solve the acute problems of international economic relations are far from satisfactory. Owing to the lack of political will on the part of most of the developed countries, the United Nations Development Decades have remained, unfortunately, a dead letter. Attempts to reform the monetary and trade systems have not been successful, owing to resistance motivated by endeavours to preserve the privileged position of the most developed countries. In other areas of international economic relations, also, we witness the same endeavours, as well as attempts by some most developed countries to use the recent events and changes in international economic relations in order to gain economic and political advantages and to establish new forms of dependence and domination. The continuation of these tendencies would not only move us even further away from real solutions but also pave the

way to new dramatic events. Had the solution of the problems of raw materials and energy—on which many basic contradictions of the present world are focused—been tackled in time, as has been repeatedly proposed by the non-aligned and other developing countries, the change would certainly have been easier and more successful. If we now fail to demonstrate readiness to take decisive steps in order to change substantially the unequal international economic relations, the changes will inevitably impose themselves, only with far greater shocks and crises.

45. The non-aligned countries, at their summit meetings in Belgrade in 1961, Cairo in 1964, Lusaka in 1970 and Algiers in 1973, and in the United Nations and in other international organizations together with other developing countries, have taken important initiatives for the solution of world economic problems. Relying to an ever increasing extent upon their own efforts, they have taken the path of broad and intensive mutual economic co-operation. Aware of their enormous natural resources, the non-aligned countries, at their fourth summit Conference in Algiers, attached particular importance to the realization of the principle of full sovereignty over their own natural resources and on that basis to the establishment of more favourable conditions for their economic development and the strengthening of their interdependence. It was only natural that the justified and legitimate action of the oil-exporting countries received the full support of the non-aligned and other developing countries. This broadens significantly the material base for further promotion of mutual co-operation among developing countries. At the same time it increases the actual possibilities for their growing influence and action directed towards fundamental change in the relationships of inequality, domination and exploitation and the solving of international problems through constructive co-operation between the developing and the developed countries.

46. I should like to quote the President of the Socialist Federal Republic of Yugoslavia, Josip Broz Tito, who, at the fourth Conference of Heads of State or Government of Non-Aligned Countries in Algiers, pointed out, *inter alia*:

“It should be quite clear that the non-aligned countries are resolutely determined to secure all conditions for their further economic and social development”.

President Tito, at the same time, declared:

“The non-aligned countries have always pronounced themselves in favour of constructive international co-operation and have patiently invested efforts to find generally acceptable solutions in the field of development”.

47. The non-aligned countries have never considered that they alone could find solutions for these problems which are of crucial importance for the further development of the entire international community. They have continuously stressed the need and the possibility for all countries to participate actively and to assume their respective shares of responsibility in the search for solutions to these problems. This special session offers an exceptional opportunity to adopt precisely this approach, which could lead us to positive results. The great differences and conflicts of

interest and contradictions must not be an insurmountable obstacle in these efforts. Such an approach can bring us to generally acceptable solutions, which, however, must not be an insurmountable obstacle in these efforts. Such an approach can bring us to generally acceptable solutions, which, however, must not be reduced to mere verbal acceptance but should reflect genuine political agreement followed up by concrete action. In this connexion, it is obvious that priority must be given to finding answers to the acute problems of the developing countries. Otherwise, solutions cannot be found for the problems confronting the developed countries either. The recent developments have unequivocally shown the interdependence of the economies of the developed and the developing countries as well as the unity of the world economy as a whole, in spite of the still existing barriers and divisions.

48. The problems confronting us are extremely complex and certainly cannot be solved at this session in their entirety. We should, however, expose ourselves to many uncertainties and dangers if we did not, now, lay a firm foundation for a substantial change in international economic relations. This presupposes also undertaking urgent measures in order to alleviate the exceptionally great difficulties now facing many developing countries.

49. In preparation for this session, the developing countries set forth their proposals and suggestions. In doing this, they were guided by the need to define the elements of a system for whose establishment we should all work together, which implies the harmonization of positions as well as the contribution of all countries. A great contribution to the preparations for this session was made at the recent meeting of the co-ordinating body of the conference of non-aligned countries in Algiers, which adopted a number of decisions and recommendations to the Governments of the non-aligned countries.

50. Without going into details, I should like to underline several questions which, in the opinion of my delegation, are important for arriving at political agreement, on the basis of which the necessary concrete decisions would be adopted and which would engage the entire system of United Nations organizations with a view to devising and adopting practical solutions in all fields of international economic relations.

51. There is an evident need for such structural changes of international economic relations as would secure conditions for the accelerated industrialization of the developing countries and the modernization of their agriculture, based on full sovereignty over their own natural resources and thus also a new international division of labour; otherwise, no solution would be possible either for the acute or for the long-term problems of the world economy.

52. To this end, the urgent need for a decisive turn towards the lasting improvement of the terms of trade for the developing countries should be one of the priority issues. In this connexion, we have in mind primarily the securing of favourable conditions of access to foreign markets for products of the developing countries, at prices which will bring to an end the drain on their revenue to the developed countries. In this respect it is necessary to reach an agreement on maintaining prices of raw materials at a

remunerative level, linking them to the movement of prices of the industrial products and capital goods which the developing countries import from the developed countries. This mechanism should certainly be supplemented by appropriate financial arrangements to secure an adequate level of export revenue to all the developing countries.

53. The issue of financing is also a very important field in which international action so far has not produced the expected results. The financial position of the developing countries is continually deteriorating. The official financial inflow lags seriously behind the target established in the International Development Strategy for the Second United Nations Development Decade [*resolution 2626 (XXV)*], while the terms of lending are such that they take away a considerable part of income and often have political strings attached. The increase in prices of the food, fertilizers, oil, technology and industrial products which the developing countries import has further worsened their already difficult balance-of-payments situation. Therefore, in this area also this session is faced with very urgent tasks.

54. There is no doubt that with regard to development financing it is high time to take decisive measures to implement the targets formulated in the International Development Strategy. We should also take certain urgent steps at this session to overcome the difficulties of those developing countries which have been hardest hit by the price increases. I should like to emphasize here, however, that we must not lose sight of the fact that this is actually only an additional burden on those countries, which, together with all other developing countries, were already in an alarming state of foreign indebtedness, amounting to about \$80,000 million. It is the task of all countries, therefore—depending on their level of development and their possibilities—to engage in measures to overcome this situation. This should also include those developing countries which have suffered from drought and other natural disasters.

55. The proposal of the President of Algeria on the working out of a special programme in favour of the least developed among developing countries, a proposal which was put forward yesterday in his extremely important statement [*2208th meeting, paras. 142 and 143*], represents a very positive initiative within the framework of broader efforts to solve the acute problems confronting many developing countries.

56. Within this context, I should like to point to the efforts being made in the framework of mutual co-operation and solidarity of the non-aligned and other developing countries. Preparations are under way for the establishment of the solidarity fund for the economic and social development of the non-aligned countries. The oil-exporting countries have initiated and already undertaken certain measures looking towards the establishment of funds to finance development and to ease the balance-of-payments difficulties of the most seriously affected developing countries. Not only do the developed countries have a moral and political duty to contribute to the solution of these problems but it is also in their own interest to do so.

57. In establishing new relations in the financial and monetary fields, it is of prime importance that the



international monetary system be based on principles that will make it serve the purposes of the economic development of all countries. The uncertain prospects of monetary negotiations have a particularly serious effect on the developing countries. This is especially reflected in the depreciation of their monetary reserves, the increased burden of their foreign debt repayment and the further erosion of the purchasing power of their export earnings. For this reason it is essential that these negotiations be concluded by the date envisaged, with the participation on an equal footing of the developing countries and with full respect for their interests. It is particularly important that the work and functioning of the international monetary and financial institutions be reformed and the full participation of the developing countries be ensured, both in formulating their policy and in their decision-making process.

58. I have no intention of dwelling in this statement upon all the measures suggested by the developing countries. This is not because I do not consider them important. There is no doubt of the importance, for the promotion of general international co-operation, of measures in the fields of technology, shipping, the promotion of industrial exports, the establishment of international control over the activities of transnational companies and so on, or of principles such as preferential treatment, non-reciprocity, non-discrimination and so on.

59. The objectives we have set ourselves in the establishment of new relationships require that all countries, regardless of their level of economic development and social system, make a maximum contribution to the accelerated development of the developing countries, in the common interest.

60. Yugoslavia, which before the Second World War was a semicolonial country, won its independence at the price of enormous human losses and material destruction in the national liberation anti-Fascist war and the socialist revolution. In exceptionally difficult external political and economic conditions, Yugoslavia has, through its own efforts, achieved great socio-economic and cultural progress.

61. As an independent, non-aligned and socialist country which follows its own path, Yugoslavia feels it its duty, commensurate with its possibilities, to contribute to solving the problems of the developing countries. Although still a developing country, it feels entitled to share in benefits from decisions reached by the United Nations in the field of development and international economic co-operation.

62. I emphasize this position of ours to underline once more our profound conviction that the problems of the developing countries are world problems and that they can be solved only through the efforts of all countries and in their common interest.

63. Mr. GROMYKO (Union of Soviet Socialist Republics) (*translation from Russian*): First of all, Mr. President, I should like to congratulate you on your re-election to the presidency of this session of the General Assembly and to wish you success in the performance of your important tasks.

64. The present session of the General Assembly has met to discuss a major and topical problem. It affects the interests of all States in one way or another. The Soviet Union welcomes this approach whereby the search for a solution to this problem is being made on such a representative basis.

65. For the first time in the history of the United Nations the General Assembly has been specially convened to consider questions of international economic ties. This aspect of relations between States is in itself of great significance. Since the time of V. I. Lenin, the Soviet Union has been in favour of broadening business-like co-operation among all countries and making it truly democratic. Such co-operation is also called upon—today even more than yesterday—to serve as an important instrument in the strengthening of universal peace.

66. The questions of raw materials and development, which are on the agenda of the session, would appear to be matters of a purely economic nature. But it can hardly be doubted by any of the authoritative representatives of States who are present here that these questions should be examined in the light of politics. This also applies fully to those phenomena in international economic relations beyond the bounds of the socialist system which have recently become exacerbated.

67. In our view, the special session will fulfil its task if, through the combined efforts of its participants, it can contribute to the working out of political approaches to the pressing problems of economic interrelationships and to the discovery of ways to solve them. The Soviet Union is prepared to take a constructive part in this work.

68. The very fact that questions of economic development have been submitted to broad international discussion is indicative of the deep-rooted changes which are taking place in the world today. Would it have been conceivable for a forum like the present one to have been held successfully against the background of the bombings in Viet-Nam or under the conditions of a direct confrontation between States with different social systems when the threat of a wide-scale military conflict at times came so close to mankind?

69. It is the change towards détente and the improvement in the international political climate which are creating a favourable environment for the normalization of economic relations, too. The restructuring of relations in the world on the basis of the widely recognized principles of peaceful coexistence has essentially only begun, but in this sphere, too, it is already yielding tangible results.

70. The basic conditions for economic, scientific, technological and other kinds of co-operation between countries are improving, and such co-operation is on an increasingly large scale. As détente is becoming more extensive, further opportunities are opening up for the social and economic progress of those countries which have fallen behind in their economic development through no fault of their own, as we all know.

71. We are convinced that the fundamental solution of the questions under discussion at this session can only be found

in the mainstream of these major positive processes of the present time. In other words, such solutions should correspond to the interests of the further improvement of the international situation and the development of equitable and mutually advantageous co-operation.

72. It was the developing States which took the initiative in convening the special session, and the People's Democratic Republic of Algeria which showed particular initiative in this respect. We understand the motives which prompted them to do this. We well understand the situation of those countries which were formed as a result of the disintegration of the colonial system and the powerful impact of the national liberation movement.

73. Our country especially sympathizes with the desire to overcome the grim legacy of the past as rapidly as possible and to accelerate sharply the pace of economic development. The Soviet Union has itself travelled the road of transformation from an essentially agrarian country into a major industrial Power. We have discovered from our own experience how complicated and arduous this road is.

74. The basic causes of the persistence of economic backwardness and low living standards in third world countries have already been identified from this rostrum. In our view they have been identified correctly.

75. Indeed, this question cannot be avoided by understatement and half-truths. The crux of the matter is that many developing countries remain to this very day the object of exploitation by monopolistic capital.

76. Many fundamental problems concerning relations between developing countries and monopolistic capital, which is often backed by official policy, are, as it were, concentrated in the questions which are under consideration at this session.

77. They include the international division of labour imposed on economically backward countries, as a result of which the former colonies are still on the periphery of economic life. They also include the continuing control by foreign monopolies over the major sectors of the economies of those countries. For example, can we disregard the fact that more than half of the world's trade in raw materials is to this day controlled by foreign, and above all multinational, corporations?

78. The export of profits to the metropolitan countries—although they are now described as former metropolitan countries—continues as before; in this way, the already limited resources of the newly liberated and economically weak States are reduced. Finally, the former practice of unequal exchange—the notorious “price squeeze”—still operates as ruthlessly as a heavy press.

79. In recent months, the food situation has become more acute in several regions of the world and the energy and monetary crises have aggravated the difficulties which previously existed.

80. All these phenomena are not only detrimental to the interests of the developing States; they adversely affect the state of world trade and co-operation among States in

general and in many respects poison the over-all international political atmosphere.

81. The Soviet Union and the countries of the socialist community consider that one of the main ways to solve these problems would be a consistent restructuring of the system of international economic relations, which is overshadowed by the weight of the grim past. The vestiges of colonialism and all forms of inequity and unequal rights must be fully eliminated from it.

82. In practice, this means that in the economic sphere, too, relations between States with different social systems must be imbued with the principles of peaceful coexistence and co-operation based on equality.

83. Our country was the first in the history of international relations to renounce the advantages arising from inequitable treaties which tsarist Russia had enjoyed. We are still resolutely opposed to more powerful States, on the basis of superiority in their level of development, in practice imposing inequitable co-operation on countries which are less developed economically. There is also no need to dwell on the inadmissibility of applying economic levers in order to interfere in the internal affairs of States or to put political pressure on them. Who can deny with justification that if we were to leaf through the pages of history of the past 30 or 40 years alone we would see that many of them prove to be far from clean in this respect?

84. The spirit and the letter of equality should permeate not only political but also economic agreements. This fully applies both to bilateral agreements and to the multilateral commodity and other economic agreements which are becoming increasingly part of contemporary practice.

85. Such concepts as international co-operation and discrimination based on differences in social and economic systems are mutually exclusive. Unfortunately, discrimination still occurs in relations between States and such phenomena are to be encountered even today. Such practices date back to the most acute periods of the “cold war” and the sooner they recede together with it into the past, the better.

86. I should like to mention especially the principle of sovereignty. It is a main theme running through all the discussions and deliberations, both political and economic, in the United Nations and in its specialized economic agencies. This principle presupposes unconditional respect for the sovereign right of each State to dispose freely—I repeat, freely—of its natural resources.

87. The principle of sovereignty naturally includes the right to nationalize and to establish control over the activities of foreign capital. The Soviet Union supports the demands of the developing States that these tenets—which are contained in the relevant Declaration adopted by non-aligned countries at the Fourth Conference of Heads of State or Government of Non-Aligned Countries in Algiers<sup>3</sup> should not remain merely on paper.

88. The principles of the inadmissibility of the acquisition of territory by force and of respect for the territorial

<sup>3</sup> See document A/9330 and Corr.1, pp. 57-74.

integrity of all States are directly related to the struggle for the consolidation of the political independence of young States and for the attainment of their economic independence. The importance of the scrupulous observance of these principles is especially evident in the light of the aggression against the Arab States in the Middle East.

89. The Soviet Union did not only now start promoting and defending these fundamental principles of relations among States—and I have mentioned but a few of them. Most of them, as applied to questions of trade and economic co-operation, are embodied, in particular, in such an important document as the principles governing international trade relations and trade policies conducive to development.<sup>4</sup> That document was drafted and approved in 1964 by the United Nations Conference on Trade and Development with the active participation of the USSR and other socialist countries.

90. In essence, this is a progressive set of rules by which States should be guided in their economic relations. If all States adhered strictly to those principles we would perhaps not have to deal today with many of the questions which the Assembly is discussing.

91. Last December, during the twenty-eighth session of the General Assembly of the United Nations, in a joint statement,<sup>5</sup> the delegations of the socialist countries, including the Soviet Union, reaffirmed their dedication to the policy of developing equal and mutually advantageous co-operation and promoting the social and economic progress of all countries.

92. Of course, it is important to have good principles. But this is by no means all that is required. Another major way of solving problems of economic development is to institute all-round co-operation among the States of the world in full conformity with the principles which have been enunciated, in other words, to translate the principles which have been proclaimed and recognized into practical policies.

93. As far as the Soviet Union is concerned, it is making every effort to this end.

94. Our country possesses a powerful and developed industry and diverse natural resources and it has reached the forefront of scientific and technological progress. All this, coupled with a capacious domestic market, substantially broadens our opportunities for active participation in international economic co-operation.

95. In the conditions prevailing in the present-day world, the relative importance of scientific and technological ties in such co-operation is increasing. We are in favour of further developing those ties on a long-term basis. If these matters are dealt with rationally, all States will be able to derive benefits from such co-operation.

96. It goes without saying that the solution of the major problems of mankind, such as the protection of the

environment, the development of the resources of the world's oceans, and the control of particularly dangerous diseases, can be successful only if many countries combine their efforts.

97. It is obvious that the fuller utilization of the fruits of scientific and technological progress will help to pave the way for economically backward countries to a higher level of development.

98. The Soviet Union advocates the expansion of trade and economic ties with the developed capitalist States based on the complete renunciation of any form of discrimination and the removal of artificial barriers. Without this, the development of genuinely equal and just world trade and economic relations is hardly feasible. Along with political détente, business-like co-operation between East and West is also advancing step by step, though there is still much to be done.

99. For more than half a century, the Soviet State has been pursuing a policy of supporting the struggle against colonialism, co-operating with liberated countries and rendering them all possible aid and assistance. We pursued this policy at a time when we ourselves were in need of even the most basic essentials. We are firmly adhering to it today.

100. The Soviet Union's co-operation with the developing States has gone far beyond the bounds of purely commercial relations, although such relations do continue to play an important role. In recent years our trade turnover with this group of countries has increased several times over; moreover, along with increasing imports of traditional commodities, the proportion of manufactured goods of the young national industries supplied by these countries to the Soviet Union is growing.

101. The reason why this has become possible is because the Soviet Union is carrying out a whole series of measures for the benefit of the developing countries. As far back as 1965, we abolished customs duties on their products—and did so unilaterally.

102. Incidentally, we are hoping that all the developing countries will take a similar approach to the creation of favourable conditions for trade with the USSR. Scarcely anyone could question the legitimacy of such a wish.

103. It would probably be difficult to express in figures the extent of the economic, scientific and technological assistance rendered by the Soviet Union to other countries. I will only say that with our help about 1,000 industrial and other major—I repeat, major—projects have been built or are under construction in the developing countries. They include such gigantic projects as the Aswan dam in Egypt and the Bhilai project in India.

104. Such projects are, at the same time, a real school of advanced technological experience, a school for the training of hundreds of thousands of qualified experts both at the actual site of the project and at enterprises and in educational establishments in the Soviet Union.

105. Our assistance is aimed primarily at building an industrial base and its key branches in the young States.

<sup>4</sup> See *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No. 64.II.B.11), third part, Annex A.I.3.

<sup>5</sup> See document A/9389.



This is surely the basis for solving major economic problems and overcoming backwardness—and consequently for strengthening economic and political independence.

106. All the projects constructed become, without exception, the national property of the developing countries. Any export of profits is completely ruled out in relations with those countries.

107. Another important aspect of our co-operation is the fact that it is conducted on a planned basis and is adjusted to domestic programmes for the long-term development of young States. In that way, not only their current needs but also their basic long-term interests are taken into account.

108. We shall continue to co-operate with the States of Asia, Africa and Latin America and to give them all the aid and assistance we can in the most varied ways—from extending long-term credits to providing access to advanced technological knowledge, and from training national personnel to sharing experience in economic planning. The aim is precisely to provide aid and assistance in accordance with the wishes of individual States.

109. As in the past, we shall strive for unity of action with those States in the world arena in the interests of détente and peace, and together with them promote the solution of urgent international problems and rebuff the encroachments of the forces of reaction on their freedom and independence and on their right to carry out progressive social and economic reforms. This policy has been laid down by the Communist Party of the Soviet Union; it is not subject to the winds of expediency but is a consistent policy, a policy of principle.

110. As before, our country will oppose attempts to separate the national liberation movement from its natural ally—the community of socialist States. We shall never accept, either in theory or in practice, the fallacious concept of the division of the world into “poor” and “rich” countries, a concept which puts the socialist States on the same footing as certain other States which extracted so much wealth from the countries which were under the colonial yoke.

111. The authors of that concept are not only concealing the basic difference between socialism and imperialism, but at the same time are completely disregarding the question of how and at whose expense the high level of development was achieved. Thus the responsibility of those who for centuries kept many peoples under colonial oppression and who are really to blame for the economic backwardness of the developing countries is, as it were, taken off the agenda. We are not in favour of polemics for the sake of polemics, but in this matter of principle things should be called by their real names.

112. Recently an acute shortage of fuel and energy raw materials has arisen in a number of countries, including some developing countries. The flashy term “oil crisis” has come into circulation.

113. Was the outbreak of this crisis inevitable, predestined, as it were, by the stars? No, mankind is not threatened by extinction through lack of energy—all the

experts seem to agree on this. Science has by no means said its final word in the exploitation of new sources of energy. The causes of the crisis are not natural, but social and political. The best proof of this is that the socialist world has hardly encountered it.

114. This is not of course because we have more oil and other energy raw materials than others. The point is that it is all used more rationally, on the basis of a scientific and planned organization of the economy. This, among other things, ensures a proportionate and harmonious utilization of all types of resources, including oil, coal and atomic energy, and the advantages of a single energy system embracing the States members of the Council of Mutual Economic Assistance.

115. Is not the present oil situation in the West the result of a certain policy, a consequence of the decades of grasping exploitation, or, to put it bluntly, the plundering of the natural resources of the oil-producing countries? On the other hand, has it nothing to do with the policy of Israel, its annexation of Arab territories and its obstinate reluctance to leave the Arab lands seized by force? Who in this interweaving of politics and economics can separate one from the other?

116. There are some people who try to place the blame for all the energy problems on the Arab States, which are known to have taken a number of measures to protect their economic interests and to restore their rights which have been trampled by aggression. But this is tantamount to turning the facts upside down.

117. No sensible politician can fail to recognize the legitimacy of actions designed to protect sovereignty over natural resources, to compel respect for territorial integrity and to defend independence. All these principles are indeed clearly set out in the United Nations Charter.

118. Of course, one cannot remain indifferent to the fact that the aggravation of the oil problem may lead to the disruption of trade and economic ties in a great number of sectors and may provoke a fresh outburst of international tension. But it is important to recognize clearly whose policy is the cause of this phenomenon and who is responsible for it.

119. We are not in favour of an embargo on oil and oil products for its own sake. We are in favour of a just solution of these problems on the basis of respect for the inalienable legitimate rights of peoples to their natural resources, in favour of their sovereignty and its observance. No one can question this right of the States concerned.

120. The Soviet Union advocates a solution of this problem which would in all respects take into account the interests of both the producers and the consumers of oil. In order to achieve this it is necessary that the search for solutions be conducted, not behind closed doors, but with the participation of a wide range of States. Moreover, it is essential that the solutions themselves should conform to the purposes of strengthening international co-operation and consolidating peace. No one country or group of countries can claim the role of arbiter in this respect.

121. The Soviet Union declares its readiness to participate in both bilateral and multilateral discussions of ways of overcoming the crisis situation in the field of energy, bearing in mind that in this the interests of all States should be safeguarded, I repeat, the interests of all States. In this sphere, as perhaps in no other, there has become a pressing need for a restructuring of existing international economic relations and for the affirmation in them of the principles of truly equal and mutually advantageous co-operation.

122. The Soviet Union is already rendering great assistance to developing countries in the exploration and exploitation of their energy resources and also of other types of mineral raw materials and in the establishment of their own power industries. As in all other cases, this is not tied to any political, military or other conditions. We, for our part, express our readiness to explore the possibilities for the further development of co-operation in this field.

123. We support the actions of those countries which see a way out of the crisis in a further limitation of the activities of the foreign oil companies which bear the main responsibility for its outbreak. The intermediary role of the international monopolies—which still largely control the production, refining and sale of oil and oil products and their prices—between oil-producing and oil-consuming countries is becoming an increasingly heavy burden.

124. At the Conference on Security and Co-operation in Europe, the Soviet Union and the socialist countries are proposing that the European States combine their efforts in executing a number of important long-term projects, some in the field of energy, including atomic energy. The successful conclusion of the Conference would also have the favourable result that it would greatly contribute to the solution of the energy problem as it affects the European continent. It would also represent an important positive contribution to the development of economic co-operation outside Europe, too.

125. Even the best organized co-operation in the economic field, or in any other field, can be achieved, as we all realize, only if we keep in mind the main prerequisite—the preservation and strengthening of world peace. Concern for peace is necessarily the primary duty of all States, large and small. However diverse the questions discussed in the United Nations, the main point of the activities of our Organization, its principal task, is the maintenance of peace and international security.

126. That task is no less urgent in the present situation of the beginning of détente.

127. Relations between States with different social systems, including relations between the largest of them, have markedly improved. But the potential effectiveness of the principles of peaceful coexistence has by no means been exhausted. The national liberation movement has gained important victories, but the vestiges of colonialism and racism still persist, and the influence of neo-colonialism has not been checked.

128. The first positions have, so to speak, been captured in the solution of the disarmament problem; but the arms race continues. The war in Viet-Nam is over; but a political

settlement in accordance with the legitimate rights of all the peoples of Indo-China has not yet been concluded.

129. In the Middle East, only the first steps have been taken towards eliminating the dangerous hotbed of tension. But the main task still lies ahead. The Arab lands have still not been liberated from the invaders.

130. There are sources of potential conflict in other areas, too.

131. The foundations of security and co-operation in Europe have been strengthened, but there, too, much work remains to be done.

132. The forces opposing peace and international détente have not laid down their arms. It is characteristic that the very circles which are trying to undermine détente are emerging as the most ardent opponents of the normalization of trade and economic relations.

133. All this means that further combined efforts are needed in order to continue and consolidate détente and to make it irreversible. The credit accumulated in recent years must be constantly supplemented by new material content.

134. Is this not the aim envisaged, for example, by the Soviet Union's proposal,<sup>6</sup> approved by the overwhelming majority of States Members of the United Nations, on the reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved to provide assistance to developing countries?

135. It is estimated that an additional sum of no less than \$1,500 million would be channelled through the United Nations for the needs of developing countries. We would like to hope that the relevant resolution on this matter adopted by the United Nations General Assembly at its twenty-eighth session [*resolution 3093 (XXVIII)*] will be put into effect.

136. We shall continue to exert our efforts to strengthen universal peace. The third anniversary of the adoption of the Peace Programme by the Twenty-Fourth Congress of the Communist Party of the Soviet Union occurred just a few days ago. Practical experience has shown that this impressive foreign policy platform of the Soviet Union is being successfully implemented.

137. The community of socialist States acts as a powerful impetus for détente. It constitutes the most reliable mainstay of the anti-imperialist struggle of the peoples of Asia, Africa and Latin America. The very fact of the existence of the world socialist system and its policy exerts a positive influence on the nature and substance of international relations, including economic relations.

138. The Soviet Union calls upon all those who are sincerely striving for peace to unite their efforts. As L. I. Brezhnev, the General Secretary of the Central Committee of the Communist Party of the Soviet Union, has em-

<sup>6</sup> See *Official Records of the General Assembly, Twenty-eighth Session, Annexes*, agenda item 102, document A/9191.

phasized, "Lasting peace and peaceful co-operation among States will also create more favourable conditions for the solution of many other important tasks such as national liberation, social progress, and the elimination of the glaring economic inequality between different countries".

139. The role of the young independent States has grown in all spheres of international relations. The prestige of the policy of the movement of non-alignment, about which we have more than once expressed our favourable attitude, is increasing. That is also a sign of the times. Let us hope that the words and deeds of these States weigh fully on the scales of peace.

140. At its twenty-eighth session, the United Nations General Assembly stressed in its resolutions that international peace and security are essential conditions for the social and economic progress of all countries.

141. It goes without saying that if, in preparing the appropriate final documents of the special session, due importance is attached to the tasks of preventing war and maintaining peace—which are of paramount importance for all mankind—it can only strengthen those documents.

142. Such is the position of principle, the political approach, of the Soviet Union to the questions under discussion. It is precisely in this spirit that we shall act during the subsequent consideration of the various specific aspects of the problem that has arisen.

143. We consider it important that the work of the session should take place in a business-like atmosphere. To judge from everything that we have heard, that appears to be the intention of the overwhelming majority of its participants—but apparently not of all of them.

144. Isolated voices are heard which show that there are some who have come to this session with other intentions which are alien to its lofty objectives. But even the most shameless demagoguery, insinuations about "super-Powers" and slanderous fabrications against the Soviet Union and its policy of peace and of struggle against the forces of aggression and in defence of the rights of the peoples will not succeed in masking actions which run counter to the interests of co-operation among States and to the search for constructive solutions.

145. I should like further to note the following. We believe that in the elaboration of the decisions of the session by its working bodies, it is essential to ensure the broad representation of the interests of States. The work after the session should also be conducted on the same basis—and such work will obviously be required. We see this as one of the important prerequisites for its effectiveness.

146. The Soviet Union hopes that, by the general orientation of its work and by the positive decisions which it adopts the present special session of the General Assembly will make a substantial contribution to the consolidation of détente, the strengthening of peace and the development of international co-operation.

147. Mr. CHATTI (Tunisia) (*interpretation from French*): Mr. President, allow me first of all to convey to you, on

behalf of my delegation and on my own behalf, the great satisfaction we feel at seeing you preside over this special session of the General Assembly, which is devoted to the consideration of problems of raw materials and development.

148. On this occasion we want to convey to you our warmest and most sincere congratulations.

149. We are convinced that you will be able to conduct our debates with all the competence and awareness that we know you possess and there is every reason to believe that these discussions will be arduous because of the complex nature of the problems involved in the item on our agenda.

150. It is a great pleasure for us to welcome the happy development, that is to say, the convening of this special session of the General Assembly in which all developing and peace-loving countries have placed their hopes.

151. Placing their hope in international co-operation, the countries of the third world had already proposed solutions likely to encourage their development, to the advantage of, and respecting, the interests of all the parties concerned.

152. The Charter of Algiers of the Group of 77 developing countries,<sup>7</sup> adopted in October 1967 and the Lima Declaration adopted on 7 November 1971<sup>8</sup> reflected this will to open new paths and to co-operate in order to set up a new more equitable and more viable international economic order.

153. However, the Fourth Conference of the Heads of State and Government of Non-aligned Countries that met in Algiers in September last had to note: "... the constant deterioration of economic conditions in developing countries, with an ever-widening gap between them and the industrialized countries."<sup>9</sup>

154. Moreover, events we have been living through in recent days, and through which we see the weighty effects of inflation and monetary disorder on the market economy countries, and, in addition, the will, stronger than ever, of the developing countries to ensure the growth of their economies by giving priority to the mobilization of their national resources, have made this special session an urgent necessity.

155. It is overwhelmingly imperative that the international community should as quickly as possible find ways and means of establishing and guaranteeing new economic relations on the international level which will be fairer, more balanced and more lasting.

156. If today we are able to hold this special session at very short notice, because of the state of crisis, which is steadily worsening, in international economic relations, we owe this to the understanding and goodwill of all the

<sup>7</sup> See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), p. 431.

<sup>8</sup> *Ibid.*, *Third Session*, vol. I, *Report and Annexes*, (United Nations publication, Sales No. E.73.II.D.4), annex VIII.F.

<sup>9</sup> See document A/9330 and Corr.1, p. 18.

participating countries. But we owe it above all to the faith, the perseverance and the determination of our brother, President Houari Boumediène, who is the President in Office of the Group of Non-Aligned Countries.

157. Therefore, we thank in particular President Boumediène whom our Assembly has the honour to see presiding over the large Algerian delegation to this special session. We have listened to the statement that he made at the current session [2208th meeting] with all the deference and respect which are due to one of the most competent and representative Heads of State of the third world and we are convinced that a good deal can be learned from this historic statement and will be kept in mind as we go on with our work.

158. May I also take this opportunity to welcome, on behalf of my people, the heroic country of Guinea-Bissau, which is participating for the first time in the work of the General Assembly in the capacity of observer and which will soon—and there is absolutely no doubt about this—occupy its rightful place as a full-fledged Member of the United Nations family, for it is only too true that victory over colonialism and racism, whatever be the ups and downs and temporary vicissitudes, is inevitable, because this follows the dictates of history and justice. We should like here to reaffirm our unwavering support for the just cause of all peoples who are under domination to pursue their relentless struggle against colonialism and racism as is happening in Africa or in the sacred and martyred land of Palestine.

159. I believe it would be useful, in an area where restatements are certainly less dangerous than a failure to make a statement at all, if stress were laid, as indeed it was at the Fourth Conference of Heads of State and Government of Non-aligned Countries, on the will of the large majority of the developed countries to perpetuate to their own benefit the economic order which does not take account of the concerns of the developing countries except as an afterthought.

160. A first evaluation has been made of the application of the International Development Strategy for the Second United Nations Development Decade.

161. It brings out in general terms the problems of development which, far from being settled, have continued to worsen. In many cases there has even been a backward movement as compared with the situation which obtained at the end of the previous decade.

162. The industrial infrastructure in most of the developing countries is inadequate to enable them to expand in a way which would correspond to the needs of the domestic and foreign market.

163. The exports of the third world have increased less rapidly than the exports of the industrialized countries and less than the average of world trade as a whole. For most of the developing countries the rate of growth in exports was about 5.5 per cent, whereas the goal fixed for the Second Decade was 7 per cent; what is more, the rate attained is clearly lower than the rate attained in the previous decade.

164. Moreover, the international community has not agreed on a series of general principles concerning the policy of prices and access to markets of the commodities of those countries within the time-limits fixed by the Strategy. The only major success has been the conclusion of the International Cocoa Agreement, the negotiation of which lasted more than 16 years and which still has not been ratified by all the large importing countries.

165. The generalized system of preferential treatment for the benefit of products originating in developing countries continues not to apply to products falling under chapters 1 to 24 of the Brussels Nomenclature<sup>10</sup> or to a certain number of products under chapters 25 and 99, and it is peppered with saving clauses, ceilings and other non-tariff obstacles and clauses. In this connexion, most of the developed countries have reserved their right to withdraw or modify unilaterally the concessions which they agreed to on the import of manufactured goods from countries of the third world.

166. As to the progress made in the transfer of financial resources to the developing countries, this has been disappointing. The net total amount of transfers of financial resources from advanced market economy countries to developing countries, expressed in terms of percentage of national product, rose from 0.71 per cent in 1970 to 0.74 per cent in 1971, and fell to 0.62 per cent in 1972, remaining clearly below not only the goal of 1 per cent, but lower even than the level reached in 1961, namely 0.86 per cent.

167. Public assistance for development, which is the decisive element in the transfers, has recorded only an insignificant increase arising from 0.33 per cent in 1970 to 0.34 per cent in 1971, and falling back to 0.33 per cent in 1972, whereas the goal fixed for this type of aid was 0.70 per cent.

168. Yet, the gross national product of the wealthier countries, expressed in terms of constant prices, rose in the course of the decade from \$2 million million in 1970 to \$3.5 million million in 1980—an increase which is almost beyond understanding.

169. If we now look at the problem of the transfer of technology to the developing countries, it will be easy for us to note that no measure of any considerable scope has been taken at the international level since the adoption of the Strategy. Moreover, technical transfers from public authorities are still limited, whereas private transfers, which represents a large portion of transfers of technology generally continue to follow traditional trade practices; that is to say they are often carried out in conditions which are incompatible with the development objectives of the developing countries and have had negative effects on the technical infrastructure and on the balance of payments of the countries concerned.

170. We must also refer to the difficulty we continue to have in the pursuit of the goals of the Decade concerning the trade in invisibles and in particular in respect of maritime freight and insurance and reinsurance, to which is

<sup>10</sup> See United Nations, *Treaty Series*, vol. 347, p. 149.

added the burden of public foreign debt, which had increased at the annual average rate of 14 per cent in the course of the 1960s to an amount of more than \$65,000 million in 1972.

171. Finally, it is only too well known that galloping inflation being exported by the industrialized countries to the third world, as well as the international monetary crisis, serve only to aggravate the situation imposed on the developing countries.

172. This situation, for the developing countries, is no longer tolerable. It is inadmissible that these countries, which represent 70 per cent of mankind, should exist with only 30 per cent of the world's income. It is inadmissible that out of a population of 2,600 million, 800 million should be illiterate and 900 million should have a daily income lower than \$US 0.30. It is inadmissible that almost 1,000 million people should suffer from malnutrition and hunger. Can we accept the idea that famine should continue to rage in the countries of the Sahelian region of Africa and other countries near this area, without the Food and Agriculture Organization or the World Food Programme being able to take the rescue measures that are required because of the insufficiency of resources made available to them by the developed countries and international financial institutions? We can only protest against what constitutes an obvious shortcoming and express our surprise and our sorrow at the inadequate interest displayed by the wealthy countries and their public opinion in this drama which affects all of mankind.

173. As regards the analysis that has just been made, I would like to explain forthwith that it is by no means a declaration of war against anyone. On the contrary, President Bourguiba made this statement at the Fourth Conference of non-aligned countries: "We hold out the hand to everyone to co-operate and explore seriously and on a basis of equality the paths of the future." The paths of the future are those of accelerated progress for the developing countries, which in turn will contribute, as set forth in General Assembly resolution 3176 (XXVIII), to promoting greater stability and strengthening peace and security in the world.

174. Now, what is involved here?

175. I think that first of all we must agree on the right of every State to be able to dispose of its natural riches and to proceed to exploit them to the benefit of its people.

176. As a corollary, it is equally necessary to extend the system of collective security of the United Nations to economic security, a prerequisite that is essential to facilitate the integral development of the under-developed countries and to ensure the well-being of their peoples. This shows what great interest we have in the idea that the Charter on Economic Rights and Duties of States, which is now being drafted, can be adopted by the General Assembly at its next regular session.

177. It is under these guarantees that the problem of raw materials can be settled without any mental reservations. Is there any need in this connexion to recall the praiseworthy efforts which have been exerted—unfortunately in vain—by

UNCTAD since 1964 to find solutions guaranteeing the interests of the developing countries and acceptable to all of the parties concerned?

178. It was noted that the needs of the developing countries for imported products, including equipment and other capital goods, increased faster than their export income, which was derived in large measure from the sale of traditional raw materials to the developed countries.

179. It was from this angle of an increasingly great limitation, imposed by international trade on the economic rate of growth of the developing countries, that the first session of UNCTAD was convened in 1964. What was agreed upon in the Final Act of that first session<sup>11</sup> marked a break with the false economic liberalism of the post-war period. For the first time stress was laid on a new goal for international policy, in particular concerning commodities: namely, the expansion needs of the developing countries.

180. In practice we had to find formulas which would make it possible to increase the long-term growth of income of developing countries derived from the export of commodities, and to reduce the short-term fluctuation in their income, while taking into account the interest of the consumers in the importing countries. Thus, to regularize supplies and prices the Governments of the producing consumer countries reached a certain number of official agreements on commodities.

181. This approach, on the basis of negotiations, product by product, and commodity by commodity, confirmed at the second session of UNCTAD, held in New Delhi in 1968, was the subject of UNCTAD resolution 16 (II),<sup>12</sup> which concerned about 20 products the export of which was important for the developing countries: namely, cocoa, sugar, oleaginous seeds, natural rubber, cotton, iron and manganese, wine, phosphates, etc. It was possible to reach agreements, although sometimes they have not been put into force, but in general terms progress has been too slow and the method, to say the least, has been inadequate.

182. In the light of past experience of the method of negotiations commodity by commodity, it was considered that effective corrective measures could not be taken on the international level for all the commodities covered by resolution 16 (II) before the end of this century. However, no responsible statesman, it seems to me, could conceive that the growth of the developing countries could patiently wait for a rendezvous with the year 2000. Briefly, what we must bear in mind, unfortunately, is that UNCTAD has never been able to work out an integrated international policy on commodities or reach agreement on the need for a general agreement on accords concerning these commodities.

183. The situation has also worsened because of inflationary pressures which have persistently been applied in

<sup>11</sup> See *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No. 64.II.B.11), pp. 3-96.

<sup>12</sup> *Ibid.*, *Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), p. 34.



the developed countries and because of the monetary fluctuations which affect in particular the developing countries, and these are all things which lead to a deterioration of the terms of trade of these countries.

184. Thus, towards the end of 1973 events occurred which are still shaking the old economic order and which led to this remarkable result that a raw material, that is to say, petroleum, could be sold at its fair price and in limited quantities compatible with the interests of the producer and consumer countries.

185. The path has thus been sketched out for other commodities—for phosphates and perhaps for iron, for copper, for rubber and for many other commodities like tea, bananas, jute and tungsten.

186. The essential thing is that the exploitation of the natural resources of developing countries should serve above all to promote the growth of these countries without thereby sacrificing the legitimate interests of the consumer countries.

187. With this attitude in mind, we are of course ready to support any proposal leading to dialogue, within the United Nations or its specialized agencies, on any specific measures which would be proposed within the multilateral framework, such as, for example, the general agreement on cereals proposed yesterday by Mr. Jobert, Minister for Foreign Affairs of France [2209th meeting].

188. The control by the developing countries of the quantities and prices of their raw materials not only will lead to an increase in the financial resources that they set aside for their development but will also—and, I would say, above all—lead in terms of co-operation and agreement to a new international division of labour in the framework of which the industrialization of the third world will find its true consecration.

189. It is only too obvious, in this respect, that the developing countries can no longer be satisfied with a policy tending to encourage only their import substitute industries; it is true that they have achieved their purpose by helping to set in train the process of development, but today they must transcend and go beyond this stage to ensure that our countries really achieve a true economic take-off. No developing country can any longer confine its ambitions to such import substitution industries, which all too often are simple commercial trading posts for foreign companies and, being organized with the protection of customs barriers and in a climate of isolation as compared with a world industrial development, have a limited productive capacity, because of the narrowness of the local market and sale prices which are too high and which have severe impact on the consumer.

190. Therefore it would become necessary to revert to a strategy where export industries would have pride of place and which would be founded both on subregional and regional co-operation and on international co-operation in general. In this area, Tunisia has already adopted the law of 27 April 1972, which in many ways encourages the setting up of export industries, since for our country these industries have many advantages, including the creation of

new jobs, which is not the least significant. But certainly the new international economic order which is being sketched out after what we have come to call the energy crisis is dawning in a very encouraging atmosphere.

191. On the one hand, the developed countries will be called upon to rethink and readjust a whole series of industrial choices, even to renounce certain industrial activities for which their sources of supply are inadequate or whose products can no longer be manufactured at competitive prices. Moreover, the developing countries will be led to increase the degree of industrialization and valorization of raw materials that they own and to set up industrial projects with intensive and large-scale capital.

192. Therefore there is every reason to hope that a new international division of labour will emerge which will guarantee to all countries of the world the equitable and equal sharing of the fruits of international specialization.

193. Of course there is the problem of technology—the whole body of knowledge, experience and specialization required for the manufacture of goods and for the establishment of industrial enterprises. The problem of the assimilation of technology of the most intricate kind is not insoluble; on the other hand, it is a question of finding an agreed solution to the problem of transfer of technology.

194. The fundamental difficulty is to adopt and apply an international code of conduct whereby the developed countries would agree to treat the developing countries in a privileged way in terms of assistance and co-operation.

195. We come now to the financing of development, to emphasize at the outset that we would never consider overlooking public or private foreign capital, which represents a weighty factor in the financing of development, because it contributes to the transfer of know-how, to technological development, to the application of modern management methods and to the training of national cadres, and can also constitute a supplementary source of financing, in particular to create large-scale projects.

196. At the same time, we are gratified at any initiative which might serve to increase financial co-operation between the developing countries themselves, such as that in which Kuwait recently decided to make available to the Kuwaiti Fund for Arab Economic Development a sum of \$600 million to \$3,000 million and to enable all the countries of the third world to benefit from this. It is in the same spirit that the countries members of the League of Arab States have subscribed to the creation of an Arab Bank for Economic Development in Africa, and tomorrow they might well envisage subscribing to similar projects. We should also recall the initiative of the members of the Organization of Petroleum Exporting Countries [OPEC], the merits of which have commanded our attention.

197. We should add that, in the framework of the reform of the international monetary system, a link should be established between the special drawing rights and the financing of development in the interests of the developing countries. However, we should not lose sight of the great overriding concerns flowing from the increasingly heavy burden of the servicing of public debt, in the developing

countries, a burden which, combined with private commercial debt, and the fluctuations of the terms of trade, is becoming impossible to bear in many developing countries. They have the right to be granted moratoria, free from all pressure and all political ties.

198. If we now look at the problems concerning international trade, we are certainly concerned about the forthcoming multilateral tariff and trade negotiations which will be started under the aegis of the General Agreement on Tariffs and Trade [GATT], provided that the developing countries enjoy the rule of non-reciprocity, because we want to ensure that the generalized system of preferences set up at the second session of UNCTAD will be applied by all the industrialized market economy countries and will be improved in its operation, subject to the necessary compensation, to be worked out to the benefit of the countries that enjoy special preferences.

199. However, in concrete terms, there will be no real change in commercial trade, that is to say, a change implying a complete eradication of the colonial agreements, unless the developing countries, becoming masters of their national resources, resolutely set out on the strategy of industrialization and spread out throughout the markets of the world and finally come to the point where with the developed countries they work out a new international division of labour.

200. Is the approach which would enable us to solve the problem of reform of the international monetary system any different? We think, on the contrary, that a true reform of the international monetary system can be worked out only as part of a new international economic order, and whether or not this involves setting up a new machinery for rates of exchange, this is still true, and we must do this to redress the imbalance in the balance of payments, to set up a new monetary reserve currency or create new international liquidities.

201. The developing countries in this regard have significant trump cards in their hands; everyone agrees on this today. Therefore, these countries should be associated closely both with the elaboration and with the execution of the reform of the international monetary system, if we want the latter reform actually to have as its objective, in accordance with the provisions of the statute of the International Monetary Fund [IMF], the expression and harmonious increase of international trade, as well as the installation and maintenance of high levels of employment and real income and the development of the productive resources of all Member States.

202. There is hardly any need to emphasize the interest which Tunisia, a country which has repeatedly given tangible evidence of its devotion to subregional and regional co-operation, has in the attainment of this objective on which the take-off of the economies of the whole of the third world depends in large measure.

203. We therefore believe that co-operation, that is to say, subregional and regional integration, will be the surest method of solving the problems that confront the least

advanced countries, including the land-locked States, without however losing sight of their need at this state of affairs to benefit from special international assistance that will enable them to overcome the problems created by their geo-structural handicap and to benefit fully from the resolutions adopted on this point by members of the United Nations family.

204. We also believe that industrialization geared to the world outside, which often requires considerable investment, economies of scale and active participation in international competitive trade, strengthens the trend to co-operation and integration, both subregional and regional, of the developing countries.

205. My country wishes to reaffirm its determination to work with the other countries of the Maghreb in the progressive integration of the Maghreb economies while pursuing and strengthening its efforts at close co-operation with other Arab and African countries and the countries of the third world in general. More than ever we are convinced that we will attain our goal of economic and political integration of the Maghreb and of the Arab world all the more quickly if at the bilateral and the multilateral levels we redouble our initiative to produce common or complementary industrial and agricultural projects.

206. May I be permitted to add that recent developments, which have brought out the particular ties of interdependence between the Arab world, Africa and Western Europe, require in overriding terms that our economic relations, whether or not currently governed by existing agreements of association with the European Economic Community, should be included in what President Bourguiba called development contracts based on relations of complementarity and solidarity.

207. I would only recall—and this could be the start of such a development contract—that the Council of the League of Arab States, at its 61st regular meeting, held at Tunis, Tunisia, at the end of last March, endorsed the principle of Euro-Arab dialogue and set up a committee to study the conditions and modalities of this dialogue; and I must add that our will for co-operation is general and does not rule out any country, any region or any economic system whatsoever.

208. The world will never again accept the rule of an international economic order where the distribution of labour and jobs is decided by the wealthy and which would help to make the rich richer and the poor poorer.

209. But it would be an equally serious error if an endemic shortage were set up throughout the world as the rule for the supply of raw materials or if the prices of these products should reach unjustified levels.

210. In this connexion, it would be neither just, nor realistic for that matter, that anyone should be penalized in any way. We are thinking in particular of most of the developing countries which would thereby be plunged into insurmountable economic difficulties.

211. That is why we can only subscribe to the principle of the special programme which President Houari Boumediène yesterday suggested should be set up in favour of a large number of the countries of the third world.

212. Let no one be mistaken on this point. In this adventure where the future of our common civilization is involved, the best solutions are those that are founded on the broadest possible agreement of all the countries concerned.

213. The United Nations and its specialized agencies would be the ideal framework in which to have a dialogue with all the developed countries, from whatever region.

214. I have spoken of dialogue; there is no other possible step, for if henceforth we must agree that we all live "on one earth" and in one world and, as someone has said, "the good cards are no longer all in one hand", co-operation between the wealthy and the poor countries becomes an ever more overriding imperative.

## AGENDA ITEM 5

### Organization of the session (*continued*)\*

215. The PRESIDENT (*interpretation from Spanish*): Before adjourning the meeting, I should like to draw the Assembly's attention to a matter regarding the organization of the session. At the 2207th meeting the General Assembly adopted its agenda, which included item 7, entitled "Study of the problems of raw materials and development". At the same meeting the Assembly established the *Ad Hoc* Committee of the Sixth Special Session of the General Assembly.

216. May I take it that the General Assembly agrees to the allocation of the item to the *Ad Hoc* Committee, with the exception of the debate on the item which is being held directly in plenary meetings?

*It was so decided.*

*The meeting rose at 1 p.m.*

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\* Resumed from the 2207th meeting.