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President: Mr. Leopoldo BENITES (Ecuador).

*Address by Mr. Siaka Stevens,
President of the Republic of Sierra Leone*

1. The PRESIDENT (*interpretation from Spanish*): On behalf of the General Assembly, it is an honour for me to welcome and to greet His Excellency Mr. Siaka Stevens, President of the Republic of Sierra Leone. I now invite President Stevens to address the Assembly.

2. Mr. STEVENS (President of the Republic of Sierra Leone): Mr. President, permit me to join those speakers who have preceded me on this rostrum in extending to you my personal congratulations on your election to the very high office of this sixth special session of the United Nations General Assembly. It is a reflection on, and a recognition of, the previous services you have rendered to your country, on the one hand, and to the international community as a whole, on the other.

3. I bring to this special session of the United Nations General Assembly greetings and good wishes from the Government and people of Sierra Leone, West Africa. I should like to congratulate the Secretary-General and his staff for their continued devotion to duty. Theirs is not spectacular work, and many a time they have to contend against great odds, but I can assure them that their labours are not in vain, and the very fact of the continued existence of the United Nations has had and continues to have a sobering and deterrent effect on the international scene.

4. I should like also to extend a word of thanks to the specialized agencies of the United Nations for their good work in the fields of health, education, food, and so on. I sometimes think that the violent ideological conflicts in this world will not be solved by direct confrontation and that these specialized agencies may well become the instruments which will eventually take the wind out of the sails of our ideological differences, thereby leaving very little cause for serious confrontation. I venture to hold these views because in the last analysis the basic requirements of all mankind are the same—food, shelter, health and a peaceful existence—and once those basic requirements are taken care of, the main causes of conflict are removed. That is the reason

why I attach so much importance to the work of the specialized agencies of the United Nations.

5. I should now like to congratulate President Boumediène for the comprehensive coverage he has given the whole subject of raw materials and development, and I feel certain that the great majority of representatives here agree with his analysis [2208th meeting].

6. One of the most intolerable economic situations in which we in the third world have found ourselves over the years is the one in which the developed countries determine the prices of our raw materials and the produce which we export to them as well as the prices of the finished products which they export to us and it is my view that one of the most important tasks which this special session can perform would be to find ways and means of bringing to an end this naked act of economic exploitation.

7. With regard to iron ore, for example, a situation has emerged in which buyers keep prices low by adopting discriminatory pricing policies and by providing effective inducements for the expansion of the supply of iron ore thus maintaining a long-term situation of relative over-supply. As a result the price of iron ore in the international market has stagnated over the past four years. Imported steel rods, however, manufactured from iron ore, which is one of Sierra Leone's exports, have increased about 200 per cent in price compared to the price prevailing four years ago. Equally so, freight rates have continued to rise by leaps and bounds, thus reducing the percentage of foreign exchange earnings we realize from the export of our iron ore.

8. There are certain fundamentals on the issues before us on which we are all agreed and which need no extensive elaboration. We are agreed that the political independence which our various countries have been able to win over the years is being consistently devalued through economic exploitation. We are agreed that our interests are not taken into consideration when vital economic matters affecting the lives of our people come up for discussion on the international arena. We are agreed that however helpful foreigners may be, we the people of the third world should be our own main protagonists. We are agreed that, unless we organize ourselves to protect our own interests in the same way as the developed countries organize themselves to protect their own interests, our situation in the third world will get worse and worse. We are agreed that serious exploitation of our rich natural resources continues to take place in spite of our so-called political independence.

9. We are agreed that the present extremely unequal international economic relations must be changed. All the foregoing points are points on which it would be idle to

waste words. We in Sierra Leone on our part, and I am sure the vast majority of the States of the third world also, would leave no stone unturned to see those objectives attained.

10. But—and this is a “but” of tremendous significance—the objectives which I have just enumerated will necessarily take time to materialize. They cannot be attained by a stroke of the pen. Committees or working groups will have to be set up to study different aspects of the matter, statistics will have to be compiled and an enormous amount of consultations will have to take place in order to arrive at worth-while solutions which will satisfy the greatest need of the greatest number of people.

11. The question which therefore arises at the present time is this. The present economic position of a large number of member States of the third world having been reduced to a very precarious level, what is to be done immediately to save those countries from economic disaster while we are making plans for our long-term economic security? It is my belief that if this matter is not tackled seriously and urgently, then there may be no need for long-term planning, because the economies of most of the countries of the third world would have been ruined beyond repair by the time we get on with really serious planning. What I am trying to say is that, while we are trying to organize ourselves and to marshal our facts and figures and to get as much expertise as we can to help our cause, we must realize that nature does not tolerate a vacuum. Inflation was already having its effects on most of the countries of the third world before the Middle East crisis. The Middle East crisis only came in as the last straw which will break our economic backs if immediate remedies are not found.

12. I cannot help observing that there are sitting in this hall today representatives of countries whose Governments could come to the rescue of the countries which are facing economic disaster and I like to appeal to those countries not to sit by and see their sister countries go into ruin through no fault of theirs.

13. I think it must be admitted that the economic difficulties facing some of the under-developed countries have been worsened as a result of the course which they followed in the Middle East conflict and, of course, as we know, the course which those countries followed was the one prescribed, so to speak, by the United Nations in Security Council resolution 242 (1967). Why should those countries now be made to suffer?

14. I believe that in this matter of raw materials and development, the majority of the countries of the third world are agreed to move in one direction and this is all to the good, but I am afraid that our plans may suffer from very serious frustrations if we do not get our priorities right. If we do not give immediate attention and relief to the chaotic economic situation which exists at present in a considerable number of third-world countries, then there may be nothing to plan for in the future, because the distinct possibility exists that, when the economic position in a country gets out of hand, very serious difficulties could follow.

15. In sum, in making my own modest contribution to the discussion in this special session, what I have been trying to say is that the countries of the third world, for their own good, must get together and take effective steps to guard their interests and, at the same time, take the most urgent measures to bring aid and relief to those countries whose economies may soon reach a point of no return.

16. The oil-producing countries can hardly be blamed for the line of action which they have taken in the matter of prices. They were not the first to use an economic weapon to further their own interests and, indeed, some of them have given assurances of aid, but the position is so desperate and time is against us and I therefore take this opportunity to appeal to all the parties concerned to give this matter the priority consideration which it deserves.

17. I have laid a lot of emphasis on the matter of organization among the members of the third world because I have long ago discovered that the leaders of the developed countries do not take long to know when their opponents mean business.

18. Finally, I like to appeal, once again, to this special session to find ways and means to bring relief to those countries which are on the verge of economic ruin, while at the same time helping to make plans by means of which the exploited countries of the third world would be able to take their proper places in the comity of nations.

19. The PRESIDENT (*interpretation from Spanish*): On behalf of the General Assembly, it is my honour to express to His Excellency Mr. Siaka Stevens, the President of the Republic of Sierra Leone, our gratitude for the important statement he has just made. May I request him to accept my personal gratitude for his kind words.

AGENDA ITEM 7

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

20. Mr. VAN DER STOEL (Netherlands): Today, the peoples of the world are called upon to take the first step in assessing the international economic system set up 30 years ago. In less than 18 months from now, the 1975 special session of this Assembly, devoted to development and international economic co-operation, will record our failure or success in this undertaking. Between today and September 1975 we have the historic opportunity to lay the foundations of a new system of international economic co-operation.

21. Rapid political, economic, social and technological developments have brought about unprecedented change in the relations among peoples. The world has entered into the age of interdependence. The interests of the few can no longer be isolated from the interests of the many; nor can the prosperity of the few be divorced from the poverty of the many. More than ever individual members of the world community are conscious of their interrelationship. This situation has a profound impact on international co-operation.

22. In my address to the twenty-eighth session of the General Assembly on 26 September 1973—delivered here

well before international developments took a turn towards what we feared might occur—I stated the basic views of the Netherlands on the requirements of international economic co-operation:

“...development efforts have failed to change the structural relationship of inequality and dependence between the poor and the rich nations ...”.

I then added:

“That state of affairs cannot continue. We cannot accept this injustice of persistent backwardness with its grave, hidden tensions and consequent threat to world peace.”¹

23. Subsequent developments indeed have not taken the Netherlands by surprise. They have confirmed the imminence of the danger to which we had pointed. And they have strengthened our conviction that the relationship of inequality can no longer be allowed to continue. In this spirit the Kingdom of the Netherlands has welcomed the special session of the General Assembly and will contribute to what we hope will be a consensus on ways and means to structure the imperative and unescapable change in international economic relations.

24. I speak here on behalf of the Kingdom of the Netherlands. One part of that Kingdom, situated in Europe, is a developed country; the other two parts, the Netherlands Antilles and Surinam, belong to the developing world. I need hardly say that the Government and peoples of all the three parts of the Kingdom attach great importance to arriving at equitable solutions to the problems to be considered at this special session of the General Assembly.

25. The unanimous adoption of the International Development Strategy for the Second United Nations Development Decade [*resolution 2626 (XXV)*] recognized the need for closer co-operation in the attainment of the goals and targets of a programme of international action. Its lack of implementation so far, however, points to the need of restructuring international economic co-operation.

26. Indeed, it can be rightly argued that this lack of implementation and the subsequent polarization in international economic relations was basically due to the refusal on the part of the developed countries to open up their markets for the products of the developing countries. As the Netherlands Minister for Development Co-operation recently stated:

“The action of the developing countries was first and foremost a reaction: the culmination of the annoyance felt for many years by all developing countries that their desire to be allowed to participate in the world economy was not taken seriously ... and, in fact, was ignored.”

27. This lack of progress has provoked a new sense of collective and individual self-reliance and closer political economic co-operation among developing countries.

28. The conclusion the world should draw from the common actions on the part of the developing countries is that they reflect their justified desire for full participation in the world economic system.

29. Within the perspective of the International Development Strategy, the Netherlands Government has consistently recognized this desire and welcomed these efforts for closer co-operation at the Georgetown and Algiers Conferences of the non-aligned countries. While the latter's Action Programme for Economic Co-operation² has yet to be carried out, its political significance and its potential implications are clear and represent a challenge to the industrialized nations and to the United Nations.

30. Recent economic events have dramatically brought home the realities of interdependence. To the industrialized world they meant a sudden and hitherto unknown sense of dependence. For these countries this was a new experience. Shortages of raw materials, including food, are, however, a normal state of affairs for two thirds of the world's population. For them, the lack of sufficient raw materials has in recent times always been a part of their lives. In these countries, there is insufficient grain and rice, insufficient oil and a shortage of all the commodities that are essential to meet the elementary necessities of life and to assure reasonable economic conditions. Moreover, inflation in the developed world and the increase in the prices of imported industrial products and capital goods have negatively affected their growth.

31. It is my belief that the energy crisis must be seen in this perspective. This crisis is of a long-term and fundamental character. The world is faced with an increasing disparity between supply and demand. It can successfully address itself to this problem only in a spirit of international co-operation based on interdependence and, therefore, on solidarity. Developed and developing countries alike are faced with the need to make important choices for their future. It is essential, however, that these fundamental problems be dealt with on the basis of long-term policies and world-wide international co-operation.

32. Developed countries could opt for all-out economic self-sufficiency. This would, however, counteract the need for closer co-operation among developed and developing countries and would be detrimental to those countries that do not have sufficient natural resources of their own. Neither this nor a turn to bilateral arrangements to safeguard the supply of certain raw materials seems to be recommendable. It could encourage a divide-and-rule policy with increasing chances of international tensions and with many losers and few winners.

33. Only world-wide arrangements, covering almost all producers and as many consumers as possible, can provide a solution and serve as a basis for new economic relations based on equality, common interests, justice and co-operation. The time is ripe to assess the increasing need for international arrangements aimed at a global policy of interdependence. This special session seems, therefore, well timed.

¹ See *Official Records of the General Assembly, Twenty-eighth Session, Plenary Meetings*, 2128th meeting.

² See document A/9330 and Corr.1, p. 85.

34. The Netherlands Government expects that this session will in the first place give new political momentum to the international discussions at present under way in the various parts of the United Nations System. I refer to the Charter of Economic Rights and Duties of States, to the World Population Conference, to the Second General Conference of the United Nations Industrial Development Organization, to the multilateral trade negotiations within the framework of the General Agreement on Tariffs and Trade [GATT], to the Third United Nations Conference on the Law of the Sea and to international monetary reform. All these activities have to be placed in the perspective of the forthcoming special session of the General Assembly to be held in September 1975, less than 18 months from now. In those mere 18 months that special session will have to be provided with all the instruments required for shaping a long-term, world-wide policy of interdependence and solidarity which is capable of adapting the global economic structures to new realities.

35. In the view of my Government, this world-wide policy must be based on the acceptance of a just international division of labour and of the bringing about of structural change, a just international régime for the sea-bed and ocean floor, as well as the protection and enhancement of the human environment. The elements of such a policy will be: the optimal use of the advances and developments in science and technology for development; the setting of rules for transnational enterprises; the elaboration of the concept of collective economic security; international arrangements on permanent sovereignty over natural resources; and rules for private investment. Many of these issues will, in my opinion, be incorporated in the Charter of the Economic Rights and Duties of States.

36. On the basis of interdependence and the need for structural change, this special session should, in particular, initiate action in the field of natural resources and commodities and the transfer of resources to developing countries, especially to those most affected by the present situation. Many of these belong to the category of the least developed countries.

37. The new awareness that the material resources of the world are not unlimited and should be carefully managed in the interest of all requires that the principle of permanent sovereignty of nations over their natural resources be reaffirmed and related to the need for a new world-wide resources policy based on interdependence and solidarity.

38. One element of such a policy should be the concluding of world-wide intergovernmental commodity agreements, regulating exports, imports and prices and, where possible, production and stockpiling. For such agreements to be effective, it is essential to limit market disruption to a minimum. To that end a certain measure of understanding with non-contracting parties is required. The agreements will have to be concluded on a commodity-by-commodity basis; they should ensure stable supply and should aim at fair and equitable terms of trade.

39. For producing countries to derive the full benefit from their primary resources they will increasingly have to process these resources themselves, taking into account the principle of a more equitable international division of

labour. This will require technology and investment capital. It will be necessary to find new forms of co-operation between developing countries and foreign investors in order to maximize the advantages of such co-operation. Multinational corporations can make an important contribution by providing technology and investment capital. The undesirable consequences of their activities, however, will have to be avoided; to that end agreement should be sought on a system of standards enabling the international community to keep a check on the activities of these corporations, possibly in connexion with international rules of foreign private investment in general. In this respect, I attach great importance to the study undertaken on this subject by the Group of Eminent Persons to Study the Impact of Multinational Corporations on Development and on International Relations,³ and I am looking forward to their recommendations.

40. A world-wide resources policy will further require international co-operation in research and development and the transfer of technology. In order to ensure an optimal use of the world's limited resources, new technologies will have to be developed on the recycling of resources and the processing of waste materials. In this connexion, the relationship between natural products and synthetics will have to be reviewed. International co-operation is also called for in the search for alternative sources of energy, in particular for the benefit of developing countries. I must caution, however, against the dangers of a proliferation of alternative efforts and of policies aimed at complete autarchy in energy resources. Such policies could lead to over-investment in research and exploitation and, as a result, to protectionism against cheaper sources of energy. This might easily lead to a disruption of markets.

41. Food is an essential element in a world-wide resources policy. Food shortages in many developing countries have to be met first of all by increasing production in those countries. As long as this does not lead to satisfactory results, the shortages will have to be met by joint efforts of the international community. As soon as possible reserve stocks of the most important food products will have to be established in order to prevent shortages caused by any future crop failure. The present special session must reaffirm the political will of all concerned to arrive at concrete solutions at the forthcoming World Food Conference.

42. Of vital importance is the question of the transfer of financial resources to developing countries. A reaffirmation and a speedy implementation of the aid targets set in the International Development Strategy are called for. Additional efforts should be made in particular in the short term. I stated at the Washington Energy Conference last February:

“The developed countries must resist the temptation to let concern over the immediate effect of the energy crisis on our own economies prevail over our concern for world-wide development. We must resist pressure to cut back on development assistance. On the contrary, we

³ *The Impact of Multinational Corporations on Development and on International Relations* (United Nations publication, Sales No. E.74.II.A.5).

should, together, devise ways and means to increase the flow of assistance to those non-oil producing developing countries which are bound to suffer most."

43. My Government adheres to the previously projected increase of our official aid over the next few years; it has started to reorient our assistance in favour of the developing countries most affected by the present situation and decided to increase official assistance to a number of those countries by 20 per cent over the planned figure for 1974.

44. The international community as a whole will have to do more for these countries. This goes also for the European Economic Community. My Government will actively advocate within the Community that the necessary decisions be taken for the Community to play an active part in international aid programmes for the benefit of the countries most affected and to contribute substantially to such programmes.

45. I have briefly sketched the views of my Government on some of the fundamental policy issues for which this special session has been convened. I wish to stress that in the opinion of my Government the purposes of this session run parallel to, and are interrelated with, those of the Washington Energy Conference, which was aimed at new, world-wide arrangements in the field of energy for the benefit of all concerned, producers and consumers. In my view, future actions resulting from the Washington Conference should converge with the follow-up and the action programme of this special session, possibly into one, concerted approach to the world-wide issues of energy, raw materials and development.

46. The United Nations has arrived at a new point of departure for a fundamental process of change in world economic relations. This session has been prepared in a spirit of understanding through regular consultations between developing and developed countries. This spirit is vital for the success of the session. We must now jointly provide the political impulse and determination to create a new economic system founded in equity and justice through concerted and co-ordinated actions in the United Nations, culminating in the special session on development in September 1975.

47. My Government is prepared to accept this challenge.

48. Mr. BENHIMA (Morocco) (*interpretation from French*): Mr. President, this Assembly is happy to see you presiding over its work for the second time within a few months. First you presided over the twenty-eighth session, during which there was again a war in the Middle East but which because of your wisdom was able to carry out its deliberations in serenity and with determination, and now you are presiding over the present special session, the convening of which constituted an event of great importance, and which I am sure will benefit in turn from your great experience. The delegation of Morocco is most happy.

49. This Organization has clearly provided in its Charter that at the same time that means for political action would be used for the preservation of world peace and security its economic and social mission would ensure to its Members an opportunity to achieve prosperity, equality and justice.

50. And yet for almost 30 years now, international relations being what they are, imperative priority has been given by the force of circumstances to the political role and vocation of the Organization.

51. It is not that the economic and social structures of the international community were not obviously unjust and fraught with all the potential for revolt that they contained, but the events of world politics, whether the results of action by the great Powers or by others, required, because of their gravity and potentially dangerous consequences, that primary interest be given to them, thus deferring the serious consideration of economic relations until better times.

52. That being the case, it is important to recall the contribution of the third world, through its policy of non-alignment, to this long and patient effort to preserve peace despite the numerous crises which have frequently jeopardized it. This effort is all the more praiseworthy since non-alignment was at the outset considered by one side as well as the other as a refusal and even as an attitude of hostility. The détente in international relations, which we must recognize remains fragile in certain regions or in relation to certain problems, is no less the result of this unceasing effort. But, despite the limitations still imposed on détente by the divergence of interests which are not always theirs, the members of the third world, the non-aligned, find in the present circumstances elements that can extend and consolidate détente. That is the meaning of the third world's constant action, its recent initiatives and also its permanent willingness to consider the United Nations as the forum for an independent and loyal debate in the consideration of conflicts which afflict the world and for which no solutions sought elsewhere seem to have appeared.

53. International détente, as analysed by the third world, is not only the end of nuclear tests or arms reduction or meetings which for a long time seemed impossible, even though they dispel the most serious concerns and bring about peace of mind in the world; it is, above all, a process whereby dialogue replaces confrontation, law replaces coercion, and co-operation replaces domination.

54. While it is true that on the political level such a process seems increasingly to prevail in international relations, it remains no less true that the economic structures of the world society are in a number of countries marked by the rules of the colonial covenant, paternalist trade or, in the best of cases, unequal co-operation.

55. The negotiations undertaken by President Boumediène on behalf of the non-aligned countries, the most recent meetings of which were held in the capital of Algeria, constitute the happy outcome of many attempts made so far and so successfully by the Group of 77 developing countries and render specific one of the most primary objectives of non-alignment, that is, accession to economic independence by organizing world co-operation in this field on the basis of respect for the reciprocal interests of all with equality.

56. This special session of the General Assembly is, in our opinion, a propitious occasion to consider frankly the

economic realities of the world which the present economic situation has harshly presented and to remove the veil of modesty with which some have covered themselves and which others have in self-defense been compelled to rip off.

57. The acceptance of this special session by all Member States represents an awareness on the part of the international community of the disturbances of the world economy and of the present deterioration in terms of trade. To interpret this situation correctly we must correct an irresponsible tendency which seeks to make world public opinion believe that the upheavals that have occurred with regard to energy are the determining cause of the present disturbances of trade. The oil crisis has certainly been the take-off point which warned the world, and which, above all, aggravated feelings and made the power centres in the industrialized countries aware of the problem of the security of their sources of raw materials and aware of the urgent need for the establishment of a new order in international trade.

58. In truth, the international community has gone through several stages of negligence and failure before the reflex of self-preservation was triggered, through which new economic, financial and trade relations can be engendered, taking into account this implacable interdependence.

59. The First United Nations Development Decade, followed by the adoption of the International Development Strategy, which is still in the field of highest hopes rather than of political reality, merely maintains the gap between the countries of the third world and the "have" countries, in a rising movement of increasing disquiet, so that the third session of the United Nations Conference on Trade and Development [UNCTAD], in spite of the cry of alarm by the developing countries, was not able to neutralize it.

60. These attempts which remained inoperative led to the fact that most of the countries of the third world fell into a sort of backwardness which the crisis of commodities further accelerated.

61. A goodly number of countries with a monolithic economy have seen their resources decline at the very moment when they were confronted by crucial development problems.

62. The evolution of the international commodity trade is characterized by a deterioration which at present is so vast that it encompasses most of the economic difficulties of the developing world.

63. Price instability, inflation, monetary fluctuation and the competition of substitute products are some of the essential causes. Furthermore, quite apart from petrol, commodity exports from the countries of the third world represent only a little more than one third of world exports.

64. This deterioration in the terms of trade, contrary to certain opinions which are far from being disinterested, continues to have an effect on the insufficiency of the means to promote the development of the countries concerned.

65. The energy crisis is therefore only one aspect of this phenomenon.

66. The rise in the price of petrol has but a small influence on the economy of the industrialized countries and, at worst, corresponds to six months of normal inflation or, in other words, a possible delay of six months in the growth rate.

67. We must not forget that the total volume of the exports of the third world to the developed countries of the Western world was 41,000 million in 1970, which represents only 2 per cent of the gross national product of all these rich countries, and the governments of the developed countries raised their taxes 10 times more than the producing States.

68. The added value for these same products through all the stages of processing, from the raw material until it is exported as finished goods, gives rise to a succession of taxes which constitutes a real burden for the country exporting the raw material to the benefit of the importing country alone.

69. It is within this context—the excessive taxation of commodities by the developed world—that we must seek a real solution to the problem of the distribution of income among the nations of the world.

70. One must therefore determine in which conditions commodities can represent a dynamic factor in the developing process and in international co-operation.

71. This interdependence is all the more significant since no country, however large, produces everything that it needs, and no country consumes everything that it produces.

72. In other words, how can we, within the framework of this special session of the General Assembly and in the light of the new realities which the international community faces and which show the degree of interdependence of economies, create a new form of co-operation in the world and establish a new economic order based on equality and the true economic interests of all States?

73. An initial observation which might lead to a certain optimism proves that the special session of the General Assembly bears witness to the desire which the developing countries have shown to undertake a genuine dialogue and to avoid any confrontation, between themselves and the industrialized countries.

74. World economic problems can, in any case, be solved only within the framework of international agreements and arrangements, which makes it necessary to prepare a genuine charter of co-operation on the basis of equality among the "have" countries and the developing countries. This charter would supplement the International Development Strategy, the implementation of which has so far been inoperative, if not purely and simply substitute for it.

75. After this stage of monolithic co-operation, the time has come for co-operation within interdependence which can lead to a renewed co-operation by the introduction of reciprocal interests.

76. This new form of co-operation can be embodied in several fields where the interdependence of interests will find a ready area for implementation.

77. The quest for a judicious division of labour between the developed countries and the developing countries can also be one of the key elements. Thus, the industrialized countries, by forbidding or limiting the access to their markets of the products of the developing countries, promote in their own countries the production of non-competitive goods and thereby export unemployment to the less-endowed regions.

78. The idea which inspired the policy of regionalization should, in the present circumstances, constitute the basis for a policy of multinational co-operation.

79. In particular, excessive taxation of the primary products exported by the third world creates an inflationary spiral for commodities and manufactured goods. We have reason to fear that polemics without end will take place to determine the source of the inflation in a world where the interrelationship of economies ends up by confusing the causes with the effects.

80. But, because of abusive taxation of commodities and anarchic industrialization, the alternative to trade confrontation would be an industrial division of labour according to the costs and aptitudes of the various economic regions and on the basis of more equitable trade relations. Quite obviously, some industries should be abandoned by the developed countries because it is to the interest of these industries to migrate towards sites where space, energy, minerals, labour and, in certain cases, capital are available. This migration must be carried out in the interest both of the developing country and of the industrial investor country. Such an idea is at present being explored with some success in many regions of the third world, and, in the Maghreb dialogue with the European Community, for example, it is not impossible that this will succeed. In any case, it is one of our consistent proposals.

81. If this perspective might still appear to be Utopian, it is no less true that it is only industrial sharing on a world-wide basis that will make possible the multiplication of industrialization zones, the co-responsibility of small and large nations in the protection of the world level of economic activity and the expansion of the limits of growth without prohibitive cost in the under-developed economies.

82. Along the same lines, the reform of the international monetary system should lead to the definition of a stable system which does not exclude a certain flexibility of adjustment and which must primarily serve economic and social development, particularly that of the least favoured nations.

83. This reform must make it possible to transfer financial resources to the less favoured regions both by expanding credit facilities and by revising the standards for the participation of the developing countries in the International Monetary Fund [IMF] and the system of allocating special drawing rights, while establishing a link between them and the promotion of development.

84. The resources which might be released from disarmament, for example, would give most appreciable support to these efforts and to take up the evaluation given by the Secretary-General from this rostrum [2207th meeting], it is not without interest to recall that 4 per cent of the annual expenditures for armaments of Member States—that is to say, \$8,000 million—is equivalent to one year of financial assistance from the World Bank.

85. In the search for new sources of financing, one must redefine the role of the multinational corporations so as to ensure that they serve the objective of promoting development. The decisions taken by multinational corporations may have deleterious effects on the national development policy of a given country. Thus a code of conduct for the multinational corporations must be established so as to do away with the threat which they represent to the economic independence of the developing countries. Such a measure, by rendering the activities of these corporations moral through a definition of their rights and obligations, would enable them to embark with more security on substantial and profitable investment programmes. One can also conceive that these corporations can provide an effective instrument for regional economic integration in so far as they are prepared to substitute co-operation for exploitation.

86. Other more substantial sources of financing could also be envisaged. Certain oil-producing countries, for example, aware of this inevitable change and of the reciprocal advantages of such co-operation, have wished to embody their political solidarity and their common desire to strengthen their level of development by the creation of financial organizations such as the Arab-African Bank or the new Kuwait development fund, which now amounts to \$3,000 million. Furthermore, the initiative taken by H. M. the Shah of Iran, which has made available to the World Bank \$1,000 million to broaden the credit possibilities of the developing countries, has been welcomed everywhere with genuine satisfaction. These three initiatives, among others, could represent a point of departure for the design of a new concept of co-operation for development and could be stimulating examples for the establishment of a new international economic order based on equality and mutual interest. The generalization of such initiatives, which remain most desirable, would certainly reverse the present trend of world economic data and have repercussions on all the components of an international economy which would thus tend towards a certain stability in progress and prosperity. Such a formula would even introduce into the existing economic and financial structures a new, original factor which would make of the developing countries themselves the promoters of the international economy.

87. The countries benefiting from this new formula, as well as those who initiated it, would find definite advantages: one group would have support for its development, the other would have the satisfaction of contributing with definite guarantees while at the same time obtaining support for its own economy through monetary stability and deflation.

88. In this summary analysis of some of the present circumstances of the world economy, I wish to express

briefly some of the elements which characterize the action of Morocco and constitute its position in regard to the problem it confronts. At a time when my country is ambitiously but also prudently embarking on its five-year plan for the years 1973 to 1977, it still faces essentially the same problems which concern most of the other developing countries. Despite the revaluation of some of its natural resources—which is really only an apparent rise—the deterioration in the terms of trade has not been helpful. Although we lead the world in the export of a commodity—phosphates—of which we supply more than 40 per cent of the world's needs, Morocco, because of the rise in prices of other commodities and industrial equipment which it increasingly imports, has only just been able partially to offset the present rise in prices of some products. On the other hand, Morocco, which is still not an oil producer, produces agricultural products, which, except for grains, make it an exporting country. For this type of product, the proposed irrigation of 1 million hectares—of which 350,000 have already been irrigated—will place Morocco in the category of countries intended to be self-sufficient and certainly among potential exporting countries.

89. In every human endeavour where two or several partners take part, the only condition for success is the will which animates the promoters.

90. The present special session, which is the result of the will of all the members of the international community, must, as we all hope, lead to the adoption of political decisions the effective implementation of which will still depend on the political will which each State will mobilize.

91. At this stage in our debates, after only a few days, we are bound to note with pleasure that the initiative of the developing countries has not created either here or outside the United Nations any declared hostility. What is more, a certain number of statements have clearly indicated a positive reaction to our concerns and a desire jointly to face, by a new approach and in a spirit of effective co-operation, the situation such as it is described at present and in its disquieting perspectives.

92. We listened with interest to the analysis made on behalf of the nine members of the European Economic Community by Mr. Scheel [2209th meeting] and the appeal to the developed countries to set up a fund of \$3,000 million to which the Community would contribute \$500 million. In this analysis and this appeal, we feel that there is a common understanding and sympathy which a number of European countries defended even before this special session. It is furthermore true that Europe at present is in a state of expansion and holds a privileged position in the production of capital goods, but is, at the same time, more closely dependent on raw materials producers than are the great Powers which control most of them or the third world, with which complementarity becomes increasingly necessary.

93. If the international community sincerely becomes aware of the inevitable interdependence of its economic life, just as it has realized that peace is indivisible, hope becomes possible. But in order to complete the independence of States and guarantee the freedom of man, it is time jointly to seek the coming into being of this justice,

without which the difference in the quality of life will of necessity maintain segregation before a destiny which we all claim we want to be better for all.

94. The third world, in inviting all States to this dialogue, wishes to continue its itinerary and its vocation by eliminating all forms of confrontation, which we have learned, to our sorrow, are the true obstacles to peace and to the common hope for prosperity.

95. The task is an exalting one; its accomplishment is not impossible; and what prestige and lasting peace of mind those who have at least attempted to attain it will enjoy.

96. The PRESIDENT (*interpretation from Spanish*): I thank the Minister for Foreign Affairs of the Kingdom of Morocco for the kind words he addressed to me.

97. Mr. USHER (Ivory Coast) (*interpretation from French*): This special session devoted to the world-wide problems of development, and particularly to the problems of raw materials, is of exceptional importance, for this is the first time that the United Nations has addressed itself in such a formal and comprehensive manner to questions of vital importance to our common future, and the first time it has given priority attention to the most vital concerns of a majority of the most disadvantaged of the world's peoples.

98. The magnitude and gravity of these problems are such that we must postpone other questions of no less importance to the regular session in September.

99. I need hardly remind you that the third world has thus far, by an imposed tradition, too often suffered a weight inversely proportional to the topicality of its dramas and the legitimacy of its claims, particularly in major international organizations.

100. Was not the last UNCTAD session in Santiago the most striking demonstration of the fact that the universal order to which we remain subject is profoundly irrational and unjust?

101. There is no need to emphasize that under-development is not the result of biological fatalism and still less of geographical determinism, but merely of certain historical circumstances which have unfortunately put the under-developed countries outside the process of world economic development. The determination of countries which are possessed of vast natural wealth to harness all of their resources in order to accelerate the pace of their development is no longer in question.

102. That the United Nations today serves not only as a forum but also as a place where we can come together to discuss such matters is very reassuring and confirms our conviction, which we have always held, that this Organization has the mission to deal with all matters of planetary equilibrium and that it must be the mediator in all great disputes.

103. May I also pay a very sincere and warm tribute to two men who have made the greatest contribution in recent months to alerting world opinion and to making this special

session possible? The fact that the initiative to hold this special session of the General Assembly was taken by Mr. Boumediène, the President of the People's Democratic Republic of Algeria, seems to me to ensure that it will be a very serious undertaking, and bears witness to the personality of its sponsor. President Boumediène, the head of an African Arab State, which is one of the major oil producers, is particularly well placed to understand the many and various political, economic, financial, strategic and social implications of this very formidable problem which is now before us. It was proper that it should have been he who raised the question for the benefit of the third world as a whole. The Ivory Coast extends its sincerest thanks to him for doing so.

104. The Ivory Coast also expresses its sincere thanks to the Secretary-General, Mr. Kurt Waldheim, for having devoted his intelligence and sensitivity, since his assumption of his high office, to the problems arising from the imbalance between rich and poor.

105. The Charter, which created the United Nations, rightly states that wars can be avoided only by eliminating the poverty and privation which make them possible. It thus charged the United Nations, in Article 55, with the task of creating economic and social conditions of progress and development. It is from this standpoint, therefore, that the United Nations has made the problem of the development of the third world a matter of world-wide concern. The First United Nations Development Decade was a disappointment; the Second began in an atmosphere of justified pessimism.

Mr. Ramphal (Guyana), Vice-President, took the Chair.

106. The Secretary-General and the institutions under his high authority are showing admirable courage in sounding the alarm and stressing the need to define and adopt a mode of allocating responsibility and wealth which will owe more to merit and justice than to the facilities born of power and egoism.

107. In participating in this debate my country wishes to construct communities of material well-being, of less formal economic sovereignty and of more obvious cultural authenticity, with all peoples who at one time or another in their history, no matter what their level of development today, have had to suffer insidious or brutal forms of political or economic imperialism, particularly those, the most numerous among them, who are still towards the end of the twentieth century suffering from it.

108. The fact that the accidents of geography, language, nature and historical subjection should have placed us, the States of the third world, in spheres of influence and of contact that have often been widely different and that our choices and actions have frequently and quite naturally diverged matters little in regard to what now motivates us and brings us together.

109. What matters against the background of the far-reaching changes characteristic of our time is the fact that we belong to a common world of weakness and spoliation and that we have a fierce determination to transform this

world and to make our voice heard in the concert of great industrial nations that are more often concerned about the balance of power and immediate visions than about making a real contribution to a better world.

110. What matters is to go beyond ideological considerations which sometimes divide and paralyse us, to become aware in good time of our interests and our strengths, to organize and better formulate them so as to bring to bear the full weight of our people on the course of contemporary history—more than we have done in the past.

111. To the arms race, which we hope is now beginning to slow down; to the unjust distribution of the fruits of world economic growth made up of indecent waste and intolerable shortages; to the monetary and trade disturbances whose effects we must helplessly suffer: we must oppose today even more than yesterday a vigorous, coherent and united front in the steps we take and the claims we put forward, since peace is for us the dearest thing of all. Such peace can be brought about only through development, as the Charter states.

112. Thus far, the various conferences on trade have revealed that some of the wealthy countries have no wish to act or to produce results. We must therefore act in an organized manner, aware that peace is indivisible, to speed the process of our development by determining new structures in world trade and above all by mastering the machinery which governs the prices for all primary commodities.

113. Our first problem, our real problem and, I believe, our only problem is to bring to all the people of our world equal conditions of access to dignity, well-being, health, education, culture and personal progress.

114. That is the real reason for our presence here, and that is why our session must not be confined to the quest for partial or technical solutions to the present petroleum crisis alone.

115. If the Middle East conflict was originally the pretext for this crisis, it is obviously not the deep-seated cause.

116. As we are all aware, the question is far older than that, as well as more complex and wide-spread. It is rooted in the scandalous conditions that govern the pricing of our natural resources, whether mining, power or agricultural. It is rooted in the imbalances imposed and the situations of poverty and institutional violence to which they give rise. It is rooted in the totality of the economic machinery whose break-downs are mainly due to the blindness of those who have always followed their own inclinations without ever learning to master them. It is, in brief, the realization that the power of money and weapons and laws dictated by a few must very soon give way to a time of agreements, effective dialogues and solutions freely debated and agreed upon by all.

117. It is, then, a struggle for the revaluation of all raw materials and the guarantee of export earnings, a struggle which has continued and will continue so long as the gulf between the wealthy and the poor countries continues to widen.

118. Two worlds face one another today—the minority world of the advantaged, who have so far imposed rules that benefit their own selfish purposes, and the world of the poor, the hopeless, who are becoming better informed and more bitter but who are all too often reduced to helplessly making mere verbal claims for which there is no future.

119. The embargo on certain deliveries of oil and the substantial price increases for various raw materials, some of them the most important, have in a matter of weeks completely overturned those traditional facts.

120. No matter what difficulties those events may have engendered in most States, and particularly in the poorest, the lessons they have taught us are already considerable.

121. This crisis has shown, first, that certain trends are reversible and that a new balance is possible, particularly when the under-developed countries decide to organize themselves and impose a fair price for commodities vital to the economies of the major industrial Powers. This is an indispensable change, for it has not only material and financial implications but also repercussions in the political, ethical, psychological and moral spheres which seem to us of capital importance.

122. In a matter of weeks, this crisis has brought about in Governments and in public opinion a dawning awareness of the major problems of growth, of international justice, of co-operation and the dignity of peoples—an awareness incomparably greater than any brought about by years of conferences, resolutions, press campaigns and declarations of intent devoted to the same subject. People have suddenly been forced to ask themselves about the cost and the very future of certain types of growth and the limits of some of the values most sacred to consumer society. It has given the notion of interdependence its full economic meaning.

123. It is a lesson of crucial importance for all the countries of the third world, which are today convinced of the benefits of solidarity and union, and the United Nations, too, must become aware of the power of this movement sweeping through the under-developed world.

124. This solidarity will more and more transcend problems of race, religion or political ideology to encompass all continents without distinction, wherever there are under-developed or under-equipped countries that are, nevertheless, exporters of raw materials.

125. The real problem here is not to speculate merely on the effects on our economies of the increase in price of this or that raw material which today happens to be favoured. The real problem is, and we should like to repeat it, to increase the value of all raw materials so that hundreds of millions of human beings may finally have access to a decent life and so that, through technical and scientific training, they may themselves process their primary commodities into manufactured goods and thus afford a more effective reply to the deterioration in the terms of trade. Has anyone in Europe or in America yet determined the sale price of products as widespread as wheat or potatoes, without taking into account the cost of their production in the interests of the producers?

126. As President Houphouët-Boigny asked:

“Who has ever concerned himself with the conditions and costs of the production of cocoa, for instance, to mention that product alone, one of the only commodities—if not the only commodity—whose price has remained dependent on the caprice and interests of a few stock-exchange speculators, as if the lives of millions of human beings should depend solely on what goes on on the floor of the stock exchange?”

127. These subjects must, moreover, be dealt with calmly and coolly as now behaves the members of an international community that have become very aware of the interdependence of their aims and of the factors that limit them. The only concern which should be in our minds is economic justice and not, on one side, the search for revenge or, on the other side, a return to long-standing error.

128. This crisis must provide an opportunity for the third world, having demonstrated the remarkable effectiveness of certain regroupings and its capacity to go from words to deeds, to shoulder its new responsibilities in terms of a political maturity, international morality and generous lucidity. In the framework of its responsibilities, it should put its trust in itself vis-à-vis those of its members that remain without arguments because they lack priority raw materials, by associating them—on the basis of a genuine solidarity that the majority of the wealthy countries have never wished to promote—with certain of the beneficial effects of the more recent values. Is this not a first opportunity to set the world an example of imagination and wisdom, and a modernist vision in the matter of economic, financial and technical co-operation among countries of the third world? The developing world must look to itself also in regard to its clients in the industrial world, and it must avoid the temptations of revenge, no matter how justified, because they would be ignoble, because they would mean acting in the selfish way we have always rightly denounced in others, and because, finally, they could in time turn out to be politically and economically two-sided and not solve the real problem, which is that of a global new and equitable distribution of production and profit.

129. We believe that the world equilibrium is at stake. We must adopt international rules of production, trade, co-operation and mutual aid among all the nations which would take into account not only the backwardness of the past and the most severe dislocations but also the deserts and the needs for dignity and harmony of all.

130. The assistance provided to us is insufficient. Moreover, the very concept of aid is erroneous. It is far more a financing on the terms of the world market than it is a free gift. It has given rise to an external indebtedness which now absorbs more than 70 per cent of the new capital. If to this we add the repayments on the loan, this so-called assistance in fact represents a monetary transfer from the under-developed countries to the developed countries. This is an impediment to development and has left us in an impasse. Many of our countries are approaching the point where it will be impossible for them to secure financing on market terms.

131. That leaves trade. Trade policy is the most important instrument of development for everyone, but more particularly for the developing countries since exports are the only way of securing the necessary foreign exchange for our imports and our capital goods. And the phase of development on which we are now launched dictates that we import even more.

132. Thus far, however, the prevailing prices, price fluctuations, inflation and currency manipulations have caused us to lose substantial financial resources. Furthermore, through the play of domestic fiscal measures, the developed countries have derived tremendous wealth from the products of our countries. For example, a cup of coffee containing 12 grammes of green coffee sold for 60 francs CFA in Europe; from this the producer country received 6 per cent of the value of the cup, and the Government and middlemen of the consumer country got 94 per cent.

133. As you can see, the structure of international trade also represents an impediment to our development.

134. Never has there been such strong feeling between the wealthy and the poor countries. The under-developed countries have experienced deep disappointment and their disappointment can become a matter of grave concern if timely measures are not taken. We must therefore devise a new strategy. We must set about revising the structure of international trade and monetary relations. The poor countries must not be just networks of supply and of sale. If we agree with the Pearson report⁴ that mankind is a village in which poor and rich can not long be allowed to live side by side, then in the interests of peace we must propose measures for improving the situation and recommend the following action in order to assist the development of the poor countries.

135. First of all, in a spirit of generosity, the developed countries should waive the interest on past financing. This procedure is recognized in certain circumstances between creditors and debtors. To illustrate the suggestion, I should like to refer to a loan of \$3,750 million for a period of 50 years from 1951 to the year 2000 extended by the United States to the United Kingdom at the rate of 2 per cent, with a temporary waiver clause stipulating that in certain circumstances the interest could be waived or cancelled. I might add that the sums supplied by the United States to the European countries under the Marshall Plan were all or in part free of charge.

136. This relief would ease the budgets of the under-developed countries by saving them about \$40,000 million in foreign currency.

137. Secondly, aid must henceforth be given on favourable terms as follows: for a period of 50 years at 2 per cent interest with provisional waiver clauses. What would be the good of financing if it were itself absorbed by the crushing burden of financing earlier debts?

138. Thirdly, there is need profoundly to change the existing trade structures with real participation of develop-

ing countries by increasing the value of primary commodities, taking into account the real cost of these products and providing for automatic compensation in the case of inflation and monetary fluctuations.

139. Has not President Boumediène reminded us that self-reliance is one of the principal elements in the approach that the developing countries must take?

140. That the third world should have succeeded in demonstrating, in a matter of months, its credibility and its irreplaceable weight in the type of growth that the world has chosen, and that it has at the same time expressed and imposed its will to participate directly and effectively in the regulation of the major problems facing the world, is already of the utmost importance to us.

141. May this serve as an example to the future of how relations of force can be transcended and can be turned into new relations of tolerance and co-operation, on the basis of the criteria of reason, equity and a global and generous vision of evolution of societies, a matter of even greater importance.

142. We are at a time in the history of human societies and of scientific and technological progress when the only thing that matters is the seriousness of our approach, is a concerted rigour, pragmatism, and the reality of the results achieved. The present crisis is an eloquent indication of our economic interdependence. We need capital goods, manufactures, but the rich need raw materials just as much as we do. We must therefore, in a real dialogue, without any spirit of revenge, arrive at a consensus profitable to all, on the basis of justice and equity, and we must contribute in a more serene prospective to the establishment of a new order.

143. May this Assembly then, animated by this spirit, help to pave the way for a world of less formal freedom, of more fraternal justice and of deeper peace.

144. Mr. LONGERSTAEY (Belgium) (*interpretation from French*): Mr. Scheel, the Minister for Foreign Affairs of the Federal Republic of Germany, has stated the views of the European Community as President of the Council of Ministers. On behalf of the Government of Belgium, I should like to emphasize our complete support for that statement [2209th meeting] and, in particular, for the positions which he described. Also, I wish to affirm our will to seek jointly solutions to the serious problems which arise internationally.

145. The situation is alarming. A more thorough analysis can but highlight the disquieting perspectives, which loom before us, more particularly for certain developing countries. The vastness of the problems is such that it is on a world-wide scale that we must find the solutions.

146. A study in the largest international forum, the United Nations, was eminently desirable, and I should like to pay a tribute to the initiative of President Boumediène who initiated the present special session.

147. In present circumstances the possibility of arriving at concrete results seems to me to be greater than ever. Much

⁴ *Partners in Development: Report of the Commission on International Development* (New York, Praeger Publishers, 1969)

is said here and elsewhere of economic interdependence. This concept has a profound meaning for a country such as mine, whose trade and economic activity are largely directed towards the third world, in particular for our supply of raw materials.

148. Economic interdependence must nevertheless be assessed in its dual aspect: to the extent that all countries have a major interest in ensuring a satisfactory development of expansion, but also, and equally, to the extent that the interests of the developing countries which to a large extent supply the world economy with commodities must be accommodated.

149. The present crisis has made us become more clearly aware of the ties of interdependence which exist between our economies and have brought to light that there is only one valid choice: either to bring about greater solidarity or to be led towards confrontation.

150. It may be that so far the industrial world has offered too little and the third world has asked for too much, which has regularly brought us to confrontations which were hardly profitable. As the representative of a country which is small but which has itself during its history suffered from national selfishness, I here wish to appeal to all States, large and small, for a new approach to the problem of development by creating a genuine dialogue at the beginning of a greater solidarity.

151. Within the framework of this approach, it seems to me, first of all, that the problems and the solutions must be characterized according to their urgency; that is to say, whether they are short-term or long-term.

152. On a long-term basis, every day it becomes clearer, and not only since the present crisis, that the International Development Strategy must be adjusted. The results recorded are considered to be disappointing by the developing countries, at least from a global point of view. Furthermore, the very conditions of the world economic situation, including that of the third world, are in the process of a profound change.

153. The traditional distinction between under-developed countries, which are equated with poor countries and industrialized countries, which are described as wealthy countries, should today be reviewed in the light of the present economic reality and in terms of criteria other than the degree of industrialization, such as export capacity, having or not having oil or other essential raw materials, a food shortage, the burden of national debt, a deficit in the balance of payments, and so on. These different criteria, to which others could be added, suggest a greater diversification among the developing countries themselves, and therefore the co-operation should be adjusted according to these new situations.

154. As regards international trade, we must also seek more appropriate means to enable the developing countries to participate in a more balanced manner in the expansion of world trade. No one at present doubts that for them export is a factor of primary importance for ensuring their development. This, of course, presupposes that the terms of

trade do not develop to their disadvantage in spite of the rises which have occurred in the energy sector.

155. Raw materials and primary commodities represent approximately 75 per cent of the over-all export earnings of the developing countries. Furthermore, present economic trends remain essentially uncertain, and a slowing down, or even indeed a reversal, of economic activity, which would lead to a deterioration in the terms of trade in the near future, cannot be excluded.

156. Hence it is necessary to turn our attention to new solutions, particularly as the machinery previously set up for primary commodities has not produced the effects expected.

157. Furthermore, it seems that in the case of certain raw materials—and the oil crisis has confirmed this—the tension between supply and demand could grow worse to the extent that a rapidly expanding world economy could lead to a depletion of reserves.

158. The commodity agreements, as conceived up to the present, were intended to stabilize prices by seeking to shelter them from the influence of fluctuations in the level of economic activity. As some more recent tensions seem to be more structural in character, it should be possible to devise long-term agreements or arrangements at the world level which aim at a more comprehensive solution of the problems of the raw materials in question and covering fields other than that of prices, especially production, reserve stocks and distribution.

159. Thus the entire economy of a commodity would be covered, which seems to us necessary if formulas are really to be devised that are satisfactory in terms both of export earnings and of supplies, and the interests of the producing countries and those of the consuming countries would, therefore, be borne in mind.

160. Such an approach to the problems of primary commodities, which I can merely outline here, will have to be substantially different from that adopted in the past, even if the specific complexity of each category of commodities is a good reason for seeking solutions on a commodity-by-commodity basis.

161. Moreover, the over-all study to be undertaken by UNCTAD at the request of the General Assembly [*resolution 3083 (XXVIII)*] will provide an opportunity for exploring the possibility and procedures of a future price-indexing of the primary products exported by the developing countries in relation to the prices of the finished goods exported by the industrialized countries. Such a formula has, in our opinion, some very serious disadvantages, but we do not wish to dismiss it out of hand.

162. The reference to UNCTAD brings me to recall the work now being done in international forums.

163. The multiplicity and vastness of the problems we face have prompted a great many international organizations and agencies to study the remedies required.

164. The Food and Agriculture Organization of the United Nations /FAO/ and UNCTAD are at the moment the scene of intensive intergovernmental consultations on a number of commodities. The problems relating to trade relations will be the subject of future negotiations among the parties to GATT. The International Bank for Reconstruction and Development and the International Monetary Fund are examining the financial aspects of the present crisis, particularly the needs of the third world. Finally, the Charter of the Economic Rights and Duties of States, which it should be possible to finalize in June in Mexico City, could make a welcome contribution towards the establishment of new and closer economic co-operation among the countries of the third world.

165. Following the ministerial meeting held in Washington early last February, a number of industrialized countries are considering, together with the relevant international organizations and through appropriate contacts with both producers and consumers, what solution might be found for the problems existing in the energy field.

166. The European Community, for its part, has begun to give some thought - and we hope this will soon produce results - to ways in which it could associate itself actively with the international efforts being made and make an appropriate contribution to them.

167. We sincerely hope that the present special session of the General Assembly will provide the impetus required to ensure the success of all the actions and negotiations now under way.

168. The special session of the General Assembly scheduled for next year to deal with the International Development Strategy could then lead, through the Economic and Social Council, to specific decisions concerning the adaptation and intensification of the Strategy.

169. Now that the road ahead has been mapped, it is absolutely necessary for all countries to muster the political will to ensure the success of this enterprise. Belgium, for its part, is ready to make its full contribution.

170. Apart from this longer-term approach, we must face up to some alarming situations which will arise in the immediate future. In this connexion, the most urgent foreseeable problems pertain to the balance of payments and concern both the developed and the developing countries; but in all probability it will be in the latter that the crisis will be most acutely felt, in view of the fact that for them it is compounded by a food shortage.

171. On this last point, it is our hope and conviction that the forthcoming World Food Conference will give particular attention to this alarming aspect of the present situation and will find remedies for meeting the most urgent needs.

172. To return to the problem of balance of payments, all recent analyses draw attention to the serious difficulties of a number of particularly disadvantaged developing countries. Specific suggestions and proposals have been made both by industrialized and by developing countries in an effort to overcome these difficulties.

173. As a member of the European Community, Belgium is firmly resolved to make a substantial contribution to international action in this field, the ways and means of which it should be possible to define in the near future.

174. The very seriousness of the situation has created appropriate conditions for action at the world level. Some headway has, of course, been made, but the most difficult work has still to be done: to narrow the gap between the rich and the poor countries and to lay the foundations of an international economic structure that will guarantee balanced expansion for the benefit of all.

175. In a context of economic interdependence, which is becoming more marked every day, there is a series of political, economic, moral and humanitarian reasons militating in favour of growing international solidarity. Absolute poverty, which is the actual lot of a large part of the population of the third world, is quite simply not acceptable and we must resolutely attack this ill.

176. The present crisis threatens above all those who live on the brink of human degradation. They have the right to demand that our deliberations should not be in vain.

177. Mr. FISCHER (German Democratic Republic):⁵ At this important special session I have the honour to present the position of the German Democratic Republic on the problems on its agenda.

178. The Government of the German Democratic Republic did not hesitate to agree to the request of the Democratic People's Republic of Algeria for the convocation of this special session /A/9541/, because the session provides an opportunity to discuss economic problems in their inseparable relation with the strengthening of international peace and security and to further their solution.

179. The consideration of important questions of economic co-operation and development at this representative forum has become possible on account of a turn from the cold war to détente, from military confrontation to the strengthening of international security and to peaceful coexistence among States with different social systems. This turn is a result, and a reflection, of the struggle of the progressive forces which are working for social progress.

180. The fruits of détente shall benefit all peoples. That requires a stop to those forces which are seeking to achieve their old colonialist aims with modified methods. It would be desirable to stabilize the favourable changes already achieved in the international situation and to extend détente to all regions and continents.

181. The war in Indo-China, the continuing occupation of Arab territories, the overthrow of the constitutional Chilean Government demonstrate very clearly that wherever war and tensions are fanned and fundamental human rights trampled underfoot, there is no economic and social prosperity and the people suffer. Cold war impedes the development of peaceful international co-operation; hot war even destroys the basis of life and throws back the development of the afflicted peoples by decades.

⁵ Mr. Fischer spoke in German. The English version of his statement was supplied by the delegation.

182. In Europe, with a set of treaties concluded between socialist and capitalist States on the basis of the peaceful coexistence of States having different social orders, the foundations have been laid for lasting security. The historic magnitude of this design cannot be diminished by difficulties that still have to be overcome. The Conference on Security and Co-operation in Europe can speedily be brought to a successful end if all parties concerned display a constructive attitude. Successes in Europe definitely benefit not only the States and peoples of that continent. Bearing this in mind, the German Democratic Republic is unswervingly pursuing its peace policy.

183. Peace, détente and international co-operation have to be stabilized by measures of arms limitation and reduction in the levels of armed forces. At the current negotiations in Vienna, the German Democratic Republic is working for this goal as one of the 11 States which are directly involved in central Europe.

184. The USSR proposal to reduce the military budgets of the permanent members of the United Nations Security Council by 10 per cent and to use part of the funds thus saved to provide assistance to the developing countries⁶ has been supported by a great majority of the States Members of the United Nations. The time is ripe to implement the corresponding resolution of the General Assembly [*resolution 3093 (XXVIII)*]. The Government of the German Democratic Republic therefore considers that the implementation of that resolution should be a major concern of this special session.

185. An analysis of international economic relations confirms that the Asian, African and Latin American States, although having remarkably advanced towards achieving and consolidating their economic independence, are facing a multitude of complex social and economic problems which urgently need to be solved.

186. Those problems originate in decades or centuries of colonial exploitation. Today they are preserved, and even aggravated, by the neo-colonialist mode of exploitation of the natural and human resources of the developing countries by imperialist States. For political and moral reasons alone, those States are therefore obligated to repair the consequences of colonial and neo-colonial exploitation. The right of the developing countries to be compensated for the material damage that has been caused and is still being caused by colonialism and neo-colonialism is likewise incontestable.

187. The German Democratic Republic considers that attempts to place responsibility for the backwardness of the developing countries on the socialist States are designed only to make us forget centuries of colonial domination and present-day neo-colonialist exploitation by monopoly capital.

188. The German Democratic Republic, a socialist State, is not responsible for economic backwardness in the developing countries. It is indeed not the socialist States that participate in the vast profits of the monopolies. The socialist States have brought under their control neither factories nor mines nor oil resources in developing coun-

tries. No worker in an Arab, African or Latin American country is exploited by any of the socialist States.

189. The German Democratic Republic—itsself a target of attempted imperialist discrimination and extortion over many years—has always assisted and is assisting the developing countries in securing their political as well as economic independence and in eliminating any kind of colonial or neo-colonial repression, exploitation and discrimination; it vigorously supports the struggle of the peoples against *apartheid* and racial discrimination.

190. Certain designs to poison the constructive and business-like atmosphere at this special session by slanderous allegations about the community of socialist States and to misuse this forum can be seen only as an attempt to obstruct the solution of the questions that are complicated enough.

191. To develop stable economic co-operation, governed as much by equality as by mutual benefit, is, in the view of the Government of the German Democratic Republic, the most effective way to make it easier for the developing countries to surmount their economic difficulties.

192. The German Democratic Republic and over 70 States, most of them developing countries, established mutual diplomatic relations in the last two and a half years. These steps proved to be conducive to détente and to fertilize the German Democratic Republic's trade and scientific and technological co-operation with these countries as well. Its trade with the developing countries, for instance, increased by 22 per cent in 1973 over 1972. This rate of growth is already well above those of previous years.

193. The German Democratic Republic's scientific and technological co-operation with these countries is equally aimed at promoting their efforts towards economic independence and a higher level of economic development. The German Democratic Republic assists in training programmes for skilled workers, technicians and specialists. Since 1955 the German Democratic Republic has aided developing countries in carrying out over 500 industrial projects which are associated with the sharing of scientific and technical know-how, the transfer of production technologies, the sending of experts and the training of national personnel. In the last few years thousands of specialists and experts from the German Democratic Republic worked in developing countries, and far more nationals of these countries received or continued training in the German Democratic Republic in the same period.

194. The German Democratic Republic's co-operation with the Soviet Union and the other socialist member States of the Council for Mutual Economic Assistance [*CMEA*] is a priority also because it creates better conditions for expanded economic relations with the developing countries. When the German Democratic Republic emphasizes here the priority of its economic co-operation with the States of CMEA, it does so not least because its continuous and stable development and its achieving and safeguarding of full sovereignty are due to its membership in this socialist multilateral organization. It is owing to the creative work of the people of the German Democratic Republic, the mobilization of its domestic resources and, not least, to the mutual aid among the socialist States united in CMEA that the German Demo-

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

cratic Republic has achieved remarkable results. Only this enables the German Democratic Republic to solve such complex questions as that of its demands of raw materials and fuel.

195. The 25-year record of CMEA shows that the development problems of individual States, no matter how complicated they may be, can be solved mainly through fraternal mutual assistance and support. The economic rise of the member countries of CMEA makes it possible to develop their mutual economic integration now. And in the final analysis the development of the socialist German Democratic Republic became possible because the working people controlled all national riches and have done away with the exploitation by man of man and with all kinds of repression and discrimination.

196. The German Democratic Republic can therefore shape its relations with the African, Asian and Latin American States on the basis of strict respect for the principles of sovereignty, equality, non-interference in internal affairs, and mutual benefit. There is no doubt that this is the only possible way to ensure peaceful international co-operation. It is particularly in international economic relations that strict respect for the sovereignty of States is of pressing topicality. The German Democratic Republic places on record its firm intention to develop and expand its trading, scientific and technological relations, its relations in general, with the States in Africa, Asia and Latin America. Without reserve it supports the statement of the Fourth Conference of Heads of State or Government of Non-Aligned Countries that the imperialist policy of imposing upon the developing countries political, social and economic structures which encourage neo-colonialism and dependence constitutes a permanent violation of the principle of sovereignty.⁷

197. The principle of sovereignty includes the right of States to exercise unrestricted control over their natural resources. And the very fact that many developing countries, because of the policies of international monopoly capital, now cannot, or can only to a limited extent, dispose of their natural resources, warrants the consideration of problems of raw materials and development at this special session of the United Nations General Assembly. The German Democratic Republic views the United Nations as the appropriate forum which can recommend, on the basis of its Charter, effective measures for the speedy realization of the sovereign rights of these States, and it strongly supports the demands raised by the developing countries with a view to implementing their right to control their natural resources. Our own experience in building what was first the anti-Fascist, democratic and, later, the socialist order, corroborates that full control over natural resources is one of the initial and primary conditions for real progress in the economic and social development of any State.

198. The international monopolies are extracting enormous profits from the lesser developed countries. Their capital investments stand against the economic and political independence of the developing countries. Those capital manipulations broaden the gap between the economic, scientific and technological levels of development of the

capitalist industrial countries and those of the Asian, African and Latin American countries.

199. The multinational oil companies are recklessly depleting the natural resources of the producing countries. Hence it is more than understandable that these countries should be defending themselves against this plundering. The success of the struggle of Asian, African and Latin American countries to ensure their sound economic development depends not least on how far they will manage to determine the production as well as the transportation, processing and sale of their raw materials.

200. It would be desirable if the study of the activities of international monopolies would lead to conclusions for action by the United Nations, conclusions that will enable the States concerned to exercise unhindered and full control over their natural resources in order to use them for their industrialization and their rapid economic growth. It is obvious that this would fundamentally improve the position of the developing countries in international economic relations.

201. Also from this angle, the German Democratic Republic has expressly supported General Assembly resolution 3171 (XXVIII), in which the right of nationalization is reaffirmed. According to our own experience to which I have referred, sovereignty over natural resources can only be attained through their nationalization.

202. The delegation of the German Democratic Republic worked actively for the adoption of General Assembly resolution 3175 (XXVIII), which underscores the right of the Arab States and peoples to permanent sovereignty in the Arab territories occupied by Israel. We believe that this principle applies to all States, territories and peoples still under colonial domination. Embodying such a basic principle in a document that would be adopted with the approval of a majority of United Nations Member States would be an effective contribution to development, especially in Africa.

203. Calls for "access to raw material resources free for all" are only likely to erode the principle of sovereignty and to maintain neo-colonialist power positions in the developing countries. The Government of the German Democratic Republic believes that this is not acceptable, since any impairment of sovereignty is a breach of international law, a *de facto* aggression, and thus a potential threat to international peace and security.

204. The German Democratic Republic has few natural resources. That is one of the reasons why it has a particular interest in the promotion of international trade, including raw material trade.

205. The organs and organizations of the United Nations undoubtedly offer further possibilities to create conditions propitious for the development of that trade. In this context we think that the general principles of international trade and trade policies proposed by the developing countries and adopted with the support of the socialist States at the first session of UNCTAD⁸ are one of the essential guidelines for the conclusion of international

⁸ 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, section A.

⁷ See document A/9330 and Corr.1, p. 58.

commodity agreements. Only when, in conformity with the principles of sovereign equality, non-discrimination and mutual benefit, the interests of raw materials importers and raw materials exporters are equitably taken into account in such agreements can international commodity trade and international economic relations in general prosper.

206. The Government of the German Democratic Republic wishes to recall once again that a general agreement to govern international commodity agreements should be worked out, as suggested at the first session of UNCTAD.⁹ The German Democratic Republic is ready to co-operate. It holds the view that the activities UNCTAD has initiated to analyse the sales-purchase systems in international primary commodity trade could effectively support that step.

207. Due to the inflationary evolution in the capitalist countries and the associated crisis of the capitalist monetary system, some international commodity agreements, for instance for cocoa, coffee and tin, are at present economically inoperative. Therefore, we feel it is imperative to devise measures to avert these negative effects of the capitalist monetary and financial crisis on international commodity trade.

208. The German Democratic Republic also holds the view that the application of achievements of the scientific-technological revolution is essential for economic and social advancement in the developing countries and that the creation of a domestic basis of education, research and development is indispensable to take advantage of available scientific and technical achievements. The States Members of the United Nations could effectively aid the developing countries in creating such conditions.

209. In the same measure as it will be possible to do this, the transfer of scientific and technological know-how and skills will be much more fruitful and effective. What is and remains essential is that such skills and know-how must not be used to anybody's unilateral advantage or for the purpose of repression.

210. We feel that the main point is to design and agree on principles, norms and criteria to govern the provision of assistance in the scientific-technological fields. The German Democratic Republic is granting financial aid to the developing countries through the United Nations system. It is known that the German Democratic Republic has made voluntary financial contributions to the United Nations Development Programme, the United Nations Industrial Development Organization and the United Nations Environment Programme. All these efforts will be continued according to our possibilities. They are an expression of the unshakable solidarity of the German Democratic Republic with the peoples of Asia, Africa and Latin America. We welcome the fact that the necessary steps are being taken in the organs mentioned to ensure the best utilization of voluntary contributions because in this way the assistance will be effective.

211. This special session can also contribute to heightening the authority and effectiveness of the United Nations Economic and Social Council. It is the principal United

Nations organ for the consideration of economic and social problems. In connexion with the first review and appraisal of the results of the International Development Strategy, the Council has proved that it can fulfil the functions assigned to it under the Charter. Last year's experience, however, underlines the urgent need now to discuss and speedily implement the proposals of the USSR for the improvement of the organization of the Council's work.

212. The expanding structural crisis in the capitalist world economy, which is particularly apparent in the present monetary and financial crisis and the energy crisis, is closely observed in the German Democratic Republic. In evaluating this phenomenon the German Democratic Republic considers that its causes are inherent in the capitalist economic system. Nevertheless, my country is ready to participate in working out measures within the United Nations which will help to remove the negative effects, for example of the energy crisis, on the economic and social development of States and on international economic relations.

213. The sharpening crisis of the international capitalist monetary system and the continuing fluctuations in currency exchange rates over the last few months have caused serious damage to international economic relations and above all to the developing countries.

214. The resolutions of the twenty-seventh and the twenty-eighth sessions of the General Assembly have already acknowledged the interdependence of problems of international trade, development financing and the international capitalist monetary and financial system, urging that these problems be solved in a concerted way and with the participation of the developing countries.

215. The German Democratic Republic views UNCTAD as the universal and most representative organization in the fields of trade and development. We consider it to be equipped for solving financial, monetary and trade problems with due regard to their interdependence.

216. In conclusion, I wish to emphasize that the elaboration of principles for international co-operation in the economic, scientific and technological fields on the basis of equality and mutual benefit would be timely and useful. They could be an appropriate foundation for the development of co-operation among States with different social systems. In particular, the Government of the German Democratic Republic would plead for the following principles to be incorporated as essential elements: the sovereign equality of States; the right of free choice of form of socio-economic development; the sovereign right of States freely to dispose of their natural resources; the right of free decision with regard to the formulation of external economic relations; the right to eliminate discrimination in international economic relations; the right to regulate and control foreign investments, including control of the activities of multinational monopolies; the principle of most-favoured-nation treatment in international trade; and the principle that regional economic groupings shall not discriminate against non-member countries and shall not impair international trade and economic co-operation.

⁹ *Ibid.*