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President: Mr. Leopoldo BENITES (Ecuador).

AGENDA ITEM 7

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

1. Mr. RABASA (Mexico) (*interpretation from Spanish*): My delegation wishes to join with those who spoke this morning in expressing sincere condolences on the death of Mr. Ismael Byne Taylor-Kamara, the Permanent Representative of Sierra Leone to the United Nations.

2. Mr. President, I bring you a welcome from the many friends that you made, both in your official life and in your personal life, when you were in Mexico and also the congratulations of all of us on your well-deserved re-election to the high post that you are filling.

3. We share the opinion which you stated in your opening statement at this session [2207th meeting] that, while we must not expect too much to be achieved on such a broad issue in such a short time, we shall, however, succeed in reaching agreement on the pressing need to take a totally new approach to international economic problems.

4. Addressing myself to the Secretary-General, I should like to tell him that my country still recalls the good atmosphere that he was able to create at the beginning of this year when we had the honour of receiving a visit from him to Mexico. At that time he said that, had the Charter on Economic Rights and Duties of States existed, many of the serious world-wide problems afflicting this planet today would have been avoided—referring to problems such as the food and energy crises. No truer words were ever spoken.

5. Only those who do not want to make a fair appraisal of the historic developments of our time or those who wish to maintain in existence an unfair and rigidly fixed past are unaware of the fact that we are witnessing or that we should bring about a true world revolution, conceived not as a mere dramatic change but rather as a true alteration of socio-economic structures. I who address you now come from a country where precisely at the dawn of this century, by the adoption of a progressive constitution, were uprooted the vestiges of feudalism, which had been pernicious

and exploitive, and which was replaced by a new order which relentlessly seeks to establish the people as the only privileged class. This is an appropriate occasion to ensure that the principles of economic and social justice are extended from the national level, at which they have been kept heretofore, to a modern universal concept.

6. The total world-wide revolution that we want to bring about will have to establish procedures and systems which *inter alia* will set goals that will put an end to the severe trade imbalances that affect our terms of trade; will have to resolve the food problems which afflict vast areas of the earth; will have to level off at a proper point the increase in the prices of energy and other raw materials; will have to cope with the demographic explosion; and will have to permit the equitable use of the resources of the sea and preservation of the environment which will promote the favourable development of future generations.

7. In the Club of Rome, which held an exceedingly important meeting at Salzburg during the first days of February this year—a meeting not confined to mere academic debate, since it was honoured with the presence of various Heads of State and Government—the President of Mexico, Luis Echeverría, spoke of a world-wide society that was tottering. In this connexion he said:

“We consider it absolutely essential to have a reinterpretation of the crisis. It would be inadmissible and impractical for the options for dealing with the present situation to be formulated on the economic and political hypotheses of the most powerful nations.”

8. For that reason my country from then on has expressed itself as decisively in favour of the convening of a special session of the General Assembly in accordance with the request of the President of Algeria, Mr. Houari Boumediène [A/9541].

9. The right to peace, which is the indispensable basis on which the United Nations was founded, cannot be conceived of without a concomitant right to development. But we cannot, and we should not, be satisfied with a simplistic policy of development. Development, if it is to be effective, should be harmonious and should have as its goal the improvement of all peoples and not only of a few and all men, not only the privileged classes, should have their lot improved. “The type of development to which our peoples aspire”, said the Mexican President in Salzburg, “seeks a generalized upgrading of the quality of their life.”

10. If we assert that we want peace, we should attempt to achieve compliance with the conditions that are indispen-

sable for the existence of peace, and one of these conditions is a fair international distribution of income. If we want a full measure of development with similar opportunities opening up for all countries, we should adopt measures that will enable us to work out a world-wide strategy that will correct in radical and revolutionary terms the obtaining inequality.

11. The third world is not a group of countries whose objective is to set one group against another. Poverty, unhealthy living conditions and ignorance are the common enemies of all mankind.

12. If we fail, if this dialogue does not bear fruit, peace will cease to exist and social imbalance and political dissensions will plunge the world into chaos or into war. We would then have to add a new concept to the traditional concept of war, one that would be more insidious, the product of our times, and one that derives from the use of intervention, exploitation and economic isolation. And this second form proves to be crueller, because it is slower and is directed primarily against almost two thirds of the world's population.

13. In the circumstances, it is essential to observe certain fundamental rules, such as the two that I am about to mention. On the one hand, countries with high levels of income should increase substantially the technical and financial assistance that they provide to support the efforts of the developing countries; they should facilitate the transfer of technology on fair and reasonable terms and provide untied credits—they should not be linked to commercial or trading conditions that would accentuate economic dependency and distort the process of international trade.

14. Concomitantly, co-operation between the developing countries should be given dynamic impetus, both in order to promote the defence of their permanent sovereignty over their natural resources and the prices of their export commodities. It is also of primary and overriding importance in this context to bring about an improvement in the condition of access to international markets provided for these products.

15. Those who sustain a more individual and, in the last analysis, selfish viewpoint do not understand, in all their full ramifications, the need for new rules and they are exposing themselves to the threat of feeling the negative consequences that they have helped to generate over the years. The lack of domestic savings by the developing countries has meant that those countries are compelled to assume external debts and, while these have contributed to their development, they have a growing impact on their balance of payments. It is considered that the foreign debt of those nations requires them to make a payment of about \$9,000 million each year, an amount which, when added to the decapitalization which comes about through the work of the transnational companies, the high cost as a result of the increase in food and energy prices and the inadequacy of exports, practically nullifies their capacity to participate in the purchase of manufactured goods and the products of modern technology.

16. In other words, in order to achieve rapid, excessive and monopolistic earnings today, we speed up the poverty of

those countries which are developing and tomorrow they will not have anything with which to buy goods. Thus, the industrialized countries are digging their own graves. The insolent opulent society of today will be transformed into the humble poverty of tomorrow, unless they understand that it is in their own interests to alleviate the situation of the developing countries.

17. Despite the repeated political statements in favour of broader international co-operation, the major portion of mankind continues to live in intolerable conditions of subsistence and almost 25 per cent of the world's population has to seek ways and means to survive on 30 cents a day. Moreover, it is not acceptable that a few countries, with less than one third of the world's population, should continue to consume more than 70 per cent of the goods available in the world.

18. The developing countries will have to spend \$15,000 million extra to supplement their national production of food-stuffs and energy. It is worth while recalling that this amount corresponds approximately to what will be spent on armaments during the three weeks which it is estimated that this special session of the General Assembly will last, as was said by the Secretary-General last Tuesday [2207th meeting].

19. The tremendous influence of the transnational companies on production and trade is a factor which makes more acute the problems that I have mentioned. According to various estimates, by 1985 80 per cent of the industry of the market economy countries will be controlled by 300 or 400 transnational corporations.

20. At the present time, the figures that show their control are both revealing and frightening: the petroleum industry is in the hands of seven companies; the petrochemical industry is dominated by 15 firms; the professional electronics field by 10; the production of tires by eight; the production of glass by five, and that of paper by nine.

21. And what is even worse, when their insatiable appetite for profit is not satisfied, they plunge, through political pressure, into violating the age-old principles of non-intervention and self-determination of peoples.

22. In our day it has become evident that technology is just as important as raw materials. For many countries technological and financial assistance provided on equitable conditions has as much significance as raw materials to others. No State would be ready to guarantee continuity of the supplies of their raw materials if in turn it could not rely on an uninterrupted and adequate flow of technology and financial resources. One offsets the other. All should make up part of the common effort of solidarity between developed countries and developing countries. Those who possess this important technology and those who provide raw materials should benefit equally, because their efforts and their responsibilities are equal.

23. Every moment that passes increases the rate of interdependence among all countries. This is the essential principle that gives meaning to this special session of the General Assembly. So far the energy crisis has awakened our conscience to two facts: first, the finite nature of the

natural resources of the world, and secondly, the dependency of every State, no matter how rich it may be, on all the others.

24. We need to work out a true international policy of natural resources. Although these resources are subject to the permanent sovereignty of the State in which they are found—and this would be a fitting occasion for strengthening this principle—it is equally true that the rational and efficient use of many natural resources is in the interests of all mankind. These two principles are not incompatible, but rather they supplement one another.

25. In this connexion may I recall the constructive suggestion which the President of my country submitted to the Food and Agriculture Organization of the United Nations during the visit that he made to Rome two months ago, namely, that a world bank for food and agricultural research should be set up. The dramatic shortages that confront so many regions make it an overriding necessity to take immediate action to transform this generous proposal into a reality.

26. It is not merely an attitude of philanthropy that should induce the developed countries to engage in international co-operation, but rather the conviction that in the world of today all nations are interdependent and that the problems of one country directly or indirectly immediately, over the longer range, affect all the others. For example—and to cite only the example nearest to us in time—the energy crisis in which producer countries found a way of joining together to defend their vital and common interests affected every human being on this planet.

27. As was pointed out in the eloquent statement by the Head of State of Algeria [2208th meeting], in order to consolidate a new economic order it is necessary first of all to adopt collective action, not empty resolutions, to bring about the full application of principles of behaviour, such as peaceful coexistence, non-aggression—and particularly now that the responsible Committee has after 24 years of deliberation approved a definition which spells out the scope of this term in conformity with the Charter of the United Nations—the principle of non-intervention by a State or a group of States in the domestic or foreign affairs of another State, the fulfilment in good faith of international obligations, refraining from all efforts to establish hegemonies and spheres of influence, and the exceedingly important principle—which should never be forgotten—of the self-determination of all those peoples who have still not achieved self-determination, which in concrete and current terms means the elimination of colonialism both in Africa and in certain regions of America.

28. Two years ago in Santiago, Chile, the world became aware of this overriding necessity and took the first steps towards working out a body of legal rules that would guarantee co-ordinated action for peace through development.

29. The President of Mexico, in presenting his proposal for the preparation and adoption of a charter of the economic rights and duties of States to the third session of the United Nations Conference on Trade and Development

[UNCTAD],¹ explained the significance and scope of his proposal by stating, *inter alia*:

"No balance can be founded on the disagreement or non-conformity of the major portion of the world. Our peoples are aware that their poverty is producing wealth for others. The accumulated resentment against colonialism of a political type is being reborn and expressed against economic colonialism. To build an economy for peace is in these times the primary duty of the international community. On the other hand, to refuse to co-operate in order to diminish disparities among peoples is to prevent the principles of the United Nations from acquiring a real content and meaning. . . . The task to be carried out devolves upon the present generation and there is no alternative of postponement."

30. Undoubtedly it was similar motives and a similar vision, generosity and nobility that recently motivated President Boumediène to call for the convening of a special session of the General Assembly, in which we find ourselves meeting together in order to be able to examine advantageously, as he himself said, the question of development as well as the question of international economic relations in all their ramifications, with a view to establishing a new system of relations based on equality and the common interest of all States.

31. The two initiatives, far from being in competition, as some began to fear, are obviously complementary. The countries of the third world have seen this quite clearly.

32. On the one hand, the deliberations of this special session, in which for the first time all the Members of the United Nations have come together for the sole purpose of analysing the most important economic problems and promoting the establishment of a new international economic order that will be just, equitable and stable, cannot help but serve as an additional advantageous source of inspiration for the Working Group on the Charter of Economic Rights and Duties of States.

33. Moreover, that Charter, concerning which the General Assembly already specifically stated last year in its resolution 3082 (XXVII) that it has the firm intention of approving it at its twenty-ninth session, will unquestionably constitute an effective instrument and a contribution of special importance to the consolidation of this new international order which should be based on equity and the interdependence of the interests of the developing countries and the developed countries.

34. We therefore trust that the conclusion of the Group of 77 developing countries to the effect that it is vitally important for the Charter of Economic Rights and Duties of States to be approved by the General Assembly at its forthcoming regular session will command the enthusiastic and unreserved support of all the States represented here.

35. I should like to take this opportunity to mention specifically Mexico's thanks to all those countries—and they

¹ See summary in *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. 1a, part one (United Nations publication, Sales No. E.73.II.D.Mim.1, part one), pp. 184-186.

are already an impressive majority—for the decisive support they have given to the Charter of Economic Rights and Duties of States. I extend these same thanks to all countries, both developed and developing, which in constructive terms have mentioned this very important proposal during this session.

36. If the proclamation of human rights marked a decisive stage in the development of the conscience of the world—which from that time on understood in all of its true dimensions the principles of equality and the dignity of man—we find ourselves now in this supreme forum of the world, where the concerns and hopes of the whole world come together, on the threshold of a new chapter in history and before the challenge raised by the possibility of working out in economic terms this whole series of rights and duties reflecting the desire to establish total justice, which will convert man's existence and that of all mankind into an adventure worthy to be lived.

37. Once again we have come together, once again we have heard a whole gamut of proposals and once again our peoples are justly expressing their impatience. Let us not make them wait any longer.

38. Mr. GÜNES (Turkey) (*interpretation from French*): Mr. President, allow me first of all to convey to you and to the General Assembly as a whole the condolences of my delegation on the death of Mr. Taylor-Kamara, the Permanent Representative of Sierra Leone.

39. Allow me also to convey to you, Mr. President, on my own behalf and on that of my delegation, my congratulations and wishes for your success on the occasion of your election to preside over the sixth special session of the General Assembly. Your eminent personal qualities and the able manner in which you guided the work of the twenty-eighth session of the General Assembly are so many guarantees of the successful outcome of this special session.

40. My Government is among those which supported the initiative of Mr. Houari Boumediène, President of the People's Democratic Republic of Algeria, to convene the General Assembly in special session in order to study the problems of raw materials and development. Indeed, at the present stage of international economic relations, under the impact of the rapid developments of the past few months, it is only natural that Turkey, which is itself a developing country, should have problems in common with the other economically less favoured countries.

41. Today the world finds itself confronting uncertainties and economic and social problems. It is no longer possible to emerge from this impasse by the efforts of a single country or even a single group of countries. The dimensions of the crisis go far beyond national limits and require the co-operation and solidarity of all members of the international society. We are convinced that we must remedy this situation in such a way as to respond to the interests of all the developing countries as well as those of the developed countries—in a word, of the world as a whole.

42. It is sufficient to cast a glance at international economic relations to note the rapid expansion of trade and the movements of capital that have taken place since the

Second World War. In this process, the interdependence of countries has increased in such a way that even unilateral economic and social measures have begun to have an immediate impact on other countries. It would therefore not be an error to describe the present world as one of interdependence.

43. Although the considerable increase in trade and the exchange of services and the circulation of capital are the result of a trade and monetary system put into effect after the Second World War, it is obvious that the present order not only has proved unable to uproot injustices but, on the contrary, permits of the introduction of new imbalances and injustices. While, on the one hand, the industrialized countries, profiting from the dynamism of this system and of the possibilities engendered through international co-operation, have become wealthier day after day, the portion allocated to the developing countries in world trade has been reduced steadily; and because of the negative development in terms of trade, on the one hand, and the inadequacy of sources of foreign aid and the lack of technological knowledge, on the other, it has not been possible to close the gap dividing the developing from the developed countries despite the high rate of the growth of the developing countries in absolute terms.

44. As a number of preceding speakers have emphasized, one third of the world's population enjoys about three quarters of its riches. On the other hand, an important segment of mankind suffers from undernourishment and is threatened with slow death. It therefore becomes almost impossible in these circumstances to prevent the world from being polarized between a highly favoured minority and a majority given over to the darkest despair.

45. The extraordinary demand for raw materials and the increases of the prices of certain materials in the course of these past few years have of course increased the income of the developing countries which export these materials; but this increase itself has been seriously limited for a number of reasons, among which I could mention the rise in the price of the raw materials which these countries are compelled to import themselves and the serious inflationary trends and the rapid rate in population growth of these countries. I feel that a just and equitable relationship between the price of raw materials, commodities and semi-manufactured and manufactured goods should be established as well as a machinery likely to operate to the benefit of all countries, all of this set up on the basis of a method which would take into account the interdependence of these prices. Any contrary attitude would entail the danger of leading us to an impasse or, worse still, to a chaotic situation which would be disastrous for all countries, regardless of their level of development.

46. In adopting these measures, the urgency of which is open to no doubt—measures which are designed to bridge the gap between the developing and developed countries—we are bound to accept as a basic principle the equality of all countries, large and small, the fact that they have common interests, and the need for the respect of justice and equity.

47. It is only if all countries respect these principles that it will be possible to establish true peace in the world—that is

to say, social and economic peace—and to achieve true co-operation in the interest of all.

48. Although the primary reason for the convening of this special session of the General Assembly is the basic imbalance in international economic relations, we cannot pass over in silence the energy crisis, which has been felt particularly in the past few months, and the heavy pressure exerted by the rising cost of crude oil on the economies of the developing countries. It cannot be denied that the price of crude oil had for long been kept below its true value. Turkey is in favour of an increase that would enable the price of petroleum, as indeed the prices of all raw materials, to attain its real value level.

49. However, when one considers the problem from the standpoint of the principle of justice in international economic relations, it develops that urgent measures should be taken to eliminate the heavy burden created by these price increases on the economies of the developing countries. I could cite as an example that in the present year my country will have to pay, for crude oil alone, an extra \$800 million because of the price rise in that commodity. This figure does not cover the additional expenditures which Turkey will have to incur for the growing volume of chemical fertilizer imports for its agriculture, as well as petroleum products for other industrial sectors. In other words, Turkey could be forced to use all of its export income to pay these price increases. The situation differs very little in the other non-petroleum-producing countries.

50. We are deeply convinced that the developed countries, in co-operation with the petroleum-producing countries, should take certain measures to alleviate, if not completely eliminate, these serious difficulties. One might envisage, for example, the setting up of a new machinery designed to remedy short-term difficulties in the developing countries' balances of payments and their long-term development problems, or we could charge the existing international monetary organizations with new responsibilities in this respect.

51. It is certainly not the petroleum problem alone which gave rise to the world energy crisis. Petroleum reserves are known. That is why the search for, and development of, new energy sources to meet short- and long-term requirements of all countries comes as a matter of primary urgency. We should therefore speed up research in this area and help the developing countries that still cannot participate in this because of a lack of technological knowledge and the inadequacy of financial means. In the field of energy, the speedy transfer to the developing countries of advanced and economically profitable technology and their obtaining of financial resources are therefore of vital importance.

52. On this occasion I should like to emphasize the duty of everyone to respect the rights of permanent national sovereignty over all natural resources, including petroleum, which reflect the essential needs of mankind. In this context, and as part of the search for new sources, it would be appropriate to tackle problems concerning the establishment of national jurisdictions of countries from a new angle in conjunction with the work which has been intensified recently on the law of the sea. In this connexion, we attach

much importance to, and we have placed great hopes in, the Conference which will be opening shortly in Caracas to codify the law of the sea² and which, we believe, should consider the question of jurisdiction over the continental shelf from an angle which, on the one hand, would meet the needs of mankind and, on the other hand, would take into consideration the particular conditions and character of each region.

53. Multilateral trade negotiations undertaken within the framework of the General Agreement on Tariffs and Trade [GATT] in order to liberate international trade are of overriding importance. We attach great interest to the idea that those negotiations should be completed in accordance with the principles set forth in the Tokyo Declaration.³ As we know, the primary purposes of those negotiations are the expansion of trade in raw materials under stable market conditions, the guarantee of a considerable growth in income from foreign exchange for the developing countries, taking into account their development needs and the diversification of their exports. We believe it useful to make every necessary effort in those negotiations to ensure a greater role for the developing countries in world trade.

54. I should like to touch here on certain developments that occurred in the course of recent years in connexion with efforts to organize international economic relations for the benefit of all mankind and to accentuate the role of the developing countries. Among those developments one might point to the system of general preferences and to the trade protocol signed between the developing countries within the framework of GATT. My Government has always held that the system of general preferences, the basic principles of which are generality, non-reciprocity and non-discrimination, should be applied without any discrimination to all of the developing countries at the same level of development, and should be based exclusively on social and economic criteria.

55. The expansion, according to readjustments of the system of general preferences, of the preferential lists and the rate of favoured treatment by the countries granting them will help in relative growth of the role of the developing countries in trade. Moreover, to encourage new trade transactions, we believe necessary the application of large-scale measures designed to increase trade in goods and services between the developing countries.

56. In considering a readjustment of international economic relations in accordance with new rules, I should like to emphasize the overriding need to set up a well organized monetary system, because the expansion of trade and the resulting economic expansion are very closely linked to the monetary system. We are following very closely the work of the Committee on Reform of the International Monetary System and Related Issues, which has been asked to prepare the essential features of a reform of the international monetary system, and we attach great importance to the need for the new order that will emerge to have solid and objective foundations.

² Third United Nations Conference on the Law of the Sea.

³ Declaration on 14 September 1973 approved by the Ministerial Meeting of the Contracting Parties to the General Agreement on Tariffs and Trade in Tokyo.

57. We hope that the new monetary system will enable us to take into consideration the problems of the developing countries, and we hope that in the light of recent events the new system will contain elements likely to encourage the development efforts of those countries. Among these elements, the creation of new sources meeting the financing needs of the developing countries is of particular importance. It is necessary comprehensively to review the conditions on which foreign aid is granted to the developing countries and to find means of improving and relieving the burden of their existing debts.

58. In my consideration of the problem of development, I cannot fail to mention how important are the transnational corporations. Those corporations are meeting essential needs in respect of finance, technology, administration and marketing, but they none the less do create certain problems by their very nature. First among those problems is the cost in both economic and social terms imposed on certain developing countries by the world strategy pursued by those companies in order to achieve the highest level of profits. There are difficulties inherent in the incompatibility, in certain cases, of some activities of those corporations with the independence and sovereignty of the developing countries, which should also be mentioned. We consider it useful to define within strict and specific rules the responsibilities and obligations of transnational corporations. We hope the work to be carried out within international organizations for the preparation of a code of behaviour for those corporations will produce concrete results as quickly as possible.

59. The technological gap is one of the fundamental factors dividing the developed countries from the developing countries, and the gap is growing wider every day. That gap is a tremendous brake on the possibilities of developing countries entering world markets competitively. We are gratified at the work done by various bodies of international organizations to find an urgent solution to the problem involved in the transfer of technology.

60. We believe that an important share of the responsibility devolves upon the developed countries in the field of the transfer of technology as a contribution to the efforts of the developing countries. In this connexion, may I be permitted to explain that attention should be paid to reducing the cost of those transfers and lightening the conditions on which the transfer is made, and, finally, we should expand research and develop technologies adaptable to the natural structures of the developing countries towards which these transfers are being made. Turkey is firmly convinced that the technical knowledge it considers to be an essential prerequisite for development should be used to the benefit of all the countries of the world. I cannot help thinking that science and technology should at least to a certain degree be considered the common heritage of all mankind.

61. I should like to pay a tribute to those countries which have in the course of the current session expressed praiseworthy willingness to expend their financial resources with a view to relieving the particularly difficult economic conditions we must all cope with and coming to the aid of the developing countries and assisting them in their efforts. That attitude not only accords with the spirit of solidarity

and co-operation we all practise; it is also marked by a sense of realism. In establishing the measures to be taken to assist the developing countries which import petroleum, it would be well to take into account the excess those countries have to pay for those imports and find means of compensating them for it.

62. It is with deep appreciation that we have taken note of the offers of both multilateral and unilateral assistance made by the petroleum producing countries to help absorb the price increases experienced by the economically unfavoured countries. In this connexion, I should like in particular to mention the generous and imaginative initiative of His Imperial Majesty the Shahanshah Aryamehr of Iran.

63. The various suggestions made by Mr. Walter Scheel both in his capacity as Minister for Foreign Affairs of the Federal Republic of Germany and as President of the Council of the European Economic Community [2209th meeting] deserve special attention and seem to us to offer possibilities for development at the technical level.

64. The fact that work has been done heretofore at the international level to solve many economic problems of the world should have been circumscribed to only certain aspects of these problems and the lack of considerable progress in the execution of the International Development Strategy for the Second United Nations Development Decade have made necessary a comprehensive approach seeking more effective means for their solution. One of the major causes of the lack of success noted heretofore is that the resolutions adopted have never gone beyond declarations of intent. As it has had occasion to emphasize repeatedly in the various forums of the United Nations, Turkey does not believe it is possible to achieve concrete results so long as the developed and developing countries have not assumed specific obligations and so long as a charter defining the legal basis for international economic relations has not been adopted. It is, moreover, in that spirit that my country has endorsed the proposal made in this connexion by Mr. Echeverría, the President of the United Mexican States.

65. We are sure that this special session of the General Assembly, which has been asked to discuss the problems of raw materials and development, will take a decisive step towards the creation of a new system of international co-operation in accordance with the spirit of our times. It is natural that there should be a divergency of interests owing to the vast diversity of economic systems, levels of development and social and political options. On the other hand, what is not natural is tolerance of the maintenance of an outmoded international economic order which no longer responds to the realities of our times. That is why we hope this Assembly will succeed in establishing the fundamental principles for a new order of international relations based on sincere co-operation by all countries above petty conflicts of interest.

66. In the course of the last few years economic conflicts between nations have emerged in full flower, and we have begun to feel the urgent need to remedy them. Mankind, which twice in this century has been subjected to the ravages of world wars, was open to the idea of seeking a

relaxation of tension in the political arena, and for a good many years now it has been devoting its efforts towards that end. The frightening progress in technology and armaments has made everyone, both peoples and leaders, aware of the fact that a new world-wide war would mark the end of mankind. That awareness has played an important role in the development of a feeling of responsibility concerning the need to limit regional disputes and to avoid spreading them. Efforts at conciliation, which extend from Viet-Nam to the Middle East; the initiatives taken in the field of disarmament and security; the similarity of views of almost all the members of the international community concerning the elimination of the last vestiges of colonialism—all are the outcome of this political awareness, in whose existence we should like to believe. It is within this framework and from this standpoint that I take pleasure in welcoming the agreement reached by Pakistan—to which we are bound by so many ties—Bangladesh and India to put an end to a conflict which has rent them asunder for so long. These recent developments have been a source of gratification for Turkey, which has feelings of friendship for the three countries of the subcontinent, and have strengthened the hope for true general peace.

67. The debates of the special session indicate that it is essential, without delay, to add to the efforts for a political détente those destined to ensure a true and healthy co-operation among all countries in the economic arena. When we have all become convinced that the hunger and poverty explosions are just as threatening and destructive as a nuclear explosion, and that the abyss which separates countries at different levels of their economic development should absolutely be eliminated, then, finally, we would have prepared the way for the advent of an era of peace and prosperity for all.

68. Mr. RAMPHAL (Guyana): By definition, special sessions of the General Assembly are occasions of extraordinary importance and urgency in the life of the international community, occasions of crisis which demand a dialogue of the Assembly of nations, a consultation among all countries that cannot be deferred to the next regular session. Judged only by these standards, it would be surprising that there have been only five special sessions preceding this one in the entire life of the United Nations and that the last was as distant as seven years ago. But judged also by these standards, it might be surprising that we should meet not in special session to debate the problems of raw materials and development; for they are not new problems; they have not arisen as novel international phenomena since the twenty-eighth session ended last December.

69. They have, indeed, been the subject of discussion and debate, of examination and analysis, of disputation and disagreement, of argumentation and of conflict and confrontation, almost from the beginning of United Nations action in the economic field. Through innumerable meetings and conferences here in the United Nations, within its specialized agencies, through the regional commissions, we have argued about them and about. We have drawn up programmes and strategies designed to deal with them. We have made promises and commitments and given pledges and undertakings. We have lived through the First United Nations Development Decade and are beginning to appraise the performance of the Second; and yet we meet in special

session now to discuss the problem of raw materials and development.

Mr. Efon (United Republic of Cameroon), Vice-President, took the Chair.

70. Why? What is the new factor which makes the persistent inequalities and injustices of the world's international economic system an issue of extraordinary concern? What gives urgency to the pervasive poverty of two thirds of the world's population, to the hunger, the malnutrition, the epidemics, the unemployment, the illiteracy with which the rest of the world has found it possible to live with complacency for so long? What brings us here so hurriedly? Why did 115 Member States of this Organization signify their concurrence in the proposal of President Houari Boumediène, that a special session be convened?

71. I venture to ask these questions because I believe the answers to be important to the quality of our work in New York and to the contribution that work can make to a resolution of the fundamental problem of unequal development. Perhaps, in truth, there is no single answer that is appropriate to every delegation. Perhaps there are some who genuinely believe that this session will provide the magic formulas of international co-operation that have eluded us for so long and effect immediate revolutionary changes in the international economic system. Perhaps there are others who approach the proceedings with a cynical resignation founded on a long and bitter tradition of frustrated expectations. Perhaps there are others still who acquiesce in them, as in a game that children play, mindful that the dialogue is harmless so long as it produces no basic modification of the *status quo*.

72. Yet it was an appreciation of timeliness, not an unbridled optimism, that lay behind the initiative to convene the special session and there was something more than the sceptic's resignation or the bigot's acquiescence that led to massive concurrence in it. What was that something more that made the moment timely?

73. It was an awareness—was it not?—that a compelling need had arisen to commence a new dialogue of change between the developed and the developing worlds, a dialogue that was compulsive because more was now at stake than the fate of the developing States alone; a dialogue that would be new because important elements of strength and weakness among the participants had altered. Not all the developing States were any longer poor; some, indeed, would now be quite rich, an enrichment secured on the basis of a net transfer of wealth from other States; mainly, but not exclusively, from States of the developed world. Nor were all the developing States any longer powerless; for had not some among them found, through unity, a new strength and a new courage to use it in redress of injustice and imbalance?

74. An awareness, therefore, that we could be at the beginning of a new era in relations between States, an era that might bring radical and far-reaching change in the international economic system. An awareness, at least in some quarters, that the time was propitious for man to apply his new insights of interdependence in redesigning the structure of human society. If it is the case, this I suggest,

that these are the perceptions that have brought us to this special session, then it is essential that we keep them in the forefront of our debate here in the Assembly; and, of much greater importance, that we ensure that they determine the scope and significance of our work together in the *Ad Hoc* Committee of the Sixth Special Session that begins its substantive task today.

75. In requesting the convening of the special session of the General Assembly [A/9541], the President of Algeria acted in his capacity as President in Office of the Group of Non-Aligned Countries. It is axiomatic, therefore, that Guyana should have supported that request and should share the sense of timeliness which inspired it. But if it was Algeria that initiated the request, it must be to the members of the Organization of Petroleum Exporting Countries [OPEC] as a group that should go our salutation for creating the conditions which made compliance with it inevitable.

76. My delegation wishes to place on record in this debate our acknowledgement of the service that those countries have rendered to the cause of social and economic justice throughout the world, a cause for which all developing countries are engaged in struggle—a struggle arising not out of a wish for confrontation, but one against an international economic system which renders escape from persistent poverty improbable and, indeed, punishes the attempt with sanctions that still further reduce the possibility of success.

77. It is said that OPEC policies have created a world energy crisis. For some countries, of course, there have been especial hardships; and for many developing countries like my own there has been, indeed, an intense aggravation of acute economic crisis. But, in general terms, in terms of the international system, what these policies have produced is a long-needed catalyst, a force at last capable of change within the system. My delegation believes that it should be one of the essential purposes of this special session to acknowledge the true character and potential of this energy catalyst and to harness its force to the production of real, effective and lasting change in international economic relations, change that would render relations between States just and equitable and therefore propitious to a redressing of the wrongs of under-development and the realization of the hopes and aspirations of the world's under-privileged and under-equipped people; change that is responsive to the reality of interdependence and to the perception that human society is in need of fundamental restructuring if it is to survive at all.

78. If I may for a moment depart from my text to respond, however partially, to something that was said this morning, let me say that it is not a question of any nation or bloc of nations unilaterally determining the shape of the future. It is a prior question: one of demanding that all nations accept that the shape of the future must be redetermined. That is the question now before this Assembly, and we cannot allow it to be avoided and the *status quo* to persist through any misappreciation of our meaning by the privileged of the world. Our friends from the developed countries must not be surprised or concerned, that the developing States speak as a group and with one voice. We did not create the category of the poor; they did.

We have no wish to perpetuate it. They can help to end it by working with us to reach the goal of a world community that knows no such distinctions.

79. And it is important that we pursue these objectives of change within the United Nations system. The non-aligned movement, in whose name President Boumediène requested this special session, has a long and proud record of support for the United Nations. It is characteristic, therefore, that we should have sought to enlarge the scope of the international dialogue which was being promoted in the aftermath of the OPEC policies; to move it away from the confrontations implicit in a strategy of retaliation; to broaden it beyond the particular subject of oil to the wider issue of raw materials and development of which oil was symbolic; to shift it away from the capitals of power and to bring it within the framework of universality in the United Nations.

80. To have done so was vital to internationalism; for the drift to confrontation and the drift away from multilateral international organization is one and the same. The signs of such a drift were already discernible six months ago. Speaking from this podium in the general debate of the twenty-eighth session last September, I sought on behalf of my delegation to warn against it. I cautioned that the alternative to international consensus within the United Nations was international confrontation, and that there were already indications that this was the direction in which we were drifting, I and indeed other voices from the developing world raised in that debate drew attention to the fact that

"The aspirations and hopes that were centred in the International Development Strategy have been thwarted—in some cases by plain disinterest, in others by the active pursuit of the vested interests of the developed world";

that

"The confrontations of the United Nations Conference on Trade and Development [UNCTAD] have for the third time yielded little";

that

"The biennial review of the International Development Strategy now in progress has already disclosed that the cause of development has lost momentum, due mainly to the failure of the developed countries to honour their commitments under the Strategy";

that

"Economic crises, especially in the international monetary system, have reduced still further the limited benefits which have flowed from dwindling aid and shrinking and uncertain trade";

and that

"The average rate of economic growth of developing countries has actually declined, and even the modest beginning in narrowing the gap in living standards between developed and developing countries stipulated in

the Strategy is not yet in sight". [2127th meeting, para. 23.]

81. I emphasized, as others did, that "[All this] has led to a loss of faith in the International Development Strategy" [*ibid.*, para. 24] and to:

"the recognition that relationships between the developed and the developing worlds are not likely to alter significantly within the framework of the present international economic system; that it is not just the case that some nations are rich and others are poor, but that the two conditions are inextricably linked together, that some nations are rich because others are poor, and that the existing system of economic relations between States serves to perpetuate the imbalance." [*Ibid.*, para. 25.]

82. I spoke of the appreciation within the third world that an essential mechanism for improving the prospect of real development was a massive programme of economic co-operation among developing countries at the regional and interregional levels, and I explained how the total experience of recent years has brought home to the developing countries the lessons of interdependence—first of all of interdependence among the various economic issues, of monetary policy, of trade, of investment, of environment, of the sea-bed and the ocean floor; and also of interdependence among all countries, rich and poor alike.

83. I pleaded, along with others, for the developed States to allow these lessons to inform their conduct also. And I ventured to warn that "the developing world cannot live on promises with performance forever deferred. It must look to its survival" [*ibid.*, para. 22], and that:

"... if these lessons of interdependence, if these concepts of interrelationship, are not acknowledged and respected by the developed world, there is a grave and present danger that we shall move to new levels of confrontation in the area of economic relations, confrontations which will increasingly and inevitably range beyond the scope and competence of the Organization." [*Ibid.*, para. 31.]

84. That was just six months ago. The dangers of confrontation which were on the horizon then are at hand today. It would be idle and unrealistic to pretend otherwise. But they are dangers which arise, not from the policies of the OPEC countries, but from the protracted refusal of the developed world to accept the necessity for fundamental change in the existing system of economic relations between States and from their obdurate refusal to acknowledge that in a world of dwindling resources the imbalances of wealth and poverty cannot be altered so as to improve the general quality of life throughout the world without sacrifice and change on the part of those who have for so long indulged a monopoly of prosperity.

85. And those dangers will not be avoided by this special session, or by any other procedure or mechanism of international action, unless the developed States make an accommodation with these realities. If they do make that accommodation, then the way ahead will lie, as it should, not through confrontation, but through realistic negotiations which have as their starting point a universal

appreciation that we are entering a new era of economic relations between States to the end that all men, whatever the geographic accident of their birth, may share in the riches of the earth, just as all must share in the husbanding of the earth's resources.

86. Let me say a word now on the particular issue of raw materials. It is the sovereign right of all States to organize their economic life on the basis of their chosen ideological positions and theories; but no State or group of States has the right to impose its positions and theories upon the international community. None should be so arrogant or so doctrinaire as to seek to dictate the character of economic relations between States by reference to the choices they have made for economic life within their borders. The world of the 1970s cannot, in any event, accept an economic order at the international level that is founded on concepts of mercantilism developed to suit an era of colonialist expansion of several centuries past.

87. Nor, indeed, have those who most espouse those theories always been faithful to them at the level of international trade and economic relations. When we talk about allowing the free interplay of market forces to determine the level of prices in international trade, let us remember that for the greater part prices paid to developing countries for primary products are prices at best negotiated, all too often dictated, by powerful consumer forces; while the prices paid by the developing world for the manufactures of the industrialized States are prices merely invoiced.

88. We must negotiate, or try to negotiate, the prices of coffee, of cocoa, of sugar, of sisal, of copper, of tin, of bauxite. Yet, do we ever negotiate the price of tractors, the price of industrial plant, the price of steel, the price of electrical and electronic equipment? Do we ever negotiate international freight rates? Is it any wonder that the prices of primary products have been historically depressed and the prices of manufactured goods consistently buoyant? Is it any wonder that the primary producers of the developing world have been confined to the periphery of the international economic system, while the wheels of power and control are turned by the industrialized States operating them at the centre?

89. We must move to a régime of equitable relationships between the prices of primary products and of manufactured goods. But how can we get there through negotiation unless all parties acknowledge that the fundamental and agreed objective must be movement towards an egalitarian world community? Is it not the case, for example, that underlying the basic disparity between the prices paid for the primary products of developing countries and the prices invoiced for the manufactured goods of the developed world there is a differential rating of the human factors that have gone into the production of each commodity.

90. In the price of any commodity there are, of course, several factors of cost; but high among them is the human factor, the element of labour—the labour of human beings who plant, who nurture and who reap—for the greater part in the fields of the developing world, the labour of human beings who process, who manufacture, who assemble—for the greater part in the factories and plants of the developed world. What we must attain is a system in which those basic

human inputs are valued equally. Only when we have put an end to such concepts as "cheap labour"—recognizing that it is "cheap" only because cheap prices can be imposed for its products—and attain a universality of the value of human services will our international economic system have a chance of becoming just.

91. And this is but a part of what we have to do in the process of creating a just relativity between prices of primary products and of manufactured goods. All those elements which have a bearing upon real prices and the real terms of trade must be brought into account: the inflationary pressures within developed States which have so greatly debilitated the economies of developing countries, and the recurring international monetary crises of which the third world has been by far the most ravaged and most innocent victim.

92. In like manner also must the activities of the multinational corporations and their influence on the prices at which the world's commodities are traded be brought under international scrutiny and control. The investigatory processes that have begun through United Nations action must be pursued rigorously and in even greater depth. But a direct responsibility rests also upon those Governments under whose aegis the multinationals operate.

93. One of the particularly beneficial results of OPEC policies has been to draw attention to the degree to which multinational corporations have tended to operate not only in violation of the rights of the developing countries in which they have engaged in extractive processes, but the degree to which they have operated in disregard of the consumer interests of the people of the developed States. This is a matter, of course, of internal concern for the developed States involved; but it is an important commentary on the *modus operandi* of the multinational corporations and the standards which many of them—I do not say all of them—apply in the conduct of their operations in the developing world.

94. If the resources, the expertise and the technology of the multinational corporations are to make a contribution to international development, it is imperative that these talents be harnessed to working within the new economic order which it must be our aim to establish and that these corporations be no longer in a position, through monopoly, manipulation and malpractice, to perpetuate the present injustices and inequalities of international economic life.

95. And there are other disciplines also that will need to be adopted by developed States if we are to achieve balanced progress towards the inauguration of a new international economic system. The Secretary-General has pointed out in the sobering remarks with which he opened this session [2207th meeting] that during the three weeks that the Assembly will be in session some \$14,000 million will have been spent on armaments. For the greater part these are the armaments which are said to be the underpinnings of détente. By any standard, this expenditure represents not merely a vast pressure on the natural resources of a planet already urgently in need of conservation, but also an enormous and unpardonable diversion from what should be the essential task of our time, namely, the improving of the quality of life of all the people of the globe.

96. But some of the expenditure on armaments is expenditure arising out of the troubled conditions in the tension areas of the world, and none more so than in the Middle East. My delegation stands steadfast and resolute in our support of the just cause of the Arab States and of the people of Palestine. So long as conditions of tension persist in the Middle East diversion of expenditure to arms will be inevitable, and it will profit little the States concerned if while theirs are among the highest *per capita* incomes their security requires them likewise to possess, *per capita*, the highest number of MIGs, Mirages and Hunters; for all this represents diversion away from real development and contributes to the cancelling out of that redistribution of wealth which it is the primary purpose of the new policy of pricing of raw materials to achieve.

97. We therefore applauded the steps, including those that have been taken by the super-Powers and other major Powers, taken towards helping to bring a limited peace to the Middle East. It must, however, be a peace that is made more general; and it must be a peace founded upon justice and not merely upon an accommodation with the interests of Powers outside the area—for only then will it be effective and lasting.

98. And as we talk of a new international economic order, let us relegate to the passing era policies of economic pressure applied, not in aid of the principles of the Charter, but in defiance of the spirit of coexistence and co-operation that should inform relations between States—more especially where those pressures are applied by the strong against the weak. The time has surely come, for example, for an end to be put to the economic embargo applied against the Republic of Cuba—a sister Caribbean State that is playing so constructive a role in the struggle of the developing world for social and economic justice.

99. And, of course, the developing countries have a special role to play and special responsibilities to discharge both in relation to themselves and to the wider international community of interdependent States. Through the long imperial centuries, the links which had once bound so many of the peoples of the southern zone of the world were broken as a matter of deliberate policy. It was the vocation of Bandung,⁴ and of the non-aligned movement which has universalized the objectives of that Conference, to rebuild those links, and to do so first of all at the political level.

100. In the area of economic activity the pattern unhappily is still one of fragmentation with the flow of goods and transport and techniques following the imperial routes. But here, too, change is under way; and arising out of the decisions of the non-aligned movement to embark on an Action Programme for Economic Co-operation among developing States,⁵ measures of co-operation and collective self-reliance which are now ripe for implementation in such areas as the development of trade, industry and transport, the transfer of technology, and joint action in the field of monetary issues represent a major step towards removing the developing States from their present peripheral position in the international economy and making for a more equitable division of labour.

⁴ African-Asian Conference, held at Bandung in April 1955.

⁵ See document A/9330 and Corr.1, p. 85.

101. These new measures of economic co-operation between developing countries must be seen, not as a threat to the developed world, but as an effort within the southern hemisphere to build structures which will be a part of a wider interdependence.

102. It is on the basis of such new programmes rather than in the renovation of old structures that the global economy must be rebuilt; and any international strategy which aims at creating a just and balanced economic order must accord an important place to programmes of this kind for effective economic co-operation between developing States.

103. The foundation for this was firmly laid at the twenty-eighth session of the General Assembly, which adopted resolution 3177 (XXVIII) on the subject of economic co-operation among developing countries. This special session and the work that must be undertaken in the *Ad Hoc* Committee must build upon this recent consensus with a view to ensuring that such co-operation occupies a prominent place in any global structure of development.

104. In urging earlier the need to move away from the negative concept of an "energy crisis" to a positive appreciation of an "energy catalyst", I said that it was indeed the case that the developing countries, in particular, were experiencing a situation of acute economic crisis. It is a crisis whose origins, as I have already explained, lie deeper than the application of OPEC policies, origins that lie essentially in the international economic system itself and in the way it has been operated and manipulated to the detriment of the developing States. It is a crisis that was already reaching serious proportions in terms of massive inflation in the developed world, of recurring international monetary crises and of the onerous burdens of external debt servicing. It was a situation worsened for many primary producers by alternating years of drought and flood conditions. Their economies already sagging, the greater part of the developing world has reeled under the impact of the increased prices for petroleum products.

105. This is not a complaint against OPEC policies; but it is a reality that one of the unintended consequences of their application has been the massive aggravation of the perilous economic condition of many a developing State. And in this matter I speak out of an acute awareness of the devastating effects which the situation has produced for my own country.

106. So far as the developed countries are concerned, it is now clear that, by a variety of measures such as the free floating of reserve currencies, the use of previously accumulated international reserves and the creation of additional liquidity, they have available to them a range of short-term mechanisms for coping with their immediate balance-of-payments problems.

107. In addition, over the medium term they will expect to increase their exports to OPEC countries and, no doubt, will seek to recoup expenditure on petroleum imports through a rapid and continuous increase in the price of goods and services, including technology, which they sell to the developing world. These increases, of course, will serve still further to aggravate the ruinous current account deficit confronting the other developing countries.

108. And the developed States will anticipate, also, and no doubt consciously promote, the redistribution of any surpluses of the OPEC countries through direct investment or the placing of financial resources on the international capital markets. All this, in addition to their greater bargaining power and the essential soundness of their economies, will give the developed world both an intrinsic potential, and more directly available mechanisms, for solving their immediate problems.

109. But for the developing States that are not oil-exporting countries the situation is very different. Altogether we account for perhaps less than 15 per cent of all OPEC exports; but this statistic conveys a misleading impression of minimal economic dislocation. The real impact of the new prices is determined in large measure by the relative significance of oil imports in the particular national economy; and for some of us, this impact has been crippling.

110. In Guyana, for example, which has a total dependence on imported petroleum and petroleum-based products, there will be a net increment of over 400 per cent to our import bill for these products for 1974 over 1972. Even with increased earnings from some of our agricultural exports, payments for petroleum imports this year will absorb 27 per cent of our total export earnings as compared with 8 per cent in 1972. When account is taken of the consequential price increases for imports other than petroleum products, our total import bill is likely to rise in 1974 by some 35 per cent over 1973, or some 60 per cent over 1972—and this does not take account of "compensatory" as distinct from "consequential" price increases that may be imposed by developed countries on those manufactures which we must continue to import because they are essential to our development effort. As might be imagined, the impact on our balance of payments is catastrophic.

111. And all this is after we have imposed the most stringent programme of austerity, drastically reducing imports, imposing severe constraints on other external payments and maximizing to the full our immediate export earning potential. And this is to say nothing also of the impact of all these measures and conditions on our development programme and of the concomitant social and economic depreciation in terms of the quality of life of our people.

112. As has been made clear from the statements of many of our colleagues from the developing world who have participated in this debate, the situation of which I speak is that of many another developing country. For all of us the options are few indeed. Because of the intrinsic weakness of our economies, the lack of international reserves and the inevitable obstacles of obtaining large external credits quickly, especially on concessionary terms, there are few choices open. In practice, therefore, the most viable immediate alternative for us must be, at least in part, the direct or indirect redistribution of funds of OPEC countries that are not essential to the current development needs of the States themselves.

113. The situation of the developing countries was perhaps best summarized by the chief executives of the five international financial institutions, including the African,

the Asian and the Inter-American Development Banks, in the declaration they made on 13 March 1974, in which they said this:

"The developing countries as a whole urgently require additional external aid, both short-term assistance to avoid harmful adjustment measures and long-term financing to assist their development efforts. They also agreed that a considerable part of this assistance should be made on concessionary terms. In this regard the participants re-emphasized that the advanced countries have a continuing responsibility for providing aid resources. At the same time, they pointed out that the oil-exporting countries now have a capability to share the burden of the international effort, both through their own channels and through co-operation with existing international institutions."

114. As we work here in the special session with both commitment and realism for the establishment of a new international economic order, it is necessary for us to remember that if we do not at the same time tackle this urgent situation of economic dislocation in the developing world the first manifestation of the new order for something like one half of the world's population would inevitably take on the appearance of social and economic retrogression rather than of advance to social and economic justice.

115. There are, of course, many welcome indications given both here in this Assembly and elsewhere of the willingness of OPEC countries to relieve this dislocation; but it cannot be too strongly emphasized that the plight of the developing countries is grave in the extreme and that there is an urgent need for direct and immediate assistance—assistance which cannot await the establishment of new institutions or the conduct of feasibility studies and project appreciation; assistance which must be in the nature of emergency relief to all those most seriously affected. For these countries, assistance deferred is truly assistance denied.

116. A number of specific proposals have been advanced as to the form of such assistance and the mechanisms through which it might be rendered. I do not enlarge upon them here. It should be the urgent task of the *Ad Hoc* Committee to take account of these proposals in the formulation of its report to the Assembly, and my delegation stands ready to contribute to this important work. Meanwhile, within the community of non-aligned countries and in bilateral and multilateral contacts, consultations are taking place and must continue throughout the session—more especially on the question of emergency relief.

117. None of this must detract, however, from the continuing responsibility, indeed the increased responsibility, of the developed countries to continue to provide and to enlarge upon financial assistance through traditional channels and through new mechanisms. More particularly, machinery to redistribute funds with the specific purpose of rendering assistance to the developing countries in the present crisis must not have the effect of reducing or otherwise negatively affecting the funds received by them from the industrialized world—whether from official or private sources or through direct investment.

118. In this context we welcome also the commitments by those developed countries that, especially in their statements here, have demonstrated a positive will to assist. From them we do indeed look forward to a substantial contribution to such multilateral mechanisms of financial assistance as may be established either as a result of our consultations in the special session or through consultations otherwise consummated.

119. Grave and urgent as is this matter, however, let it not divert us from the fundamental purpose of this Assembly or from the essentials of the situation which has brought us here. Let us recognize that if this special session is to mark the inauguration of a new international economic order, it must do so not merely in terms of resolutions and declarations but through generating a consciousness in all States and among all peoples that it is in the interests of rich and poor alike, of East and West, that the injustices and inequalities that have made poverty pervasive in the world must end if prosperity is to be anywhere preserved; that interdependence is not a concept of relevance only to special issues and to responsibilities of developing States but must become a tenet of international life if economic confrontation is not to destroy the very basis of survival on the planet.

120. The challenge of this special session is real. We are all aware that pious resolutions will not suffice, that the time has come for action and for action towards fundamental change. The options we have relate only to how that change shall be wrought—whether by confrontation or attrition, by accommodation or agreement.

121. That this special session has been convened at all implies that there exists in the international community a preponderant will against confrontation. But as we search for consensus, let us all be mindful of the new realities; and, above all, let us take it as the basic premise of our search for solutions that our several national interests now require, specifically and directly, a system of economic relations between States that is just and equitable, that is more progressive and enlightened, more realistic and more relevant to our times than that which is everywhere crumbling around us.

122. And let us recognize that failure does not mean a mere return to the *status quo* with a minor enlargement of the world's élite and the sacrifice of the weaker developing States as hostages to fortune. It would mean that, of course, in the short term; but it would mean also that instead of laying the foundations of this special session, through negotiation and consensus, for a truly new economic order we commence instead a new phase of unremitting economic confrontation—for the old system is passing and the new one that takes its place will be forged either by dialogue or by struggle.

123. To the strengthening of these perceptions and the securing of the decisions which they demand for fundamental change through dialogue and accommodation, my delegation commits itself throughout the work of this Assembly.

124. Mr. UMBA-DI-LUTETE (Zaire) (*interpretation from French*): My delegation has belatedly learned of the sorrow

that has afflicted our brothers in Sierra Leone. On behalf of my country and of my delegation, I associate myself to the full with their mourning and I extend to them my most sincere condolences.

125. On 4 October 1973, in this same General Assembly hall, before this same distinguished gathering—perhaps this was a presage of the present historic debate—Lieutenant General Mobutu, Sese Seko, President of the Republic of Zaire, said:

"The world is divided into two camps: the dominators and the dominated, the exploiters and the exploited. The poor countries are not what they are because of congenital incompetence; they are so because of history which has resulted in certain countries dominating, exploiting and robbing others in order to get rich themselves. It is a matter of mathematical logic: when the rich exploit the poor, the rich become even richer and the poor become even poorer."⁶

He went on to say:

"... the rich countries are at the same time judges and litigants, because it is they and they alone who set the prices for our primary commodities and the prices of their manufactured products."⁷

126. Those concerns had scarcely been expressed than a new war broke out in the Middle East, endangering international peace and security. Buttressed by the spontaneous support and solidarity of the third world, the Arab States, for the first time, made use of a raw material, a primary commodity—petroleum—as a weapon in order to destroy the mythical invulnerability of those who had thus far governed the world as they saw fit.

127. The embargo on petroleum, a raw material, has had tremendous consequences: not only has it horrified countries whose civilization has been made so much of, but its impact has shaken the productive machinery of many wealthy countries, has overturned the economic map of the world, and has plunged into disarray the consumer society characterized by carelessness, the waste of world resources, and indifference to the crucial problems confronting the poor countries.

128. The energy crisis and its aftermath have pricked the conscience of the international community and justified the urgency of the present session, the primary objective of which should be, in our opinion, to devise a new international economic order. This new order should institutionalize the permanent sovereignty of every State over its natural resources and the economic independence that should derive from the progressive elimination of the dichotomy of national political power in a country whose economy is still under foreign sway.

129. In Zaire, meanwhile, measures of Zairianization were taken on 30 November 1973 by its enlightened guide in order to supplement the programme of economic action to

ensure the full exercise of the people's sovereignty over their natural resources and the effective and comprehensive control over national production. Those measures are, of course, still intended primarily to consolidate the economic independence of our country.

130. Against this background the fortunate initiative of President Boumediène is fully in keeping with the concerns of Zaire, a country in the process of change, which is undertaking enormous efforts to rehabilitate the people of the third world in their struggle to recover their resources too long despoiled.

131. While fully supporting Algeria's appeal, Zaire pays a vibrant tribute to President Boumediène, the President in Office of the Group of Non-Aligned Countries and Head of a State which shares our interests and our destiny. We pay a tribute to his wisdom and far-sightedness which brought us here together. We take this opportunity to welcome the dispatch with which the States Members of this Organization favourably responded to his call for the holding of this session.

132. My delegation would also like to reiterate its congratulations to the President of this special session. We are still convinced that, despite the complexity of the subject, our proceedings will, thanks to his skill, turn out well.

133. This special session is the culmination of the long struggle by the exploited countries to bring about their complete economic liberation. It is the result of a lengthy process of total decolonization leading to the elimination of the essential causes of exploitation and to the creation of an appropriate international system whereby co-operation among States will take place on a footing of equality and on the basis of the clearly understood interests of all.

134. Unfortunately, a diagnosis of the past two decades of international trade discloses the following situation: firstly, chronic instability of world primary commodity markets stemming from price fluctuations, which consequently interfere with the economic and social development plans of the under-equipped countries; second, the dizzying increase in the prices of manufactured goods despite the stagnation of primary commodity prices; third, the lack of a relationship between the increasing value of manufactured goods and the value of the primary commodities from which they were processed; fourth, the unilateral fixing of raw material prices by purchaser countries; fifth, the marked aggravation of the balance-of-payments difficulties facing the under-equipped countries, due in part to the higher cost of food, fertilizers, imported fuel, services, insurance and the burden of external debt; sixth, the constantly increasing cost of transport and shipping, which has an adverse effect on the economies of the under-equipped countries; seventh, instability of the international monetary system, compounded by speculation; eighth, and lastly, the lack of trade among the countries of the third world.

135. Some recent studies reveal an improvement in the terms of trade over the past two years; but this is unfortunately not grounds for unrestricted optimism. We must bear in mind that two years of cyclical upturn cannot make good the earnings lost by the third world over

⁶ See *Official Records of the General Assembly, Twenty-eighth Session, Plenary Meetings*, 2140th meeting.

⁷ *Ibid.*

decades of decline. We must also remember that this improvement concerns only a limited number of commodities. We are also aware that, because of cyclical factors, a decline can rapidly follow that upturn, making it possible for producer States to undertake long-term development plans.

136. Thus, in the case of copper, we note that in the past an artificially low price has repeatedly been imposed upon us from outside.

137. If we measure them in real terms, the recent increases have merely again reached the levels of years ago without compensating for the substantial losses sustained by our countries in the interval. In the circumstances, it can easily be understood that the countries in the Intergovernmental Council of Copper Exporting Countries [*CIPEC*] should, in co-operation with other countries, have resolved to further strengthen policy co-ordination among those producers in order to avoid future price speculation. We are accordingly resolved to take all possible steps in order to protect prices from those uncontrollable factors.

138. The interpretation of the economic laws of the world market seems to depend on the direction in which the price of raw materials fluctuates. If prices stagnate, that betokens economic health; if they increase, that means a crisis. The example of petroleum is eloquent. The producers of that raw material had only to decide to adjust the price of petroleum for the term "energy crisis" to hit the economic headlines.

139. Similarly, one might mention wheat, a vital commodity if ever there was one. The price of that commodity has quintupled without the slightest protest from the wealthy countries that produce it and sell it world-wide. The same is true of manufactured goods, whose spiralling prices have continued to rise month after month and year after year to the great satisfaction of the developed countries.

140. For that matter, the same is true in the political field. If the Government of an underdeveloped country encounters certain difficulties, even minor ones, the imperialist and neo-colonialist propaganda machine immediately raises a great outcry on its radio and television networks nationally and internationally. On the other hand, socio-economic disorders going so far as to bring down Governments, should they take place, as was recently the case in Western Europe, cause the same press merely to give complacent sermons on democracy.

141. Is that not a farce?

142. Not only are the poor countries the victims of deteriorating terms of trade resulting from speculation that tends to drive raw-material prices down and the prices of manufactured goods up, but they also suffer the disturbances imposed on them by social disorders in the industrialized countries.

143. Strikes and reduced working hours have an impact upon the economies of the under-equipped countries in the form of the delayed delivery of capital goods required by the under-equipped countries and in the form of a general

reduction in the supply of manufactures. That leads to a further increase in the price of industrial goods. The consequence of the delayed delivery of capital goods hampers development, while the reduced supply of manufactures burdens the development efforts of the under-equipped countries.

144. By contrast, the industries of the under-equipped countries have always been able to meet their delivery commitments vis-à-vis their partners.

145. In our age, news travels with tremendous rapidity. Today, at the very moment we are holding these proceedings, in contrast to the anarchy prevailing in the industrialized countries, in my country, Zaire, the steady rhythm of work has not once been interrupted for almost nine years of calm and stability. In order to illustrate my argument I should like to give this Assembly two examples which may provide food for thought.

146. Some years ago, my country decided to have a petroleum refinery constructed. The initial cost was set at \$6.5 million. By the time the refinery was inaugurated the sum had already reached \$13 million, which is to say that the original estimate had doubled.

147. The second example has to do with an order for 500 buses to improve our urban transit facilities, which my country placed in an industrialized country. Shortly afterwards, because of various crises in that country, its working week was reduced to three days and then to two days. Several months elapsed before a single vehicle was delivered.

148. Those two examples, taken from our everyday life, lay bare a new phenomenon: social chaos, which is now the lot of the industrialized world, has an impact on our young States and tends to impede the impetus of the economic and social development of our peoples.

149. As I said earlier, the international economic institutions as now devised are no longer in keeping with the development objectives of our young States. Those institutions tend to perpetuate the inequity which characterizes international trade. The voting system of the Bretton Woods institutions gives an exorbitant advantage to the wealthy countries, *inter alia*, through the machinery of weighted votes. To all intents and purposes, the system of special drawing rights benefits only the economies of the wealthiest countries.

150. Recent developments in the international monetary system consequently require the establishment of a new equitable and lasting international monetary system. That new system should take into account the interests of the international community as a whole. It should derive from a new agreement taking into consideration the profound changes that have taken place since the Bretton Woods Agreements. Furthermore, it should make possible the effective participation of the under-equipped countries in decision-making through the adoption of an adequate system of distribution of votes.

151. In the field of shipping, raw-material-producer countries are seeking broader participation in freight and

insurance operations so as permanently to increase the volume and profitability of their trade and to improve their balances of payments. Their presence is essential in consultations at shipping conferences where freight rates, surcharges and frequencies are fixed. In that regard, the strict application of the Convention on a Code of Conduct for Liner Conferences, as adopted in Geneva on 6 April 1974, is indicated.

Mr. Benites (Ecuador) resumed the Chair.

152. With regard to GATT, whose rules now govern the world trade of 93 countries, including 78 contracting parties and 15 non-member countries, it tends to close its eyes to unequal levels of development among its partners equipped and under-equipped. The rules of GATT have not succeeded in bringing about any notable increase in the export earnings of the under-equipped countries, which they need so badly for their development.

153. GATT's philosophy rests on the reduction of customs duties on a reciprocal and multilateral basis—that is the famous most-favoured-nation clause—the use of customs duties as a means of protecting and strengthening national industries, reciprocity among the members and negotiation and consultations among its unequal partners on an equal footing. The application of those rules calls for the following comments. Firstly, reduction of tariffs between industrialized countries favours only trade in manufactures among them. Second, fair competition can take place only among equal partners. In the present circumstances, the wealthy countries always crush the poor countries. Third, reciprocity is a delusion because it does not protect the embryonic industries of the under-equipped countries any more than it assists them in their development. Fourth, negotiation will always be doomed to failure so far as the under-equipped countries are concerned so long as those countries are kept out of the price-fixing machinery; and fifth, in its very composition GATT is not universal since it excludes large countries such as the Soviet Union and China.

154. All this suffices to demonstrate the anachronism of the GATT system which, after all, was conceived as a club of the major trading nations.

155. So far as UNCTAD is concerned, it has considered the problems of international trade in primary commodities from three standpoints: firstly, access to the markets of the developed countries; second, price policies practised on the international market; and, third, diversification of products.

156. In the Lima Declaration of 1971⁸ the under-equipped countries invited developed countries to observe the *status quo* rule in regard to tariff and non-tariff barriers. Subsequently, those obstacles, including fiscal and other charges on primary commodities and semi-manufactures, were to be eliminated.

157. Better access of primary commodities to the markets of the industrialized countries was supposed to be achieved first, through the elimination or reduction of import duties

and other obstacles to trade and, secondly, the modification of certain trade policies such as subsidies encouraging the production of non-profitable primary commodities in developed countries.

158. In regard to the price policies of UNCTAD, its objectives were to ensure stable, equitable and remunerative prices *inter alia* by the financing of buffer stocks and reserve plans for the stabilization of prices paid by developed countries. Considering that primary commodities still constitute almost nine tenths of the exports of the under-equipped countries and that thus most of them depend on such trade, it will easily be understood why the developing countries are of such great importance to this question.

159. In regard to diversification, that is the very crux of the structural transformation which needs to be effected in the economies of the under-equipped countries. That raises the questions of a parallel or consecutive adjustment in the economies of the developed countries and synthetic or substitute products. As for us in the under-equipped countries, we have always fought for both horizontal and above all vertical diversification providing for the increasingly advanced processing of our commodities. In these various fields UNCTAD has already done a great deal of analysis in its various main committees. However, the political will to carry out the commitments undertaken by the international community through UNCTAD and other agencies is wanting.

160. In regard to primary commodity agreements aimed at, first, the long-term fixing of stable and equitable prices and, secondly, the short-term elimination of price fluctuations, my delegation believes that such agreements have serious shortcomings—namely, they ignore the problem of access to markets and of the revaluation of prices of raw materials.

161. Turning now to aid, an area in which the ideals of altruism should have been exercised, and which should have served as a test of the generosity of the wealthy countries in sharing the benefits of science and technology with our young States, financial aid and assistance in personnel have all too often, unfortunately, served the purposes of exploitation, which is all the more dangerous as it has been presented in the guise of disinterested assistance.

162. In many cases assistance which in the final analysis has been reduced to a sort of self-financing of the wealthy countries tends to profit the donor countries. Assistance has boomeranged, and, rather than helping to equip those countries, it has finally led to a rift between the industrialized and the poor countries.

163. To be effective, assistance from the wealthy countries must contribute to the development of the recipient countries. International solidarity must work in the direction of a substantial increase in assistance to the under-equipped countries for the purpose of their development plans.

164. The constantly increasing export of raw materials to industrialized countries with a view to increasing the volume of export earnings has not yet aroused much

⁸ Declaration adopted by the Group of 77 developing countries at Lima on 7 November 1971.

interest in the industrialization of the countries that produce the raw materials. Despite the existence of numerous obstacles erected mainly by the industrialized countries to protect their own selfish interests, the raw-material-producing countries should endeavour to draw up a programme of action. That programme should aim at processing more and more of their natural resources on their own territory, which would surely increase the plus value of their products and tend to eradicate the evil of the century, which is the decline in terms of trade.

165. The present session of the Assembly should promote the idea of industrial co-operation that would be based not only on the financing of industrial projects and investment but also, and above all, on the idea of a transfer from Europe and other industrialized countries to our States of industries which could develop and prosper, taking into account our material resources and the optimum conditions we can provide for such expansion.

166. Co-operation between the developed world and the third world in the industrial sphere should tend to the structural transformation of the under-equipped economies. That transformation means the transfer to the third world of certain activities based on the processing of raw materials and the resources of the subsoil. New industries should be such as to bring together raw materials, human resources, capital, technology and national trading networks. That phenomenon would help to develop export industry while at the same time creating new jobs.

167. In the framework of true co-operation, an acceptable international division of labour would ensure the transfer of industries tied to our raw materials and be accompanied by a transfer of technology. Even if the raw-materials-producing countries should look to international co-operation for the rapid application of measures for the transfer of technology within the framework of the International Development Strategy, the fact remains that they are equally conscious of the necessity to create or improve technology adapted to the needs and realities of their own countries.

168. The international community should, among other things, first, put an end to the monopolistic practices of transnational companies through the distribution of markets and price fixing and should reduce the cost of the transfer of technology to the under-equipped countries; secondly, it should take urgent measures to prevent brain-drain from the under-equipped to the wealthy countries.

169. Wishing to see the present session a success, my delegation, while associating itself with certain of the specific proposals put forward by other speakers, would also like to make the following suggestions.

170. Firstly, as regards the new international economic order, my delegation considers that the present session should as a matter of urgency set about radical transformation of the structure of economic relations. That new structure would rest upon the economy and the mutual interests of the partners, due account being taken of the existing disparity between the levels of development of the industrialized and under-equipped countries. To that end,

we suggest a fundamental restructuring of international economic institutions. For example, in the International Monetary Fund voting rights should be given to all countries equally, while its resources should be used principally to expand the economies of the under-equipped countries rather than to finance the balance-of-payments deficits of the equipped countries. That goes for the World Bank also. As regards GATT, whose rapidity and ineffectiveness no longer needs demonstration, we propose that it be replaced by an international trade organization which would include two sections—one for raw materials and one for manufactured goods.

171. Second, considering the deterioration in the terms of trade, to my delegation, it seems a matter of urgency that the present special session of the Assembly on raw materials should establish an equitable relationship between, on the one hand, the prices of primary commodities, semi-manufactured and manufactured goods from the under-equipped countries and, on the other, the prices of manufactured goods, capital goods and consumer goods which those same countries import from the equipped countries. That means devising a mechanism for indexing primary commodity prices so that they are maintained at remunerative levels taking into account the prices of manufactured goods imported by the under-equipped countries.

172. Third, in regard to the strategy of raw-material-producing countries, to be specific and effective, the solidarity of the producers must be expressed in terms of getting together, commodity by commodity. In other words, we are proposing a producers' association which would make it possible substantially to enhance the participation of those groups in international conferences in order better to defend their interests. Like OPEC, the only organization of producer countries which is operating satisfactorily or at least effectively, the role to be played by those groups will certainly be a positive one in guiding the prices for those commodities.

173. Fourth, with a view to exercising effective control over price movements, we suggest the establishment of a primary commodity price protection fund whose role would be both to maintain prices at satisfactory levels and to contribute positively to the processing of primary commodities to a more and more advanced level.

174. Fifth, the Charter of Economic Rights and Duties of States, which is now being drafted in UNCTAD and which would guarantee the full sovereignty of States over natural resources and the freedom to adopt the socio-economic régime in keeping with their aspirations, should be adopted.

175. Sixth, and last, the international community cannot remain indifferent to the fate of those under-equipped countries that are least advantaged by nature and that are destitute of resources to face the double pressure of increased prices for primary commodities and the continuously increasing prices of manufactures.

176. My country will support any decision by the international community to ease those countries' difficulties.

177. Economics and politics are intimately linked. It would surely be shirking the opportunity of this session

which is devoted essentially to raw materials if we were to pass over in silence the systematic pillage which is now going on at the very moment of this session and which is now being perpetrated by the Portuguese colonialists, the racists of South Africa and the white minorities in Rhodesia and southern Africa.

178. In the name of a so-called "Western civilization," the Portuguese from a backward country in Europe are growing rich through the plunder of Angola and Mozambique in order to raise the living standards of the Portuguese and in order to make good the chronic balance-of-payment deficits of their country.

179. This General Assembly, which is considering the question of raw materials, cannot accept a situation in which the peoples of Angola and Mozambique will, when they accede to independence, inherit impoverished territories.

180. In Azania, Zimbabwe and Namibia, racists mainly from Europe—they generally come from Europe!—shamelessly exploit not only black men, reduced to slavery, but also the tremendous resources which they consider themselves providentially to have discovered, thus ignoring the property rights, the free disposition and the sovereignty of the peoples of those countries.

181. The heroic struggle waged by the African fighters and the glorious victory they are winning day by day, particularly that of Guinea-Bissau, should be hailed by our Assembly.

182. Strong decisions should consequently be taken in order to put an end to the depletion of the natural resources in that part of Africa still under colonial and racist domination.

183. My delegation accordingly proposes that the United Nations recognize the permanent sovereignty of the peoples of Angola, Mozambique, Namibia, Zimbabwe, Azania and other territories still under colonial domination, over their natural resources, just as it recognized the African liberation movements as the sole representatives of their peoples.

184. To this I would add the urgent need to implement the United Nations Declaration on the Granting of Independence to Colonial Countries and Peoples in General Assembly resolution 1514 (XV) and the programme of action for the full implementation of the Declaration in resolution 2621 (XXV).

185. In conclusion may I quote from a speech by our beloved President, Lieutenant General Mobutu Sese Seko, made in Cairo on 16 February 1974, in reply to a toast offered in his honour by Mr. Anwar El-Sadat, President of the Arab Republic of Egypt. Those remarks were of universal significance and were at the same time an urgent invitation to all oppressed peoples to close ranks against the challenge of the wealthy countries:

"The year 1974 will be the year of justice and readjustment. The industrialized world, having long exercised unchallenged sway over the natural wealth and

the raw materials, bought at bargain-basement prices, suddenly finds the tables turned and is discovering the economic tie that binds it closely to the so-called poor countries."

The President went on to say:

"It has now been proved that the most important contribution to the wealth of the developed countries has come from the under-equipped countries . . .

"At a time when tremendous changes are taking place in the world arena, the raw-materials producer countries must join forces: this is more important than ever if our decisions are to be mutually profitable and not to give our enemies an opportunity to divide our ranks.

"The Republic of Zaire firmly believes in international co-operation and expresses the hope that this may be intensified, but free of all domination, in the respect of partners equal in rights and for their mutual advantage. The development of balanced international trade is a vital necessity for all peoples and for world peace."

186. The many speakers from this rostrum have emphasized the particular nature of this sixth special session, the first time an Assembly session has been convened to discuss economic problems, and have expressed the hope that it may produce positive results. So far, the countless resolutions that have been adopted in the various bodies have come to almost nothing; we agree that what has always been missing has been the political will on the part of each of our States to carry out all those decisions. We are thus entitled to hope that at the end of this session, every State and every Government will feel concerned and committed to strictly implementing the resolutions and recommendations adopted in the very interests of all the international community.

187. Is that a vain hope?

188. No, on the contrary, Zaire believes that mankind is mature enough to win such a victory. If we can come to such results, then, as President Boumediène said, from this same rostrum [2208th meeting], it will not be revenge or a victory on the part of the third world. It will simply be a victory of mankind as a whole. And, against that background, it is now obviously up to each one of us, to each of our peoples and to each of our Governments.

189. Mr. ARIKPO (Nigeria): The Nigerian delegation joins all other delegations in extending condolences to the delegation of Sierra Leone on the death of Mr. Ismael Byne Taylor-Kamara, who until recently was the Permanent Representative of Sierra Leone to the United Nations. I knew him personally and remember the occasion when, within one month of his being appointed Permanent Representative, he had to preside over the affairs of the Security Council—and he did it extremely well. We join our brothers and sisters in Sierra Leone in mourning his loss and hope that his family will accept that great loss with fortitude.

190. We all owe a great debt of gratitude to President Houari Boumediène of Algeria for his wisdom and foresight

in setting in motion the processes which resulted in this historic session.

191. To the ordinary citizen in the world the relevance of the United Nations lies mostly in its accomplishments in the areas that closely affect the quality of human life, such as health, education, social welfare and economic development. That is why, in our opinion, the sixth special session is of historic significance.

192. For the first time in the life of the United Nations, the General Assembly will devote three weeks exclusively to the consideration of the international economic order. If this session succeeds in laying down the guidelines for a new economic relationship between rich and poor, strong and weak, it will bring new hope to the peoples of the world. Failure would mean a return to the tragedies and miseries of the 1930s. The United Nations must not permit such a world catastrophe.

193. The tragedy of our times is that, in spite of the political advances of the past generations, the world economic order has remained firmly rooted on its nineteenth century foundations, where military and technological power regulate world market prices. The developing countries have repeatedly protested at every international forum that such an inequitable system which enables a small proportion of the world's population to enjoy the larger proportion of the world's output and wealth, could not continue indefinitely. Mankind cannot remain for ever divided into producers of cheap raw materials and manufacturers of expensive manufactured goods.

194. The raw-material situation especially epitomizes the inequitable situation that has for too long confronted the developing countries. Firstly, our non-renewable resources are exploited by the multinational companies at huge profits to themselves. Second, these non-renewable resources, as well as other primary commodities, have in the past been sold in international markets at prices which bear no objective relation to the cost of producing them. Third, the prices of the manufactured goods and capital equipment which the developed countries sell to us are fixed arbitrarily by the manufacturers without regard to the capacity and the necessity of developing countries to sustain viable economic and political systems. The result of this vicious triangle has been the continuing deterioration in the terms of trade of the developing countries and the instability of political structures arising from the inability of the Governments of developing countries to satisfy the rising expectations of the people they govern.

195. Nigeria, along with other developing countries, has repeatedly spoken out against the danger to world peace and stability of an economic order characterized by the existence in one world of a small island of affluence amid an ocean of poverty and deprivation. However, appeals to the developed countries to co-operate in adopting measures to ensure that the developing countries share in the benefits derived from the exploitation of their natural resources have been met by only pious declarations about the interdependence of the developed and developing countries. The developed countries seem to prefer to maintain the existing patron-client relationships.

196. It is in the light of the continuous denial of the basic aspirations of the developing world that one should view recent developments in international economic relations. My Government continues to prefer co-operation to confrontation in the solution of international economic problems. The reaction of some industrialized countries, however, to the recent adjustments in the price of petrol, unfortunately creates the impression that they prefer confrontation to co-operation on the basis of recognition of the mutual interests of producers and consumers. Attempts by a group of consumers to pressurize any individual or group of producers of any raw material must be condemned by this Assembly as an atavistic reversal to gunboat diplomacy, in which the strong tell the weak: "We need your raw material, but we will decide for how much you shall sell it to us; and of course we know you need our products too, but we shall decide for how much you will buy them from us."

197. Happily, President Boumediène's Initiative has probably arrested a situation which would most certainly have led to a confrontation between the weak and the strong. It is indeed a hopeful sign that, at long last, all countries now appear to appreciate that producers and consumers of raw materials have a common interest in the stability of the world economy and that action should be taken to protect that interest. My delegation welcomes this development, and I want to say that we come to this session determined to contribute to measures which can best protect the common interest.

198. The current economic crisis did not suddenly spring upon us; it does not have its origin in the increase of the price of crude petroleum five months ago. It has been long in the making. There is of course one significant difference between the crisis as seen a year ago and as seen now. Then it was seen as a monetary problem which afflicted mainly the developing countries. Today, it is regarded by the industrialized countries as an energy crisis created by the oil-producing developing countries. May I say that, unless we can examine the problem in a context wider than the immediate energy requirements of the industrialized countries, we will do no more than produce palliatives for a much deeper disease. In the view of the Nigerian delegation this special session must try to lay down the guidelines for the establishment of a new economic relationship between developed and developing countries.

199. For nearly two decades and particularly since the Lima meeting of the Group of 77 in 1971, Nigeria, along with other countries, has tried to change the legacy of colonialism by insisting that the search for satisfactory and equitable solutions to international economic problems should be pursued in a co-operative manner with full respect for the sovereignty and interests of all concerned as enjoined by the Charter of the United Nations. We have emphatically pronounced our distaste for economic remedies worked out in exclusive clubs because, in the nature of things, such remedies, more often than not, tend to ignore the interests of members of the international community who are not members of the exclusive clubs. My Government firmly believes that the proper forum for the solution of problems that have global implications is the United Nations, which is today the most universal organization available to mankind.

200. The records of the regular sessions of the General Assembly and of the first, second and third sessions of UNCTAD are littered with the complaints of the developing countries regarding the unremunerative and dangerously fluctuating prices received by them for the primary products which constitute the mainstay of their economies.

201. In the absence of adequate and remunerative earnings from these products, may I say, they cannot import sufficient capital goods to diversify their economies and reduce their dependence on foreign aid. In consequence, the developing countries continue to be burdened with chronic balance-of-payments deficits and mounting external debt servicing.

202. We all know the part played by international combines in manipulating the world prices of primary products to the disadvantage of the developing countries. This chronic instability of raw material prices stultifies the large-scale development of agriculture. Furthermore, the scarcity of the foreign exchange required for the importation of capital equipment compounds the agony of Governments of developing countries which try to lift their peoples above the subsistence level of living. Nor is aid from the wealthy countries sufficient to ameliorate the plight of the developing countries. Progressively, aid to developing countries has been drastically reduced, and plans that envisaged such aid have in many cases been thrown out of gear. My own country was at one time a victim of this situation. The shortfall in the expectation of external finance for our development plan in the early years of independence came naturally as a disappointment. The Nigerian Government therefore had no choice but to learn the bitter lesson that self-reliance has to be the corner-stone of its economic policy. To become self-reliant, Nigeria was obliged to take measures to control the exploitation and use of its natural resources. The Nigerian experience is not unique; it happens everywhere in the developing world.

203. The widespread frustration of planning in the developing countries generally has demonstrated the unsavoury role of foreign monopolies whose global strategies dwarf our national efforts. Steps need to be taken, therefore, to eliminate the foreign dominance of the national economies of developing countries.

204. Until a few months ago, crude oil was deliberately under-priced by the manipulations of the giant transnational companies. The price of Nigeria's crude oil remained at less than \$2 per barrel for 15 years, in spite of the phenomenal increases in the prices of many other raw materials, not to mention those of manufactured goods. The monopoly of pricing enabled the industrialized countries to structure their economies on the assumption that this vital raw material would continue indefinitely to be bought at such give-away prices. As a result, the recent efforts of producing countries to exercise sovereignty over their natural resources by insisting on a say in the determination of the price of crude petroleum are being curiously assailed as an assault on the economies of the industrialized countries. This is far from the truth. The action taken by oil-producing countries merely brings the price of oil in line with the general increases in world prices of both raw materials and manufactured goods.

205. The effect of this general increase in prices, which is world-wide, can be cushioned especially in developed countries if their Governments will make sacrifices and realistic adjustments. For instance, the Nigerian Government in its 1974/1975 budget has had to take fiscal measures resulting in the loss of some \$US 210 million in much needed revenue, in order to give relief to our people from imported inflation. Similar sacrifices by the developed countries should include reduction of their taxes on petroleum products as well as more stringent control on their supranational oil companies, all of which have been declaring huge profits.

206. Take an example of one company which declared a profit of £320 million, after tax, in one year. How long will such a company take to amortize its equity capital? This huge profit clearly is made at the expense of the consumers of that country and, in our view, it is the duty of the Government of that country to prevent such phenomenal profits.

207. Nigeria, as well as other oil-producing countries, appreciates the serious difficulties which some developing countries face as a result of the general increase in the price of oil. My Government shares the concern of the international community to organize urgent measures for providing relief to such countries. Indeed, the Nigerian Government has taken and is continuing to take steps to ameliorate the hardship caused our neighbours.

208. The Nigerian Government is also working closely with other members of OPEC in exploring the best ways and means of contributing to the relief of developing countries whose economies face grave dislocation. Our contribution to the international effort will be inhibited only by our limited resources. Nigeria is a newcomer in the oil field and its revenues are still modest. It is still engaged in a gigantic reconstruction programme following a serious internal crisis. It is faced with the problem of drought, which has affected 15 million Nigerians in the northern part of the country to whom the Government has had to provide urgent assistance. The financial resources available to the Nigerian Government are in no way near what is required to meet these urgent internal needs as well as to develop the infrastructure for the economy. But, in spite of these commitments, the Nigerian Government remains conscious of its obligations to the international community and will participate in any agreed measures aimed at ameliorating conditions in other developing countries.

209. Whatever form of international assistance may be decided upon, it can only provide temporary relief. A more permanent solution to the vulnerability of the economies of all the developing countries must be found equally urgently. For all of us in the developing countries prefer better terms of trade resulting in increased earnings and more meaningful industrial co-operation to periodic handouts.

210. I can best illustrate this area of action by making reference to the current negotiations between the European Economic Community [EEC] and the African, Caribbean and Pacific States. The Foreign Minister of the Federal Republic of Germany, Mr. Walter Scheel [2209th meeting], as President of the Council of Ministers of the EEC, made

passing reference to these negotiations. Nigeria, as is well known, has the duty and honour of acting as spokesman for the African, Caribbean and Pacific countries at these negotiations. May I also emphasize that, though they belong to three different geographical areas of the world, this group of countries is negotiating with the EEC as a single group in recognition of their common destinies. The basic aim of this group of countries is to conclude an all-embracing agreement based on the principle of mutually beneficial economic co-operation. Such co-operation will have to be far-reaching and directed at reducing the structural imbalances in some of the critical sectors of our national economies.

211. To this end, the negotiating countries have submitted the following proposals to the EEC: firstly, free and unlimited access of all their agricultural products, processed and semi-processed, whether or not those products are covered by the common agricultural policy of the community—for this purpose, they sought changes in the current rules of origin as well as those non-tariff barriers which inhibit the access of their products to the EEC; second, stabilization of export earnings through, *inter alia*, the guarantee of remunerative prices for their products; and third, far-reaching industrial co-operation which will find expression in the free flow of technology, in the adaptation of technology to the specific needs and requirements of developing countries and in the adjustment in production patterns which will enable a rational division of labour between the developing countries, on the one hand, and the EEC, on the other.

212. These proposals, modest as they are, are aimed at establishing the basis for a new economic order which will benefit both the developing as well as the developed countries. Unfortunately they have not evoked the type of warm response which would indicate an equal enthusiasm on the part of the EEC for a restructured world economic order.

213. I hope that this special session will influence attitudes, and that one of its more immediate results will be a concrete demonstration by the EEC of their understanding of the legitimate aspirations of the African, Caribbean and Pacific countries, for these aspirations reflect the position of the developing countries generally.

214. Finally, stability in world economic relations is impossible without an urgent conclusion of the reform of the international monetary system. In making its final recommendations on the various issues facing it, the reform committee of the International Monetary Fund should ensure that due weight is given to the proposals that have been made by the developing countries, especially those relating to the need to facilitate the transfer of real resources to the developing countries, the establishment of a link between special drawing rights and development financing and the provision of adequate liquidity.

215. It is not possible for this special session of the General Assembly to achieve final solutions to all the problems that will be put before it in the short period of three weeks at its disposal. Our duty must be to establish concrete guidelines for future action towards the creation of a new economic order. This, in our view, need not entail the establishment of new institutions and we would request the Secretary-General to report progress on the implementation of these guidelines to the twenty-ninth session of the General Assembly.

216. I am convinced that to accomplish our mission in this special session we must have the wisdom to appreciate that the preservation of our common future will call for a change of heart on the part of many of us. We must possess the political will to resolve our differences and to accord mutual respect to the legitimate rights of all members of the international community. If we succeed in this endeavour it will be a fitting tribute, Mr. President, to your acclaimed leadership and your brilliant contributions to world peace and the well-being of man through your distinguished services not only to your own country but to the United Nations.

Statement by the representative of Sierra Leone

217. The PRESIDENT (*interpretation from Spanish*): Before adjourning the meeting, I call upon Mr. Desmond Luke, the Minister for Foreign Affairs of Sierra Leone, who wishes to make a statement.

218. Mr. LUKE (Sierra Leone): I come to this rostrum today to perform the sad duty of thanking you, Mr. President, and all the distinguished speakers who have expressed sympathy to my delegation, to the people of Sierra Leone and to the African group on the occasion of the untimely death of Mr. Ismael Byne Taylor-Kamara, who, until his passing away last Saturday, 13 April, was Sierra Leone's Permanent Representative to the United Nations. We in Sierra Leone have no doubt that his death constitutes a great loss to our country. We are, however, comforted by the fact that the Assembly recognizes the valuable contribution which Ambassador Taylor-Kamara made to our Organization while serving in it.

219. The deceased was a prominent barrister, a successful politician and a former Minister of Government. In 1971 he rendered distinguished service to our Organization when, as President of the Security Council, he guided the deliberations of that important United Nations organ to a successful end.

220. I shall duly convey this Assembly's feelings to the Government and the people of Sierra Leone and to the family of the deceased.

The meeting rose at 6.20 p.m.