

United Nations
**GENERAL
ASSEMBLY**

SIXTH SPECIAL SESSION

Official Records



**2220th
PLENARY MEETING**

Thursday, 18 April 1974,
at 10.30 a.m.

NEW YORK

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President: Mr. Leopoldo BENITES (Ecuador).

AGENDA ITEM 7

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

1. Mr. SHARAF (Jordan): Mr. President, your re-election to the office of President of the General Assembly is a reaffirmation of our deep confidence in your wisdom and our great regard for your person and your country.

2. All of us are indebted to President Boumediène of Algeria for this timely and necessary call to us to meet and ponder the serious questions that face the world and this Assembly at this special session.

3. We are entering a distinctly new phase of human development and thought. The international community is building a new structure of social relations along the breadth of its world existence. One phase has been accomplished—or nearly accomplished—during that revolutionary process which has witnessed the collapse of the régime of international political inequality, that is, the colonial relationship. With that collapse a new system of values and norms is gaining international momentum, based on the new realities. A new phase of international relations is emerging in this new climate of thought and changed realities. Political liberation and the emerging relations of international equality demand a restructuring of international social-economic relations.

4. This session of the General Assembly has demonstrated how strong the general belief is in the need for basic changes in the character of international economic relations in the direction of a more equitable distribution of income and a more just and durable international order. The words heard so far in this Assembly show that the intellectual development of the international community in this direction is far ahead of the realities of the present economic structure of relations and the actions taken to bring about the fundamental changes needed. All sides in this Assembly have agreed on the need for change. On many important aspects of the analysis there is general agreement, though there are disagreements or varying angles of vision regarding the extent, the timing and the priorities in the solutions recommended.

5. To begin with, there is a consensus, partisanship aside, that there is an acute crisis in world economic conditions. It is generally agreed that there is need for a reorganization of international economic relations, collectively and co-operatively, in order to correct existing imbalances and secure international social justice and stability. The following ideas have crystallized in our debates.

6. First, it is universally acknowledged that there is a huge and widening gap between the developing majority and the developed minority, or what the Secretary-General called the problem of "mass poverty" [2207th meeting, para. 42]. As an indicator of the standard of living, *per capita* income in the most developed countries is well over \$3,000, whereas two thirds of the world population live on a meagre \$100 to \$200. As man, his welfare and his dignity are the centre of our concern, this gap should not be allowed to continue. Unemployment, illiteracy and malnutrition in the developing world are widening still further this inhuman gap.

7. It is the joint responsibility of all nations of the world to reduce the gap between the rich and the poor. This is, as some have put it, the priority of priorities. The efforts of the world community in this respect since the establishment of the United Nations have achieved some positive results; but the magnitude and acuteness of the problem require a vastly expanded programme of mobilization of resources and know-how.

8. Second, there is the major problem of food shortage. The seriousness of this problem cannot be considered only from the standpoint of the substantial increases in food prices which have added a great burden to the finances of the developing countries. It must be considered primarily as the problem of millions in the developing world who are nearly starving and need the food for their very survival.

9. An end must be put to food shortages and their serious effects on human lives. This can be achieved only through a continuous increase in food production, which must include improving the input of agriculture as well as utilizing the large available areas of land in the world which are yet unutilized.

10. Third, man's environment, including natural resources, faces the risks of depletion, misuse and waste. While the rights of nations to their natural resources cannot be challenged, it is also true that, as Mr. Mizuta of Japan put it, the problem of "ways to economize and conserve the limited resources of the earth for the sake of the future generations" [2211th meeting, para. 147] remains a serious international task which has to be faced boldly and intelligently. A system of more rational conservation and

use of such resources must be devised in the interests of both producers of raw materials and consumers.

11. Fourth, few disagree that the prices of raw materials and primary commodities were structured in the past in a way that served the interests of industrialized countries at the expense of developing countries. Not only in the price of raw materials was injustice reflected, but also in all terms of trade between the two groups of countries. Prices of manufactured goods and technical services have been rising in a way that has maintained disparities and trade imbalances. The latest developments in the prices of raw materials, food and manufactured goods have demonstrated the urgent need for the reconstruction of world economic relations to remove the 'disparity and inequality in the context of international co-operation. Terms of trade, price controls, food production and storage, shipping, insurance and other related factors should be directed so as to allow mutual benefits for the developed as well as the developing countries and to narrow the gap between them.

12. Fifth, an expanded and fair world trade is not possible under the present system of floating exchange rates and the associated uncertainties which are the symptoms of the malaise in the international monetary system. The inflationary pressures of the industrialized countries have meant to the developing world the erosion of their reserves, imported inflation and great deficits in their balances of payments.

13. The reform of the international monetary system must be guided by the necessity for stable rates of exchange, strong and acceptable special drawing rights, reliable mechanisms of adjustment and a link between deliberately created special drawing rights and the capital needs of development.

14. While the points I have mentioned reflect a broad agreement, or areas of convergence, in this debate, the Assembly must in the end give endorsement to the call for some urgent solutions to the most urgent problems before us. Allow me to emphasize on behalf of my country what we regard as points of primary importance.

15. As long as international social-economic disequilibrium is as serious as it is today, no durable and creative peace can be ensured. The "humanization of mankind"—to borrow an expression from Mr. Scheel, the Foreign Minister of the Federal Republic of Germany [2209th meeting, para. 186]—can be achieved only when the fearful chasm between the rich and industrial minority and the poor and under-developed majority is closed. A comprehensive and effective effort in this direction is not beyond the means of the world. It has already been indicated that there was a precedent in Europe, where reconstruction and massive assistance succeeded miraculously when the political will and sense of unity were there. It should also be clear by now that by doing this both developed and developing countries will be building together a more durable and stable peace.

16. The final aim should be to realize integrated and comprehensive development which addresses itself to the various sectors of the economy as well as to the human resources of the developing countries.

17. Human resources are the richest treasures of every country. Universal education, health and social services, management training and cultural reconstruction are basic to the development of human resources.

18. The agricultural sector contributes most to the gross national product of developing countries. In this respect, tapping water resources, better irrigation systems, the use of fertilizers and insecticides and modern agricultural methods are the only means of increasing agricultural production to overcome food shortages in the world as a whole.

19. A major element in a massive programme of development is industrialization. The developing countries export a great percentage of their raw materials. It is highly important that these raw materials should be processed locally to ensure more income in value added to the finished products.

20. It is more than obvious that development aid should be increased to at least reach the target set by the International Development Strategy for the Second United Nations Development Decade. In this regard the United Nations machinery and related establishments should be strengthened and provided with additional financial resources. We think that their expertise and their established channels should be optimally utilized. While the creation of new funds or agencies may be necessary, duplication in bureaucracies is not helpful. However, the participation in decision-making by the developing countries is essential in all organs and agencies of international development.

21. None of this can be achieved without a sense of co-operation and interdependence and a belief in the common destiny of all nations.

22. Having said that, I wish to move from the plane of the rights of developing countries to the plane of their duties in the process of development.

23. The efforts and hard work needed for any development process cannot be delegated. Any assistance by the international community to the developing world can bear fruit only if the developing countries themselves mobilize all their resources for the process of development. Careful and objective planning, a sense of sacrifice and of national determination and a patient, organized collective effort are essential for genuine development. It is a hard and long road, but it is the only one.

24. In my own country, Jordan, we know very well the joys and frustrations of a broad national development effort. Our successes suffered not the natural and occasional setbacks of any process of development but a major and overwhelming external blow. Our successful national effort in development, gaining in momentum and speed for years, was aborted in 1967 by foreign aggression. The Jordanian economy before 1967 had attained, under our seven-year plan, a rate of growth of around 10 per cent within a framework of relative price stability. Progress was achieved in the various sectors of the economy and in the profound social transformation. The Israeli occupation of the west bank of the Jordan in 1967 pushed over 400,000 displaced persons into east Jordan, disrupted the economy,

deprived industry of half of its natural market, reduced private investment, pushed defence expenditure up to half of the Government's total expenditure and reduced the rate of growth of the gross national product from 10 per cent to 3.8 per cent.

25. However, life did not stop, and the national will has been remobilized. We are now successfully implementing our three-year plan—1973-1975—and preparing for the next five-year plan. All available resources, public and private, have been mobilized. The goal is a leap forward in the areas of agriculture, industry, mining, education, social and health services and reform of the government machinery. We realize that it is at least as important to the process of development to have a sense of determination and proper planning as it is to receive the necessary substantial financial and technical assistance from abroad.

26. Two themes must dominate our deliberations, our thoughts and our actions on the question of international economic relations and development. The first is the urgent need for a fundamental reshaping of world economic relations on the basis of a more just, more reasonable and more realistic philosophy. The old economic relations are anachronistic and irrelevant. They must be replaced by a new international order based on equality, interdependence, mutual benefit and support for the right of all nations to strive towards progress, prosperity and a fair share of the wealth of the world.

27. The second theme addresses itself more to the developing countries. It is the theme of work. It is the theme of self-reliance. The mutation that we are aspiring to from under-development to development can come only from within. It cannot be created from the outside. The developing countries can bring about this mutation only by an almost superhuman determination and effort. The leap from under-development to meaningful progress requires the mobilization of all human and material resources within each developing country. It requires a sharp definition of priorities and a bold and comprehensive attack on the problem. It is a process that calls for maximum governmental effort but, above all, total popular participation. Every individual citizen has an essential role and responsibility in the national enterprise. The productivity of the nation depends on the productivity of its citizens. The national effort must be comprehensively mobilized, under an integrated and bold plan based on the guiding principles of popular participation, belief in work and faith in the national future. Only this can make the developing countries capable of fully utilizing whatever assistance they will receive from the international community and from the restructuring of their economic relations with the advanced industrial countries. It is also this spirit of determination and belief in work that can make international equality and mutual respect not only a moral ideal but an achievable reality.

28. Mr. MALECELA (United Republic of Tanzania): Mr. President, we are very pleased to see you once again presiding over our deliberations. Your unanimous re-election to this office is not only a high tribute to Ecuador but also a recognition of the special qualities that you possess and the confidence you personally enjoy in this Organization.

29. On behalf of the Government and people of Tanzania I wish at the very outset to pay a tribute to President Boumediène of the People's Democratic Republic of Algeria, who, in his capacity as President in Office of the Group of Non-Aligned Countries, took the initiative to request the convening of this special session of the General Assembly to consider the important item which is before us [A/9541].

30. This session offers us an ideal opportunity to review the world economic situation, with particular emphasis on the inequitable relationship between the developing and the developed countries.

31. An historical analysis reveals that the present state of affairs of the under-development in the third world is by no means a natural phenomenon. The one-sided dependence which the countries of the third world are experiencing today gained its most extreme form under the colonial system during which there was complete administrative, military, legal, economic and political dependence. Under-development is essentially a by-product of the colonial system and imperialist exploitation. In other words, the developing countries have been placed in the perennial situation of sustaining the economies of some of the developed countries by heavily subsidizing their development.

32. To this day the economies of the developing countries continue to be sensitive to external conditions and, therefore, remain at the mercy of the policies and actions of these developed countries. Several primary commodities still face restrictive access to external markets, while their prices continue to be determined by the developed countries under the most discriminatory policies without regard to their real value.

33. In this connexion, let me here refer to the recent address by my President, Mwalimu Julius Nyerere, at the New Zealand Institute of International Affairs. He stated:

"The poor countries are told they must work hard, produce more and then, through international trade and the multiplier effect, they will be able to overcome their poverty. It is an attractive proposition. Most of us believed it when our countries became independent. Unfortunately we have found that it does not correspond with the facts.

"I will give just two examples. In 1950, Ghana exported 267,000 tons of cocoa and with those tons the Ghanaians earned £54.6 million. The Ghanaians worked hard, they invested some of that money in improving the quantity and the quality of their crops, which accounted for more than 70 per cent of their total export earnings.

"By 1965, that is, 10 years later, they were exporting 493,000 tons of cocoa—an increase of about 85 per cent in output. Unfortunately, all the work of the Ghanaians and their investments had increased their income by only 25 per cent and the value of the money in 1965 compared to 1950 had definitely fallen.

"Or take the case of sisal, which used to be Tanzania's largest export earner in terms of the price of tractors. In

1965 I could buy a tractor by selling 17.25 tons of sisal; at the time of my inquiry in 1972 I had to sell 42 tons of sisal to acquire the same model tractor; and last month—after the much-talked-of rise in the price of primary commodities—I still had to spend the money value of 27.25 tons of sisal to buy the same tractor—that is, 57 per cent more sisal than in 1965.

"All the evidence therefore suggests that such price movements are a function of the present world economic structure, in which the industrialized nations are able to control the price at which they sell, and also control the price at which they buy. These same nations also control the international monetary situation."

34. In addition to these factors, some developed countries continue to impose tariff and non-tariff barriers to the export trade of the developing countries. Furthermore, decisions concerning monetary problems are made by a few developed countries. In other words, the developing countries are not only excluded from the structures that determine the prices of their exportable products, but are indeed excluded completely from contributing to the decisions in multilateral negotiations concerning trade and international monetary problems which have great bearing on their economies. The developing countries still have to depend for their purchases on the hard currencies of the advanced capitalist countries. Thus, the financial and over-all economic state of the developing countries reacts sensitively to changes in the flows of foreign exchange owing to unilateral currency revaluation and devaluation and the subsequent imported inflation.

35. Yet, despite this, there are those who advocate—and have advocated from this rostrum—that the problems with which we are presently seized can be solved within the existing international machineries. But the existing international machineries are heavily weighted against the developing countries and are constantly flouted and manipulated to suit the political whims of certain industrialized capitalist Powers. There is ample evidence of these international institutions being manipulated by the big Powers to score points related to bilateral relations with a developing country. Experience has shown that problems arising out of bilateral relations between a developing country and a big Power have been invoked to obstruct the obtaining of urgently required assistance by the developing country from an international institution of which such a big Power is a prominent member. Tanzania has had occasion to seek assistance from the World Bank, but because we had at the time exercised our national sovereignty and nationalized properties, among which some £3 million worth of property belonged to citizens of a certain advanced capitalist country, the Government of that country used its sizable influence in that international institution to seek to deny Tanzania a legitimate request for a loan. And therefore when we are told to use the present institutions—we must say it very frankly—the present institutions are still the playground of the capitalist nations. As far as we know, there are other developing countries, and particularly some African countries, which face similar negative manipulations by big Powers in these international institutions. In short, there are some African countries today that cannot borrow money from the World Bank simply because they happened to have nationalized the

properties of certain Powers that have a preponderance of influence in the World Bank. The sum total of this situation dictates, therefore, a need for a radical departure from the *status quo*. The present institutions are incapable of meeting the demands of the day.

36. I referred to the exercise of national sovereignty by my country through nationalization. Our experiences show that through such nationalization, which enables us to control our economy and shape our destiny, we also get the necessary opportunity to develop our human resources by exposing our people to the problems of administering these concerns. Nationalization further helps to avoid the outflow of finance through the exorbitant profits which are repatriated to the developed countries from the developing countries. In other words, the act of nationalization represents a genuine effort to restructure the present economic order whereby foreign monopolies help perpetuate the *status quo* of the exploitation of the poor by the rich. It is a rational choice which would help development regardless of the ideological choice of a particular nation. If the international community wants seriously to restructure the present system, which we all agree is inequitable, it must encourage and help these countries by providing them the necessary resources. The present policies of some developed countries in subverting the success of nationalized concerns is certainly not in line with our times.

37. The new international economic order which we seek to establish must entail necessary guarantees and safeguards to ensure that no punitive or discriminatory measures would be taken against those States that decide to exercise their rights over their natural resources.

38. The fact that we have all agreed to convene this special session is an eloquent testimony to the need for a radical transformation of the present social-economic relations among all nations. Such radical transformation is not only the basis for social justice and human dignity but indeed a prerequisite for the economic progress of all peoples and the political stability of the international community. We should therefore strive to establish a new economic order which would be based on the principle of the sovereign equality of States, the self-determination of peoples and non-interference in the internal affairs of other countries. That new economic order must also provide for the setting up of an appropriate machinery to establish and defend equitable prices for the exportable commodities of the developing countries as well as for the improvement of access to, and the stabilization of, markets for them. Any trade negotiations should aim at improving the terms of trade of the developing countries so that they can achieve substantial increases in their foreign exchange earnings, the diversification of their exports and an acceleration of their rate of growth. This can be achieved preferably by establishing new institutions, or at the very least by radically restructuring the existing machinery with a view to defending the prices of the exportable commodities of the developing countries and improving the access of such commodities to external markets.

39. Another area which needs serious attention is the international monetary system. So far, the developed countries have deliberately failed to recognize that the

international monetary crisis has great negative effects on the developing countries, particularly on the value of their reserves, their export earnings, the prices of their exports and the servicing of their external debts. It must be recognized that the future of the world economy depends on a satisfactory and early reform of the international monetary system. In this respect no group of countries, however powerful, can arrogate to itself the right to decide on monetary reforms affecting the whole international community. Experience has demonstrated that all such unilateral measures in the final analysis are doomed to failure. The examples of the Rome and Tokyo meetings of the Group of 10 testify to this. Hence, the developing countries must fully and effectively participate in any discussions and decision-making on the international monetary system.

40. The International Monetary Fund [IMF] has also failed to cope with the need of the developing countries to solve their balance-of-payments difficulties. The fact that the amount each member subscribes determines the voting power and the use of the resources of the IMF is a clear indication that the IMF only serves mainly the interests of the rich nations. For this IMF and other financial institutions to be useful to the developing countries, a democratic pattern of voting must be embodied in their constitutions. Although we heard from this rostrum the suggestion that perhaps some of the oil-producing countries which now have some funds as the result of the rise in prices would be given similar facilities, we think this would be contrary to the present thinking. That is to say that all members must have equal voting rights regardless of the amount each member subscribes to these institutions. The IMF must release its special drawing rights liberally and at an increasing rate in order to assist developing countries to solve their balance-of-payments difficulties which arise out of the increasing prices of their imports.

41. The efforts being made by the developing countries to raise the standard of living of their peoples need not only encouragement but also appropriate technical assistance from the developed countries. For it must be emphasized that, while developed countries have the technology, the developing countries to a large extent own most of the raw materials of the world. Hence the need for co-operation. But it is unfortunate to note that, on the whole, developed countries have made slower, limited and disappointing progress in the transfer of financial and technological resources to developing countries. For example, the first biennial review and appraisal of the International Development Strategy has revealed that the net aggregate transfer of financial resources from the developed market-economy countries to the developing countries, as a proportion of the gross national product of the former, remained well below not only the target of 1 per cent but also the level reached in 1961, namely, 0.86 per cent. Official development assistance rose only nominally from 0.33 per cent in 1970 to 0.34 per cent in 1971 and slipped back to 0.33 per cent in 1972 as against the level of 0.5 per cent reached in 1971, while the target for such assistance is 0.7 per cent. Unless current trends are reversed, neither of these targets is likely to be reached by the dates envisaged in the Strategy. Terms for development loans have been harder and on the whole there has been little progress towards the goal of untied loans, and developing countries have increasingly

resorted to commercial loans at higher costs. This has meant that the burden of external indebtedness is becoming more onerous. Servicing the public debt of the developing countries absorbed about 10 per cent of their export earnings in 1971.

42. I cannot over-emphasize the fact that, unless counter-measures are urgently taken, this situation will continue to deteriorate. Let me make it clear that the developing countries do need technical assistance in order to accelerate their social and economic development, but at the same time we must reiterate our concern about those enterprises which, under the guise of providing technical assistance, are mainly concerned about extracting large profits from the developing countries. Aid should be intended only to assist the efforts made by the developing countries. It should be an expression of partnership between donors and recipients. Thus aid can make a great contribution to development provided it is given and accepted for what it is: a possible catalyst for local development and a supplement to the efforts we ourselves as recipients are making.

43. In our deliberations we should not overlook the fact that international peace and security—based on justice and on the principles of territorial integrity, self-determination and freedom from all external pressures on sovereignty and fundamental freedoms and other principles embodied in the Charter of the United Nations—are necessary conditions for the social and economic progress of all peoples. But peace cannot be obtained if some parts of the world are still subjected to colonial domination and to social and economic exploitation. It is particularly unfortunate to note that several parts of the developing world are still subjected to colonialism, racial discrimination, *apartheid* and foreign occupation. These conditions have harmful effects on the development efforts of the peoples and the countries concerned. One of our major tasks must therefore be to remove without delay all these negative factors, and we consider it essential that the developed countries should display the necessary political will to accord higher priority to the implementation of those measures so as to provide a framework conducive to the accelerated progress of all the developing countries.

44. Referring to the negative factors, we are sadly reminded of the anachronistic and outmoded policies of the United States towards Cuba. The path towards economic co-operation instead of confrontation can be achieved only if we do away with such outdated methods of economic strangulation of the weak by the strong. In this connexion we wish to echo the strong calls made in this Assembly by several representatives, particularly those from Latin America, for the Government of the United States to lift its outmoded economic blockade against Cuba. The continuation of such a blockade is contrary to the spirit of interdependence and makes a mockery of pleas for international co-operation. After all, such a policy must certainly be a grandson of the cold war that has failed to achieve any results and has hindered peaceful coexistence in Latin America.

45. Let me now turn to the question of the energy crisis, which has so much been talked about. The legitimacy and the timeliness of the decision of the members of the Organization of Petroleum Exporting Countries [OPEC]

—symbolizing as it does the most effective expression of the efforts of the raw-materials-producing countries to obtain a more just return for their natural resources—is undoubtedly beyond question.

46. Our support for the OPEC members is also predicated on our recognition of the catalytic effect that their decision has had in the reconsideration of the whole international economic system. Yet, notwithstanding our general support for a sound and legitimate principle, we must also, in all candour, point out the adverse effects that the steep rise in oil prices has had on the economies of many of the non-oil-producing developing countries. In this connexion it ought to be pointed out that oil monopolies in the capitalist world have taken maximum advantage of the situation. Shipping companies, again from the advanced capitalist world, have equally exploited the situation. In fact, the whole episode of these capitalistic monopolies can be compared to a drama of vultures tearing to pieces a wandering lamb. The net result is that the economies of many developing countries are facing a real threat of complete collapse.

47. Under the circumstances, what is most urgent now is the institution of measures to offset the unintended effects of the action of the oil-producing countries. We acknowledge, and welcome, the setting up of a special fund to assist the non-oil-producing States. To us, nevertheless, the problem is very urgent and cannot wait for feasibility studies. Our emphasis is on the need for immediate remedial measures to safeguard the economies of many developing countries against collapse.

48. These pleas for immediate remedial measures go to the industrialized countries as well as to our brothers of the developing countries that are fortunate to have oil. For unless these immediate remedial measures are taken, all the emphasis on setting up a new international economic order may be irrelevant, since many of our respective economies may not survive that long to witness, let alone enjoy, the new prosperity.

49. We have in the course of this debate heard moving pleas made by eminent statesmen from the developed world for accommodation and understanding. Repeatedly, we have been told not to turn this Assembly into a session of confrontation. These are wise pleas indeed. But perhaps they are slightly misdirected. For none among the representatives of the developing countries desires or yearns for a confrontation—and certainly not an Assembly confrontation. And yet we would be naive not to recognize that, by their indifference to the plight of the developing countries, some of the industrialized countries have in fact been planting the seeds of such a confrontation. After all, the confrontation has always been, and will continue to be, between poverty and prosperity, between development and under-development.

50. We must avoid indulging in an exercise of self-delusion. There can be no permanent coexistence between poverty and affluence, squalor and prosperity, development and under-development. Thus, no matter how we, as representatives of our peoples, plead for understanding and accommodation, the tolerance of the masses of our people, condemned, as they are, to the vicious circle of poverty and

malnutrition, has its own limitations. The world of the hungry billions is certainly warning this world body in no uncertain terms that they have had enough of this poverty, and that it is high time this world body took measures to overcome the legitimate grievances of the exploited.

51. We, of this Organization, can ignore that fact only at our own peril, and certainly time is not on our side. We cannot equivocate by putting off their legitimate demands, and claim to remain true to their concerns and aspirations. Thus, a call must come from this forum which is loud and clear: there shall be an end to the present inequitable economic relationship which is the cause of inequity and gross injustice. Otherwise, we shall be fanning the flames of a further escalation of the confrontation between, on the one hand, the affluent and prosperous few and, on the other hand, the hungry, impoverished and angry billions.

52. Undoubtedly, the more rational and sane approach is to work collectively for a new world order—a world order based not only on political justice but, above all, on economic and social justice. Such a world order presupposes a path of understanding, co-operation and genuine recognition of interdependence. And while the responsibility is collectively ours, it is clear that the greater burden of this responsibility certainly lies with those affluent nations by whom our pleas and appeals for justice and equity in the international economic system have heretofore been ignored. They must take the necessary measures to give concrete substance to their pleas for accommodation and co-operation. Otherwise, such pleas would be as hollow as they would certainly appear to be hypocritical.

53. Mr. CISSOKO (Mali) (*interpretation from French*): The efforts to consolidate peace on the morrow of the Second World War led to various kinds of arrangements, ranging from political and military alliances to the establishment of economic machinery, deemed revolutionary and likely to promote, in the words of the Charter, "social progress and better standards of life in larger freedom".

54. However, hardly had the sound of gunfire died away than the risk of a new apocalypse threatened mankind. Indeed, certain Powers, haunted by imaginary dangers, established systems of national or collective defence which were supposed to guarantee their security. Hence the hopes for a world united by common aspirations and a common destiny began to dim.

55. And thus the community of nations, which, in its enthusiasm to bring about fraternity—the community which laid down the foundations of the United Nations—found itself once again divided.

56. It took the fear of the holocaust and the refusal of peoples to settle problems of particular interest by force for people to take thought and to guide international relations in directions better in keeping with the genuine security of States. But the policy of international co-operation and all the activities of the United Nations system suffered from the paralysing effects of the establishment of opposing political and economic blocs. Accordingly, the Marshall Plan, which is the first form of massive international aid to promote development, was conceived only for the economic rehabilitation of Europe.

57. It was as far back as then that we witnessed the real beginning of discrimination in development assistance, although the burden of war had been borne by all the peoples of the world. The philosophy of the Charter, based on the interdependence of economic and political factors, was forgotten. The post-war years nevertheless saw a political remodelling of the third world. Indeed, in the spirit of national awakening the oppressed peoples everywhere sundered the political chains of the colonial system. However, the developing countries, most of which had hardly begun to assume national responsibilities, were unable to derive substantial advantages from the established economic systems.

58. The socialist method, typified by the planned development of economy, seemed to them to be a valuable source of ideas and a model for the construction of an independent national economy. Unfortunately, the confrontation of ideologies, the outward-looking nature of the economies of the third world, the failure to achieve independence by some and the inexperience of others made it impossible to exploit all the possibilities available to the budding economies. The collapse of the colonial empire and the drawing of new frontiers consecrating the accession to international life of most of the third-world countries in no way modified the trade currents established between the former metropolitan countries and the former colonies.

59. The dominant feature of those currents is well known, and it was accentuated particularly because of the constant and marked deterioration in the terms of trade, the low rate of industrialization of the developing countries and the existence of an international monetary system ill-adapted to the imperatives of development.

60. One of the first manifestations of that economic subjection was the commercial dependence of the developing countries, a situation characterized both by the considerable gap between the prices of primary commodities and those of manufactured products and by the non-existence of appropriate international machinery to maximize the role of foreign trade in favour of the development of the developing countries.

61. Indeed, the Havana Charter,¹ which was supposed to be so liberal, was really established only to benefit the affluent countries, and the negotiations within the framework of the General Agreement on Tariffs and Trade [GATT] encountered discriminatory trade practices quite contrary to the liberalism proclaimed.

62. In the market outlets for the main products of the third world, prices, as we know, are supposed to set by the operation of market laws. The notion of scarcity, of course, plays a preponderant role.

63. The low-income countries possess, if not totally and exclusively, an important proportion of the fundamental commodities indispensable for the economic expansion of the industrialized countries. We know, for example, that the developed world depends on the developing world for 64.5 per cent of its bauxite, 93 per cent of tin concentrate,

and 40 per cent of iron ore. Furthermore, the recent energy crisis has very eloquently demonstrated that dependence.

64. The under-developed countries have derived very little benefit from those advantages since the price level of their exports has always been determined by the industrialized countries, which are anxious only to earn more profits.

65. After more than a decade of difficult negotiations, agreements have of course been concluded on high reference prices for products such as sugar, wheat, olive oil and tin, which, incidentally, certain developed countries produce in large amounts. However, the price index of raw materials produced essentially by the third-world countries remained at a scandalously low level, fluctuating in the light of the given situation at the time. Thus, the spectacular rise in copper prices noted in 1955 was due principally to the large demand for that metal as a result of the events in Korea. Similarly, the recent favourable evolution of certain agricultural and animal products has essentially been caused by the world food deficit. Those price rises are, however, cancelled out by monetary instability and erosion and the high rate of world inflation, which has now in fact attained or even exceeded its level during the era immediately following the war. Because of those different factors the third-world countries have been unable to benefit from export-earnings surpluses which might have constituted equalization funds to stabilize the prices of certain primary commodities very much sought after in the international market and to facilitate the importation of goods and services for the purposes of industrialization and consumption.

66. The United Nations Conference on Trade and Development [UNCTAD] began in Geneva in 1964 with the hope of establishing a new international order in trade, particularly by facilitating access for the manufactured products of the developing countries to the markets of the developed countries and by creating conditions for an improvement in terms of trade between the primary commodities of developing countries and the manufactured products of industrialized countries.

67. That hope vanished. Indeed, it was not possible to reach agreement on generalized preferences on conditions determined at the various sessions of UNCTAD. The market of the developed countries thus remained closed to the manufactured or semi-manufactured products of those developing countries which, in spite of an unfavourable situation, had nevertheless been able to achieve a certain level of industrialization.

68. Furthermore, a deterioration in the terms of trade was accentuated, the fall in the prices of primary commodities exported essentially in their raw state by developing countries became even more marked, and the prices of manufactured products coming from developed countries rose even faster.

69. Now, the export earnings from primary commodities without any doubt constitute an important proportion of the national income of most of the developing countries. The lack of organization of world markets in those products was reflected in a large measure of instability in the export earnings of low-income countries, and it proved

¹ Adopted by the United Nations Conference on Trade and Employment on 24 March 1948.

difficult for those countries to plan their economies because the unforeseeable reduction in their foreign purchasing power forces them to reduce their investments and to undertake constant readjustments of their development programmes. Accordingly, instead of attenuating it, trade has actually exacerbated the economic dependence of the third world vis-à-vis the developed world.

70. That situation, which further contributes to reducing the standard of living of the developing countries, is also prejudicial to peace.

71. We are also aware that the sought-after balance in international relations is founded on the capacity of all members of the international community to participate in bringing about an era of general economic expansion and social justice. Collective security has dimensions that are in our view more economic than political, and its stability is based upon the need for co-operation among all nations.

72. Viewed from that angle, the development of the third-world countries ceases to be a national necessity and becomes an international obligation. The trade factor has an important place in the economy of the developing countries because the rate of growth of the gross domestic product of those countries is generally a function of the rapid expansion of exports. It is therefore possible, by adopting certain measures, to generalize the growing role of external trade in raising the rate of growth of the developing countries.

73. Thus the third-world countries feel entitled to place much hope in this session, whose work should lead to the universal acceptance of a certain number of principles of equity in international relations which have been clearly laid down at the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held in Algiers, in September 1973. We have in mind particularly the principles of non-reciprocity, non-discrimination and preferential treatment for products from developing countries. That is the price of the advent of a new epoch in the international division of labour.

74. The uncompensated efforts of the poor countries, commercially speaking, are even more seriously hampered by the international monetary crisis.

75. The Bretton Woods system was set up and developed without taking account of the requirements of their development. Its objectives are in keeping with the concern for the economic expansion of the developed countries with a market economy and not with the establishment of a true monetary system capable of improving international trade and increasing the flow of capital for the development of the poor countries.

76. We should also recognize that the Bretton Woods agreements linked countries with different orientations in their political and economic objectives without taking into account that there is no authority capable of compelling the parties. Such conditions, plus the establishment and the maintenance of a fictitious value for the dollar, made monetary disorder inevitable.

77. Contrary to what people would like to have us believe, monetary erosion and the inflation which has been so much

denounced were caused not by the third-world countries, but by the economic extravagance of the highly industrialized countries.

78. The fears regarding the grave repercussions that price rises in commodities will have on the developed economies are deliberately exaggerated. Indeed, a study undertaken in 1973 by the French National Institute of Economic Sciences indicates that a reasonable increase in the prices of oil and other primary commodities, including food products, would have in the developed countries only a small effect on inflation, whose causes are internal and inherent in capitalist growth.

79. On the other hand, the policies of hegemony which necessarily entail war, are the reasons for the useless expenditures which are the essential causes for world inflation. And it is the developing countries which suffer from that situation. The instability of their currency due to the perpetual fluctuations in the prices of primary commodities is made even worse by the existence of inadequate structures and directions in development policy in the international financial and monetary institutions.

80. The establishment and the promotion of true co-operation among nations requires a renovation of the present international financial and monetary system. A new system—and the ways in which it will be created will, we have no doubt, be one of the main concerns of the sixth special session—should guarantee the stability of monetary and financial flows and take account particularly of the specific needs of the developing countries.

81. Indeed, the development of those countries requires, apart from the mobilization of means of domestic financing, substantial external contributions. The rapid increase in production, the establishment of networks of external distribution and capital flow, often respond to high levels of technology, which the developing countries have not yet reached.

82. The scientific revolution has, however, performed feats which transcend the imagination and is constantly developing hitherto unsuspected material and intellectual potentialities. It must, however, be applied to the rehabilitation and development of the human environment, particularly in regions which have been sorely tried by cyclic phenomena of natural disasters, and must transcend the strict framework of national frontiers, if we want it to be really universal. It is, in fact, the only revolution which is exportable without human cost.

83. The transfer of technology would help the developing countries to rise rapidly to a certain level of competitiveness with the developed countries, within the context of a new international division of labour.

84. Furthermore, apart from rare exceptions, foreign governmental financial and technical assistance, already inadequate in volume, is sensitive to their political motivations. Its mobilization and allocation depend, in most cases, on the nature and the consistency of historical, political, linguistic, monetary and commercial links existing between donors and recipients. The aid policy in the so-called "cold war period" is a patent example of this.

85. What is known ironically as "international generosity" has not made it possible to achieve the objectives of the Second United Nations Development Decade. Of course, the third-world countries have benefited to a certain extent from the assistance of the developed world but very often on such conditions that they have not been able to derive benefit from it for their development.

86. Indeed, the cost of servicing the external debt is often so high that some of those countries have achieved a degree of total subjection in external payments, which forces them to renounce any effective long-term policy for economic and social development. External aid, if it is to be really effective, must be massive and essentially composed of subsidies. However, this does not seem to be the view of a number of affluent countries, and that is why those doubts have already been expressed about the chances of success of the International Development Strategy. International assistance has not prevented, as is unfortunately the case in the Sahelian zone "the silent agony of the peasants in time of famine",² to use the expression of Mr. Tibor Mende who, in his work entitled *De l'aide à la recolonisation* points out so pertinently:

"In fact, while in 1969 the contributors made available \$6,707 million in public assistance, the servicing of the debt and the repatriation of the profits of private investments represented about \$7,000 million of this. It is almost as if the first figure paid for the second.

"This is a cruel reminder of the organization of the most effective labour camps in recent history."³

87. That idea applies perfectly to transnational corporations, which constitute in many developing countries important centres of economic decision, and even political, decision.

88. Formerly, one could hear the cannon, but we hear it unfortunately again today in the imposing of those companies on Governments in order to establish puppet Governments in the form of the administration of public affairs, or to hamper the struggle of the peoples for emancipation.

89. The total independence of those corporations vis-à-vis the established authority and their active and meddlesome solidarity against patent attempts on the markets for primary commodities have, in most cases, made them agents of repression and disinvestment rather than agents of economic expansion.

90. In spite of the constant crisis situation in their economies, principally because of outside factors, the developing countries have nevertheless not ceased to propose dialogue, so that the international community can attain, by successive stages, the economic objectives laid down in the Charter. They have done so successively in Geneva, Algiers, Santiago and at each of the sessions of our Assembly.

² See Tibor Mende, *De l'aide à la recolonisation: les leçons d'un échec* (Paris, Editions du Seuil, 1972), p. 104.

³ *Ibid.*, pp. 104-105.

91. The appeal was vain.

92. During a period still in our memory, the developed countries with a market economy have sought remedies to the convulsions in their currencies. The vertical division of the universe with, at the apex, a world which is complacent, self-satisfied and gadgetized and, at the base, a swarm of beings daily confronted with the problems of food, health and education, still did not worry them too much.

93. But, as it were by a natural course of the reversal of justice, the energy crisis brought out the need for a healthy appreciation of the common destiny of peoples.

94. Oil was declared the common heritage of mankind and the situation almost arose that troops were mobilized in order to ensure the free flow of oil and the stability of its price.

95. Certainly, the price rise of hydrocarbons will aggravate the already alarming balance of payments of the developing countries, particularly of those which, like my own country, confront problems of development in conditions of extreme severity imposed by history, geography and the persistence, for some years now, of unfavourable climatic conditions.

96. The problem, however, is quite different. The Arab oil-producing countries have given the example neither of embargo nor of the restriction of trade, nor of economic blockade. War is waged with the arms available to one, and there can never be enough of these to safeguard national honour and the integrity of frontiers.

97. The persistence of injustice disturbs international relations. The fixing of oil prices, like the prices of other primary commodities, has hitherto been within the discretionary power of the developed countries or their agents.

98. Solidarity in action has made it possible to apply the recently taken decisions with regard to a rise in oil prices. The agreements which are being negotiated between the oil-producing countries and certain large energy consumers lead us to believe that the exploitation and marketing of other primary commodities like copper, manganese, cotton and ground-nuts will henceforth be considered as factors of genuine economic expansion for the developing countries.

99. Rather than the long and difficult path which has been imposed in negotiations on the production, marketing and establishment of prices for hydrocarbons, the countries which produce primary commodities should, in their own legitimate self-interest, learn all the appropriate lessons from the strategy adopted by the oil-exporting countries in order to bring about the triumph of their just cause.

100. The solidarity of the oil-producing countries has opened the way to dialogue among the nations of the world on economic and social development. The example should be followed by creating common fronts in other primary commodities in order to make it possible for the developing countries which export to recover a sizable proportion of their resources by the application of a fair price policy.

101. On the basis of the imperative necessity for such action, the non-aligned countries have already decided, for

their part, to hold, next January or February, a meeting at which ways and means will be worked out for elaborating a concrete strategy for the use of the "weapon of commodities."

102. The third-world countries have never departed from the idea that, in order to be effective, international action cannot be composed solely of independent measures taken under the impulse of passing necessities and requires "a systematic complex of essential measures so interwoven that the absence or inadequacy of some of them would jeopardize the total bringing about of the objectives aimed at by all, within the framework of a global strategy", as was so judiciously pointed out by Mr. Raúl Prebisch. A climate of understanding and, above all, of good faith is indispensable for the effective application of such measures.

103. About 30 years ago the whole world was mobilized in the defence of liberty and the well-being of peoples. Important clauses in this contract of blood have been forgotten. No State, whatever its size and political and economic power, can exclude itself from the common destiny of peoples. Our responsibilities have been common in the past in the face of the general danger, and they will remain so in the future.

104. But the road which leads to the era of universal peace, dreamed of by the authors of the Charter, is a difficult one, and there would be no credit to us if it involved no effort on our part.

105. In the political field, as indeed in the field of development, our options should be clear and the will to act unswerving.

106. The new world which we propose to build must be just and its values universal. The peoples of the world have the right to liberty; we cannot deny it to them, and we must therefore join our efforts to ensure them decent conditions of life.

107. Proposals for establishing a new international economic order are not lacking. For this it will be sufficient to refer, *inter alia*, to the Declaration on African Co-operation, Development and Economic Independence, adopted at Addis Ababa on 28 May 1973 and to the suggestions contained in the Action Programme for Economic Co-operation adopted at the Fourth Conference of Heads of State or Government of Non-Aligned Countries in Algiers in September last.⁴

108. In the course of this special session of the General Assembly, convened on the excellent initiative of President Boumediène, on behalf of the non-aligned movement, we propose to focus our attention on the exclusive problems of primary commodities and development. These problems will be complex to the extent that they are spoken of with restraint and probably with a certain mental restriction.

109. In the battle waged hitherto against under-development, the imagination has been creative, but what has been lacking has been political courage. This session is a political

session; there is no point in trying to hide it and it would be a serious mistake to overlook it.

110. The agreements we achieve should bear the mark of our determination to try to live up to the hopes of all the peoples of the world who aspire only to live free and equal in happiness.

111. We shall certainly be basing our statements on figures, but we should transcend mere statistics and controversy and, aware of our duties as leaders of our peoples, form a united front so that we can, in accordance with the Algiers Charter: "...create conditions under which all nations can enjoy economic and social well-being, and have the means to develop their respective resources, to enable their peoples to live a life free from want and fear."⁵

112. Mr. CHOONHAVAN (Thailand): Mr. President, my delegation would like to offer you its heartfelt congratulations on your unanimous election to the high office of President of the sixth special session of the General Assembly of the United Nations. Your eminent qualifications have long been known to all of us and were most evident during your presidency of the twenty-eighth session of the General Assembly. My delegation pledges to you its full co-operation in all phases of our proceedings.

113. The Government of Thailand wholeheartedly supports the convening of this special session to deliberate on the important question of raw materials and development, as well as related issues, and would like to express its sincere appreciation to President Houari Boumediène of Algeria, and current President in Office of the Group of Non-Aligned Countries, for his timely initiative in this regard. It is our earnest hope that this far-sighted move, which has captured world imagination, will enable the United Nations to imbue its endeavours in these fields with renewed vigour and dedication.

114. My delegation would also like to pay a warm tribute to the Secretary-General of our Organization for his statement, which lends a proper emphasis on the interdependence not only of nations, but also of problems facing mankind today.

115. During the past few years, the world has witnessed, on an unprecedented scale, a realignment of political and economic relationships.

116. In the political sphere, the improvement in the relations among the major Powers is continuing, although at a slower pace. As a consequence, direct or otherwise, of their mutual restraint and accommodation, important developments have recently taken place in some areas of the world.

117. In the Middle East, the decision taken by the Security Council in its resolution 346 (1974) to extend the mandate of the United Nations Emergency Force was a necessary step towards a more effective supervision of the

⁴ See document A/9330 and Corr.1, pp. 85-100.

⁵ See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), p. 432.

cease-fire, which has been hampered by lack of freedom of movement of some elements of the Force. Talks on the disengagement of forces and other related aspects appear to gain a momentum which, in spite of the recent fighting, will, we hope, lead to an eventual political agreement among all parties concerned.

118. In South Asia, the recent conclusion of the agreement between the three nations of the subcontinent augurs well for the future peace, stability, and progress of that vast and populous region.

119. In South-East Asia, the establishment of the new coalition Government in Laos is sincerely welcomed by Thailand, which reiterates its desire to see the neighbouring Kingdom at peace, with its independence, territorial integrity and neutrality fully respected and ensured by all Powers. It is hoped that the peoples of the other two neighbouring, war-torn countries will likewise be permitted to solve their respective problems without external interference or coercion.

120. In contrast to the improving political climate, developments in the economic sphere have not produced necessary adjustments in the present antiquated and inadequate system. Despite long-evident disequilibria and injustices and despite numerous urgings and repeated appeals by the developing countries, reforms have been postponed time and again. A lack of political will on the part of industrialized nations was one of the major impediments to such long-overdue reforms. But now those nations themselves have been hard hit by the oil crisis and they have no other alternative but to engage in a dialogue with developing countries with a renewed sense of self-interest and urgency. The plight of the poor nations has become at the same time increasingly urgent, mainly on account of the rampant epidemic of inflation, which, like a communicable disease, recognizes no national boundaries. Spiralling inflation in the developed countries has been transferred to the developing countries and has nullified any gains which the latter might have achieved in reducing the gap between export earnings and increased expenditure on higher-priced imports. This problem is compounded by the unilateral control of freight rates by liner conferences, as well as the rising cost of insurance and reinsurance, which affects the prices of the imports and exports of the developing countries. It is generally recognized that, as a consequence of the rapid rise in oil prices, freight rates will continue to climb, thus making dearer the imported manufactured and capital goods which are needed by the developing countries, while at the same time making their exports less competitive in world markets.

121. Furthermore, it is generally recognized that, as a consequence of the swift rise in oil prices, the cost of petroleum imports has more than doubled for most countries, and, according to World Bank estimates, developing countries are already spending \$5,200 million on oil imports in 1973 compared with \$2,300 million in 1970. As much as \$2,300 million out of the incremental \$2,900 million is attributable to price increases alone. Thus, in many developing countries, the limitation of oil supply has been felt directly in all sectors of the economy, and the high cost of oil imports is an increasing burden on their balance of payments. These circumstances have compelled

many of them to appeal directly to the oil-producing countries for supplies at concessional prices on a government-to-government basis. In fact, the high cost of crude oil, rather than its reduced supply, has the most adverse effect on the economies of these developing countries. No argument can overcome the fact that these developing countries are the most profoundly affected. Not only is their agricultural production severely hampered, but their industrial activities also are going to decline.

122. It appears from what has been said that the economic consequences of the oil crisis are very far-reaching. As the World Bank also predicted recently, the direct consequence for the developing countries could be the reduction of the rate of their economic development either because of decreased energy supplies at higher prices or because of their reduced capacity to import other goods and services. An indirect effect will be a slower growth in their international trade earnings. These consequences will in turn affect the structure of world trade and finance, and aggravate the imbalance of the economies of the developing countries.

123. For Thailand, in spite of the current drive to conserve supplies and restrict use, the cost of oil imports is likely to increase by 250 per cent this year. It is also estimated that for the current year the trade deficits of my country will hover around \$680 million. Internally, despite the Government's reliance on time-proven fiscal and monetary measures, its efforts to curb inflation have not been altogether successful, and this in turn has had the effect of slowing down economic growth, causing the terms of trade to deteriorate and the standard of living to decline. The acute shortage of oil since last November has seriously disrupted Thailand's growing industries, particularly its transport system and its fishing and manufacturing industries.

124. It is perhaps noteworthy that, during a critical phase last year, our effort to remedy the shortfall in the oil requirements of my country was met with a positive response from the People's Republic of China, which made it possible for the Thai trade mission to conclude with the China Council for the Promotion of International Trade an agreement on the sale of some high-speed diesel oil. It was indeed a significant occasion, which testifies to the fact that, despite different political ideologies and social systems, the peoples of the developing countries cannot fail to help each other in time of need.

125. In the same spirit, my delegation welcomes the generous initiative and offer of His Imperial Majesty of Shahansha of Iran and the forward-looking proposals by the President of Algeria [2208th meeting], as well as other practical proposals made by countries which are endowed with surplus capital, for the assistance of fellow developing nations, particularly the least developed and other handicapped peoples. It is the earnest hope of my delegation that this Assembly will be able to come to a decision on this important matter.

126. Ways and means should also be found of encouraging the investment of surplus capital productively in the developing countries instead of in the developed economies, where conditions of inflation could be aggravated and later exported to worsen the plight of the developing nations.

127. The oil shortage also means that fertilizers, which are essential to the production of high-yield crops, including rice, and to the continued growth of many diversified agricultural products, will be even scarcer in the years ahead. Fertilizer supply on the world market rests mainly on the availability of crude oil. Even if the latter continues to be available, its high cost will undoubtedly push up the price of fertilizer and agricultural commodities.

128. In this context, therefore, the unanimous decision by the Economic Commission for Asia and the Far East [ECAFE] in Colombo last week to make necessary preparations for the establishment of a world fertilizer fund⁶ was realistic and opportune. It is essential that a solution to the fertilizer problem be found in order to break the vicious circle of hunger and misery and to ensure world food security for all. International co-operation is needed, with the participation of both the oil-producing nations and the industrialized countries, which control nine tenths of the world fertilizer production.

129. Thailand is one of the world's largest rice exporters, and may be said to be the rice bowl of Asia and the world. However, it should be noted that the share of the developing countries, including Thailand, in world rice exports is only about 35 per cent, while the share of the developed countries amounts to 65 per cent. Moreover, while the share of rice as an export commodity in Thailand's total exports is approximately 17 per cent, the share of rice in the total export figures of a developed country, which is also one of the largest rice exporters, amounts to less than 1 per cent. This is indicative of the difference between a poor producer and a rich one.

130. The poor producer, such as Thailand, must live from day to day and earn its livelihood. It is threatened constantly by price fluctuations, a scarcity of essential inputs, unfair and non-commercial competition by rich producers for its traditional markets, lack of access to new markets and inflation which cuts into the food budget and raises the cost of living beyond its meagre means.

131. During 1973 there was a critical rice shortage in the world due to inclement weather and other factors. This situation created short supply conditions in many rice-producing as well as rice-consuming countries and led to an upswing in the domestic price of this important staple. During that critical period Thailand, despite the shortage at home due to rapidly dwindling stocks, always gave sympathetic consideration to the needs, not only of its neighbouring countries, but also of other friendly countries such as those in the Middle East.

132. In the international context, every effort must be made to ensure a balance of interests between the food-exporting and the food-importing countries, bearing in mind the special needs of peoples most seriously affected by natural calamities as well as the precarious position of those developing nations which depend for their livelihood and the well-being of their populations on the production and export of agricultural commodities. International co-

operation is necessary to forestall new disasters and to reverse the effects of recent catastrophes. An international programme of action must be devised and implemented to alleviate the problem of desertification, especially in the Sudano-Sahelian area, and to prevent similar occurrences elsewhere, as well as to increase the productivity of cultivated land in the developing countries.

133. My delegation therefore looks forward to the World Food Conference in November of this year with the expectation that solutions will be found to stave off the present emergencies and save the world from the scourge of hunger and starvation.

134. Another contributing factor to the spiralling inflation in the world is the break-down of the international monetary system. Buffeted by the winds of change, undermined by waste and reckless spending, and uprooted by mercenary speculations and massive manipulations, the Bretton Woods system, organized by developed nations of the West after the Second World War, finally succumbed. It is, therefore, just and equitable that the other nations, which have played no part in the old system and which were gravely affected by the mismanagement and subsequent debacle, should now be given a role in the making of decisions that affect their vital interests. While the wreckage is being swept away and a new edifice is being built to replace the old, the international community must pay attention to the suffering of the poor, developing nations which suddenly find the shackles of external debt, together with the prospect of further indebtedness due to higher prices for imports and higher interest rates, heavier to bear.

135. In the light of the foregoing, it is apparent that the necessary adjustments which are long overdue in the economic sphere must be made to resolve the present crisis and to avert future catastrophes. If the predicament in which we find ourselves has taught us anything, it is that man-made mistakes, miscalculations, manipulations and other artificial means have thwarted the legitimate aspirations of other men. It is not only nature that can be unkind or callous, but also human beings, who, in some cases to serve the selfish interest of the few, can create greater havoc and may ultimately find themselves in a dead and decimated world.

136. We must, therefore, face the new challenges. At the same time none of the old ills which have caused the ever-widening gap between the developed and developing countries have been eliminated. There is still chronic instability in world commodity markets. The international community has failed to establish comprehensive international arrangements on most individual commodities. The resolutions adopted in UNCTAD and other forums with respect to pricing policy and access to markets have not been implemented and the trend towards protectionism by developed countries is evident. The imbalance and deterioration in the terms of trade of developing countries have not been improved. The cost of transportation and ocean freight with its negative effect on the economies of the developing countries is ever-increasing. The production of synthetic materials and substitutes to the detriment of the exports of natural products of the developing countries continues to be expanded. And the net aggregate transfer of financial resources from the developed market economies

⁶ See *Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 5, part III, resolution 142 (XXX)*.

to the developing countries is still well below the established target of 1 per cent of gross national product.

137. The special session has before it a draft declaration on the establishment of a new international economic order, and a draft programme of action which have been adopted by the Group of 77.⁷ My delegation has followed closely and participated in the drafting of these two documents, and they reflect substantially our general view of what the future economic order should be.

138. My Government's views are already well known concerning several of the headings of the action programme and they shall not be repeated here. However, I should like to take this opportunity to make some preliminary remarks on certain sections of the two documents. The Thai delegation has supported the establishment of a link between the prices of raw materials and primary commodities exported by developing countries and those of the manufactured and semi-manufactured goods and capital equipment imported by them. It therefore welcomed the proposal in the draft programme of action to give a clear mandate to UNCTAD to undertake a study of the indexation of prices. My delegation is pleased to see under the subheading "Food" that the export markets for food products of developing countries should be ensured through just and equitable arrangements, *inter alia* by the elimination of unfair competition, to protect the poor, developing countries that export food products against non-commercial practices of the developed countries.

139. If the developing countries are to reduce the gap which separates them from the developed countries they should enjoy preferential treatment. When the generalized system of preferences was established, the principle of preferential treatment was accepted and implemented for the first time. However the system is not being universally or fully applied, and it is the opinion of my delegation that the system should be extended and improved, and should apply not only to manufactures, but also to processed primary commodities and to certain primary commodities, so that the system may become more effective and beneficial to as many developing countries as possible. The so-called commodity boom should not be used as a pretext for any slackening of the struggle to facilitate access of commodities to the developed countries' markets at stable, remunerative and fair prices. It is hoped that the intensive intergovernmental consultations being carried out in connexion with access to markets and pricing policy will achieve concrete and significant results soon in the matters of trade liberalization and pricing policy, for this would contribute to the growth of developing countries' foreign exchange earnings, as well as to their increased participation in market growth.

140. My delegation has always attached a great deal of importance to the question of freight and insurance and has participated in the various meetings of the Inter-Governmental Maritime Consultative Organization. The situation whereby developing countries are at the mercy of liner conferences which impose higher freight rates while the cost of insurance and reinsurance is also raised without

prior consultation or advance notice must be corrected. International control by such means as the adoption of a code of conduct for liner conferences with appropriate arbitral machinery would be of immense importance to the developing countries, as it would protect their legitimate interests against powerful shipping cartels.

141. My delegation is pleased to see that progress is also being made in the United Nations to draw up a code of conduct for the transfer of technology. It considers that it is necessary to initiate action to intensify international co-operation permitting all countries, in particular the developing countries, to benefit from the achievements of modern science and technology for the acceleration of their economic and social progress by assisting in the creation of an indigenous capacity for scientific and technological growth. The time is ripe for a concentration of effort on taking measures in the field of science and technology aimed at meeting the fundamental needs of the developing countries.

142. My delegation welcomes the fact that the preparation of the Charter on Economic Rights and Duties of States is in its final stages and that the draft will be ready for consideration by the Assembly at its twenty-ninth session. The adoption of this Charter will constitute a historic milestone in the establishment of a new system of international economic relations based on equity and the interdependence of the interests of developed and developing countries. It is logical to expect that the deliberations of this Assembly and whatever results from them will be a meaningful contribution to the preparation of that Charter.

143. Our efforts at this Assembly cannot be an isolated exercise removed from other ongoing efforts by the international community in trying to formulate international norms to regulate the economic relations between States. Therefore, our labour in this great hall must be linked to other undertakings which are imbued with similar aims and lofty purpose—not only the International Development Strategy, the Charter of Economic Rights and Duties of States and the Declaration on Principles of International Law concerning Friendly Relations and Co-Operation among States in accordance with the Charter of the United Nations [*resolution 2625 (XXV)*] but also the forthcoming Third United Nations Conference on the Law of the Sea, the World Population Conference and the World Food Conference.

144. It can be seen that the United Nations has taken many useful initiatives in the economic field, but at the same time progress in narrowing the gap between developing and developed countries has been largely unsuccessful. The disappointments were obvious during the first biennial over-all review and appraisal of progress in the implementation of the International Development Strategy for the Second United Nations Development Decade. Four years after the adoption of the International Development Strategy only some developed countries have demonstrated a welcome sense of commitment to aiding the developing countries according to the provisions of the Strategy. In most instances, however, the requisite international co-operation has been inadequate.

145. The task of finding solutions to the particular problems of raw materials and development provides the

⁷ Subsequently circulated as documents A/AC.166/L.47 and 48, respectively.

international community with a major challenge. It is a global problem and can only be solved by global action with the essential political will and a spirit of understanding and co-operation.

146. My delegation is participating in this special session with the full intention of contributing to its success in a truly constructive manner. The political and economic interdependence of nations, large and small, rich and poor, is a reality of our times, and the world cannot afford to ignore this simple yet vital fact. My delegation sincerely hopes that the draft declaration on the establishment of a new international economic order and the programme of action prepared by the Group of 77 will be considered in this light. These documents represent a concerted effort by the developing countries to attain equality and justice in a more enlightened economic order which will serve the interest of all mankind for years to come.

147. Mr. ESONO MICA (Equatorial Guinea) (*interpretation from Spanish*): From this high rostrum I wish to pay a warm tribute to Houari Boumediène, the President of the Revolutionary Council and the Council of Ministers of the People's Democratic Republic of Algeria, for his timely initiative in requesting the convening of this special General Assembly session at a time when the international economic order is suffering its greatest upsets, shaken as it is by tensions among producer and consumer countries.

148. My tribute is addressed also to Mr. Leopoldo Benites for once again presiding over our deliberations with his well-known wisdom and diplomatic ability, and to Secretary-General Kurt Waldheim for all the efforts he has made thus far to solve the acute economic problems besetting the developing countries of Africa, Asia and Latin America in particular.

149. The whole international community is more eager than ever to start conversations in order to prepare a new economic system that will meet the true needs and elementary requirements of human life. My delegation believes that this special session of the General Assembly is an outstandingly important one and should really be decisive in the history of the United Nations.

150. The brilliant statement of President Boumediène must serve as an inspiration to our deliberations. The wills besetting the world of today are the logical consequence of the faulty economic system that prevails—one that is based not on justice and equity, but on injustice and ambition. Our world is caught up in a struggle between two groups of contenders: the rich and the poor countries. It is a struggle without quarter, in which the rich countries try to perpetuate their domination over the poor countries, to the detriment of the latter. It is a struggle that has unleashed ghastly tribulations on entire nations of the world for many years. The wars waged in the Middle East, Viet-Nam and other countries of Indo-China are only the logical consequence of the overweening ambitions of economic imperialism. The obstinacy of the colonial Powers in perpetuating their domination over Rhodesia, Namibia, Angola, Mozambique, and so on, is but another manifestation of that same imperialist ambition to dominate.

151. In speaking of the ways of elaborating a programme of action that will put an end to the exploitation of the

developing countries, we could not overlook those countries that have still not even achieved their national sovereignty, bearing in mind the fact that the perpetuation of the colonial system in those countries is based primarily on the exploitation of their natural economic resources.

152. The world has suffered far too much. Let us now give it a respite; let us now weigh our acts and their consequences. There are millions of human beings dying daily of hunger and disease; there are nations desperately struggling to improve their balance of payments, and others that need greater investments to increase the quantity and enhance the quality of their products. And yet, the so-called wealthy countries apply against those poor countries a "one-way street" policy: that is, they receive but do not give. Why do we speak today of the rise in the price of oil? Is oil the first product that has risen in price? We do not believe so, because today we are witnessing the spiralling rise in the prices of all manufactured goods and all products coming from the developed countries, which leads to the accumulation of assets in those countries and the concomitant shortage of such assets in the developing nations.

153. For the first time now, there is talk that the developed countries have met to defend themselves against the rise in price of a natural product coming from the under-developed nations. We see no reason for such a thing to happen, especially when every month they balance up their products in order to raise prices to suit their own convenience, without taking into account the repercussions that will be felt in the poor countries. The price of any product in a developed country is four times its original price in a developing nation. Yet, despite the imperialist manoeuvres to monopolize the economies of a number of States, I am sure that those countries which practise this plundering and the policy of economic monopoly require, just as much as the poor countries, a restructuring of the present economic system.

154. Today we are witnessing a rapid process of devaluation of the dollar; and yet, the great plans to maintain the wars I mentioned earlier are still being followed, not to mention the plans for exploration of outer space, the manufacture of armaments, and so on. We speak here with open sincerity, and want to be understood in that same tone. The great Powers affirm that they are responsible for international peace and security. We therefore invite them, today, to think this over and to give us a favourable solution to this vital problem, because the key to peace and security in the world lies, indisputably, in the just distribution of economic resources.

155. The need is imperative and inevitable, and we the States Members of the United Nations must be fully aware of whether what we are doing today will be to the benefit or to the detriment of future generations. We have met at this special session of the Assembly to hold a dialogue, and not to force a confrontation. I do not agree that, as some have thought and stated, there will not be victors but only vanquished. I would say that if there is a confrontation that we are preparing here, then there will be neither victors nor vanquished. Each country is absolutely sovereign over its natural resources. This logical and natural affirmation has been confirmed by this Assembly, and thus a confrontation could lead only to greater disorder and chaos.

156. It is a fact that all countries can live on their own; but we do not want mere subsistence. We want development. Many countries have achieved their development thanks to their own natural resources and the natural resources they have received from other countries, because they utilized to the maximum the values of those resources. But the economic system prefabricated by the developed countries only affixes a minimum of value to the raw materials of the developing nations, which barely enables them to subsist. Once those raw materials are processed the manufacturing countries receive four times the original price for them, or even more.

157. We in the third world produce materials that benefit the wealthy countries, but once those products are sold to the manufacturers, they bring in four times what they brought in in their raw state. The wealthy countries thus become wealthier, and the poor poorer. Our raw materials have served to enrich the industrialized countries, whose inhabitants enjoy all the comforts of life, while the inhabitants of the countries producing those products live in humiliating conditions, die of disease, and at times cannot even afford to purchase the medicine and the food they require for survival. It is for this and many other reasons that my delegation endorses what many other delegations have advocated in order to put an end to this shameful exploitation of man by man. My delegation firmly hopes and trusts that this special session will devise the appropriate solutions to put an end to this lamentable situation prevailing in the relations between poor and rich countries.

158. In a world that is progressively organizing itself, the great changes both political and economic that are taking place today, and the very imperatives for the preservation of a true and lasting peace, bring home clearly to the countries of the third world the reasons for intensifying their action and for organizing more firmly their co-operation in order to lend a new meaning to their solidarity and thus ensure their participation in the settlement of the great international problems.

159. My delegation finds that achievement of the objectives set for the International Development Strategy is seriously jeopardized by the failure of the First United Nations Development Decade and the discouraging results of the first three years of the Second, now in progress. I believe it is unnecessary to assess the Strategy at the present time. However, the admitted failure of the Strategy can be explained by lack of political will on the part of the wealthy countries. That is what caused the lack of the international co-operation required.

160. My delegation believes that the positions adopted by the Governments of some of the developed countries, as well as the conduct of some transnational corporations and other monopolistic companies that have taken advantage of the plundering of the resources of the developing countries, have certainly not contributed to the establishment of a foreign economic situation that might help in the fulfilment of the objectives of the Strategy.

161. Now what we must strive for is true economic independence, eliminating foreign monopolies, with each nation knowing its own natural wealth and exploiting it for

the benefit of its own people. We, the countries of the so-called third world must now safeguard our own personalities. We must enrich and consolidate that independence through the effective exercise of national sovereignty against any attempt at hegemony. Thus we must reject out of hand any type of subordination or dependence and any interference in our affairs, whether political or economic.

162. In this regard, we, the countries of the third world, will be able to rest assured only when international security takes on economic dimensions that will guarantee to all countries the right to set up their own development programmes safe from any type of economic aggression or other forms of pressure. My delegation hopes that at this session the General Assembly will conclude its work by creating conditions conducive to true development and that it will put an end to all forms of domination and exploitation of the countries of the third world, proclaiming their right to regain their natural resources and utilize them for the benefit of their peoples within a freely chosen system of comprehensive development.

163. We must reaffirm the inalienable principle that all nations have the right to adopt the economic and social system they deem most appropriate to their development. The countries of Africa, Asia and Latin America hope that this special session to study the problems of raw materials and development—which was convened so appropriately on the initiative of President Houari Boumediène, the President in Office of the Group of Non-Aligned Countries—will enjoy the maximum success by reaffirming the inalienable right of their peoples to the full exercise of national sovereignty over their natural resources and over all domestic economic activities.

164. I think the need to set up a new world economic order is imperative today and is clearly felt in the developed nations too. Proof of that is the Washington Energy Conference that took place last February and the request of France that a study be made of energy materials in the Economic and Social Council.

165. We demand an order based on understanding, interdependence and tolerance and not on deception and imposition by pressure.

166. The absolute sovereignty of each State over its natural resources is of capital importance in the new economic system to which we aspire, and the respect of each State for that right is one of the factors necessary for the stability of peace, social progress and welfare. The President for life of the Republic of Equatorial Guinea, the Great Comrade Don Francisco Macías Nguema Biyogo, has in his public statements very often addressed himself to that subject. He has said, "The Republic of Equatorial Guinea requires the assistance of friendly nations, but under no pretext can that assistance override our national sovereignty". It is a fact that the countries of the third world do need help, but we do not want gifts. We want assistance, and not a new Marshall Plan for the third world. We want to be given what is just and necessary for our development, and not merely crumbs so that we may survive. We want our products to receive the same treatment as manufactured products.

167. Many delegations have addressed themselves only to petroleum. I grant you petroleum is an important product, but its importance in no way minimizes the importance of cocoa, lumber, coffee, bananas, and so on, for many countries and for the international community as a whole. The importance of each product is very significant to each country, so spurning it is tantamount to condemning the producer countries to a permanent state of misery. The new international economic system should be set up to consider each product separately, and give it the importance it deserves.

168. The countries of the third world should organize themselves during the phase we are now entering and do away with the barriers between them and with the obstacles that stand in the way of their economic development, whether based on political considerations or on natural causes.

169. The new international economic order should recognize any type of regional, continental or world-wide economic alliances intended to protect the value of natural products on international markets against any policies of a State or group of States which tend to monopolize the market. May I say that it is lamentable, for example, that one kilogramme of cocoa, which has a standing value in Equatorial Guinea of \$US 1.50, is, when processed, sold back to my country for \$US 5.

170. We must defend the value of our products and the dignity of our independence if we wish to change the course of present events in the field of trade. That is a logical and natural right in view of the injustice committed against our countries over the course of history. But, as we know, history is made by man and that is why we invite our friends, men of the countries of the first and second worlds, to think as men and together with us give a new horizon to our society, so that if the price of petroleum or cocoa has to be raised or lowered, it can be done without harming any country.

171. The new system must be oriented in such a way as to eliminate the economic barriers that are set up against States and to supply States with all the products they need without any type of advantages given to one but denied to another.

172. The appointment of a committee to study and work out raw materials prices and to control them could be most beneficial to the world economy if each State were to agree to it. The elaboration of special programmes by such subsidiary organs of the United Nations, as UNCTAD, the United Nations Industrial Development Organization, the United Nations Development Programme and the United Nations Educational Scientific and Cultural Organization and co-ordinated by the Economic and Social Council with a view to assisting the less developed countries that are suffering from the discrimination imposed on them by the present international economic order would surely be another great step forward.

173. Bearing in mind this harmful situation, which is so damaging to the balance of the world economic system and to co-operation among nations, my delegation believes that the United Nations should redouble its efforts to achieve the establishment of healthy conditions that can better be adapted to the requirements of development and should adopt just measures to preserve the balance of the international trade system and co-operation among nations.

174. May I conclude by once again inviting all Members of the United Nations, and particularly the industrialized nations, to give this special session of the General Assembly sufficient means to achieve its ends. Let us bring to bear our will, our understanding and our co-operation so that all nations of the world, the most prosperous and the least favoured, can share their products, instead of the former being an island of wealth in an ocean of poverty.

The meeting rose at 1.25 p.m.