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President: Mr. Leopoldo BENITES (Ecuador).

AGENDA ITEM 7

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

1. Mr. ROA (Cuba) (*interpretation from Spanish*): A very wise and timely initiative on the part of the President of the People's Democratic Republic of Algeria, Houari Boumediène, led to the convening of the sixth special session of the General Assembly, which has already become historic.

2. This initiative, which Cuba hastened to support fully because of its timeliness, flowed from the deliberations of the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held in Algiers in September 1973. The events that followed that important meeting and those that were to come a little later—acute expressions of the global conflict between the imperialist system and those who are struggling for independence and development—made it imperative that the urgent problems raised by colonialism and maintained by imperialism in Africa, Asia and Latin America be discussed in this forum.

3. However, before continuing my statement, I should like to express our happiness to the Ambassador of Ecuador, Mr. Leopoldo Benites, on his election to preside over our debates. The Cuban delegation will not stint its support and co-operation.

4. The Cuban delegation also sadly shares the sorrow of the Austrian people and Government on the death of their highly esteemed President.

5. When stressing the historic nature of this special session of the General Assembly I was not referring to the results—which are still in the process of taking shape—but only stressing the timeliness and the importance of this world-level discussion between the countries which are still suffering from colonial, imperialist or neo-colonial exploitation, the emancipated countries which are building their development on an independent basis or have chosen the socialist road to development, the capitalist countries which lack any responsibility for the colonial despoiling of others and the colonialist, imperialist and neo-colonialist countries.

6. I think it would be appropriate to stress from the very outset that the existing differences between the exploited and emancipated countries and the exploiters are more evident than ever and the class interests in the economic structure of contemporary society becomes increasingly more combative. Fascism has even been reborn in countries of under-developed but dependent capitalism.

7. That complex interweaving of disparities and antagonisms is the true picture of the world of today, and not the series of artificial categories referred to by the United States Secretary of State, for whom there are no longer such things as developed and under-developed countries. "Interdependence" has done away with all that and, therefore, "No nation or group of nations can gain by pushing its claims beyond the limits that sustain world economic growth." [2214th meeting, para. 47.] Stated purely and simply that means that imperialist frontiers of domination and exploitation are sacrosanct. Whoever tries to cross them will have to bear the consequences. Thus we see that international co-operation, the "common enterprise to which we are all committed" and "interdependence" in this "equal" world where confrontations are senseless are reduced to this.

8. I do not think it is amiss to stress this fact. Interdependence among nations cannot exist while some try to perpetuate the dependency of the non-colonized or neo-colonized countries, to uphold the predominance of the multinational monopolies and to institutionalize unequal exchange.

9. The very clear-cut diagnosis made by the Algiers Conference in its Economic Declaration becomes even more valid:

"...imperialism is still the greatest obstacle to the emancipation and progress of the developing countries which are struggling to achieve standards of living compatible with the most basic standards of well-being and human dignity."¹

10. From the very outset, Cuba was at one with the measures adopted in exercise of their sovereignty by the Arab oil-producing countries. Those countries have exercised their right to adjust the prices of basic raw materials in a way unprecedented in history.

11. But the historic dimensions of this timely action go far beyond its immediate purposes. It is a decisive event in the struggle for liberation and development. The Arab oil-producers presented a common front and were able to challenge the omnipotence of the monopolies and the

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

imperialist States which have exploited them for centuries, wantonly plundering their wealth and unscrupulously interfering in their domestic affairs even to the point of subversion. When they adopted that decision and put it into effect they gave an example of truly effective action in the battle of the under-developed countries to put an end to the unequal trade relations and the growing deterioration in their terms of trade which capitalism imposed on the colonial and neo-colonial world in the field of international trade. The disarray and the acrimony created by this instructive step was due to the fact that for the first time the setting of prices for raw materials escaped their grasp.

12. This very fair and just step gave rise to aggressive words that cannot be overlooked. As someone said in this hall, it is not a question of the strong trying to impose their opinions. For centuries there were always what Mr. Henry Kissinger called “the strong”, which are none other than the imperialists and the colonialists. They not only imposed their opinions but also exploited, plundered and decimated mankind—in other words, the weak. Now when peoples are no longer weak, now when they unite, now when they use their resources, the Foreign Minister of North American imperialism tries to threaten them and to hold them responsible for jeopardizing world prosperity.

13. Moreover, it is symptomatic that Mr. Kissinger restricted the purposes of imperialist reformation to relations with the oil-producing countries. It is to those countries that he offers assistance to widen the base of their economies, to help in transmitting technology and to open to them the North American capital market. It is also to those countries that he offered “... a greater role ... in international financial organizations as well as an increase in their voting power” [2214th meeting, para. 63].

14. But, again, that is not what we are talking about. It is not only the powerful oil-producing countries in the under-developed world that have the right to what imperialism is granting them as a concession. The under-developed oil-producing countries have not taken up the cudgels for themselves alone. Those countries are part of the non-aligned movement. They are also part of the progressive and anti-imperialist forces.

15. The attempt of Mr. Kissinger to divide those forces by coming to agreement with the oil-producing countries, while keeping the rest of the under-developed world in its oppressed situation, must be doomed to failure. The solidarity of the under-developed countries, based on their common interests and goals, has never been as tight as it is at this crucial moment in their destiny.

16. The basic question confronting the third world today is its liberation and development. The basis for its economic relations with the developed capitalist world rests on privileges, exactions—tourniquets, I would say—and the subterfuges of imperialism and neo-colonialism. These are different cogs in the machinery that guarantee and promote a perpetuation of this system established during the period of colonial expansion. Their hegemony over the raw-materials markets, their virtual monopoly over the manufacture of industrial products and capital goods, and their control of the international financial institutions have allowed them at will to impose unequal terms of trade and

to ensure the evolution and the trends of world trade, characterized by obstructionist and discriminatory policies, in favour of the interests of the great consortia and to the detriment of the under-developed and socialist countries.

17. The expansion of international trade in these circumstances has only led to an exorbitant enrichment of the developed capitalist countries at the expense of a proportionate impoverishment of the under-developed countries.

18. The replacement of that unjust and anachronistic type of relation in international economic affairs is now imperative. The spokesmen of the under-developed world and of the socialist sector have agreed on this pressing need. Cuba endorses that demand.

19. Without a true change in that structure of economic relations, liberation and development are seriously hamstrung. Furthermore, the achievement of both objectives depends wholly on concerted action to achieve such a change from both within and outside the under-developed countries. It is an inevitable pre-condition to start with the necessary domestic structural changes and jointly to impel the structural changes on the international economic field in order to achieve the goals we aspire to. The majority of the under-developed countries have already arrived at a sufficient degree of awareness and maturity to undertake that heavy burden and task, which calls for a position of militant struggle against imperialism.

20. The most important fronts in this battle include those that have already been set up in the last few years by the under-developed countries when they put forward their claims regarding international trade, development financing, the monopolistic and multinational enterprises, the transfer of technology, the reform of the international monetary system and the defence of the nations' sovereignty over their natural resources.

21. The burning subject of international trade is that of raw materials, to such an extent that it has led to the convening of this special session of the General Assembly devoted to that specific question.

22. Obviously, pride of place today is given to oil. Cuba's solidarity with the oil-producing under-developed countries with regard to their policy of demanding a fair price for their oil has been made very clear. Suffice it now for me to applaud the decision announced by those countries, and already implemented by some of them, to the effect that with their financial surpluses they will help the under-developed countries, particularly those whose balances of payments have been subjected to severe strains.

23. It is to be presumed—or should I say “desired”?—that, in keeping with the principle of non-alignment and its very dynamism, these claims should be directed to the oil monopolies that are still reaping fabulous profits, which is proved by the information recently published regarding the operations of Exxon, Royal Dutch Shell, Mobil, Texaco, Gulf Oil, Standard Oil of California and British Petroleum. These capitalist giants still want to make use of the rise in prices for their multiple clandestine manoeuvres and would strengthen American control over replacement sources for energy.

24. It would be naive to believe that imperialism will give up its designs of retaining a key position in the world economy. It will turn to all means and use all formulas. As the Prime Minister of the Revolutionary Government of Cuba, Commander-in-Chief Fidel Castro, pointed out in the statement he made during the tribute paid a few days ago by the Cuban people to the Algerian President, Houari Boumediène:

“The developed capitalist countries are trying to elaborate a formula to handle the financial resources that are to be received by the under-developed countries having abundant energy resources by manipulating them through imperialist banks and through international financial organs that they themselves control. And thus it is most important to be alert and to stave off, at all costs, those imperialist plans.”

25. The export of raw materials, as we all know, represents the strategic variable of the under-developed countries. It is the source of the foreign-exchange income that they need to continue, and it is the most important potential resource for their development plans. The consideration of the evolution of the prices and volume of exports of those products has therefore acquired a priority nature in international discussions on development.

26. The raw materials exported by the developing countries face obstacles that are the result of deep-seated phenomena that occur in the world capitalistic production system. Some are affected by limitations on demand; others by technological progress. But those difficulties are aggravated by the discriminatory policies of the developed capitalist countries, which set up customs and non-customs barriers to deny the under-developed areas access to the world raw-materials market. The aim of this policy is to protect their domestic production, which could then compete advantageously with the production of the under-developed countries. It is therefore an artificial, unjust and uneconomic situation which affects the entire spectrum of the export products of those countries.

27. At the very heart of this intricate problem, the confrontation is not between different commercial and technical interests, but between antagonistic categories that are generated by the very nature of the capitalist régime, and which, despite their complexity, can be summed up in a single phrase that is both well known and definitive: unequal terms of trade. That expression clearly defines the predominance of a full-fledged economic colonialism which forces the countries of the third world to sell cheap and buy dear, to produce more and receive less, and to work more and be paid less.

28. Thus Cuba supports and actively participates in the struggle of those countries that are seeking solutions to the difficulties they face in the sale of natural products that have to face competition from synthetic products. We support them in the struggle to improve the situation of the production of food products such as coffee, cocoa and tea; to facilitate access to the world's markets, in remunerative conditions, of agricultural products that are protected by the developed capitalist countries, such as sugar, grain, meats, citrus fruits, tobacco, oil-bearing seeds and vegetable oils; and to solve the complex problems that affect the export prices and volumes of mineral ore and metals.

29. The impact of the trade policy of the developed capitalist countries on the economies of the third-world countries assumes devastating proportions. The prices of food-stuffs, of capital goods and of services have multiplied constantly during the last few years. The process of decapitalization has been increasing by leaps and bounds. The profits produced by the outflow of capital reached \$23,000 million in 1965, but the upward curve has continued with equal if not greater momentum. And if to this we add that the foreign debt is close to \$90,000 million, with \$9,000 million required annually to service that debt, we get a fairly accurate picture of one of the most sombre aspects of the economic and social plight of the third world, oppressed even more by the dreadful drought afflicting the Sahelian region of Africa.

30. Although primary responsibility for financing development falls to the countries of the third world, it is obvious that accelerated development calls for external financing; and thus we must differentiate very clearly between the self-styled policy of international co-operation of the imperialist countries and the type of financing that does not delay or obstruct the process of liberation and development—that is, which breaks the vicious circle of economic relations prevailing at present between the developed capitalist countries and the under-developed nations. We know far too well from our own experience that the structure of the international economic order today was gestated by foreign centres of power which gobble up the slightest returns and profits from international trade. That is why Cuba's proposal for external financing is based on minimum interests, long-range and adequate grace clauses being given by organs that do not take orders from the trade banks and the exactions of capital, be it private or public, coming from the capitalist countries—financing that will be free from the financial practices of a colonial system.

31. Cuba is radically opposed, therefore, to foreign private investment being used as an important factor in development. Experience has taught that that type of investment accentuates the structural distortions of the economies of the under-developed countries, consolidates their external dependency on the imperialist centres, drains their natural resources and exploits their national labour force.

32. However, let us state as an irrevocable principle that the colonialist, imperialist and neo-colonialist countries, which are mainly to blame for the tragic pauperization, plundering and dependency of the third world, are obliged to return the wealth that they have taken from the under-developed countries, or at least indemnify them for the plundering that has taken place and for the damage done.

33. The so-called multinational or transnational enterprises have no Little Red Riding Hood to deceive, like the wolf of the fairy tale. Their publicity approach is the clumsy disguise worn by classical monopolies with the presumed aim of engaging in international contraband without arousing suspicion. But it is very different from a situation in which, possessing a vast fund of resources, it operates on a diversified productive and geographical basis. It acts upon the developed and under-developed nations and devotes itself to industrial manufactured goods, and it

can break goods down into as many parts as necessary to assign the manufacture of each to the country where the unearned increment is most “juicy” so as to assemble them in a finished product from which they again milk maximum profits.

34. This disguised consortium is particularly dangerous for the countries of the third world. Although it follows the same pattern of exploitation that has been carried out by the notorious imperialist monopolies, it very often behaves with a certain subtlety by creating mirages. When, for example, it operates in the manufacturing field, instead of contributing, as might appear at first blush, to economic diversification and development, it is merely hammering in the nails of foreign dependency.

35. But the greatest danger lies in its unrestrained mission to interfere in the affairs of the under-developed countries, with malignant efficiency and the complete support of imperialist States, practising its odious policy of pressure, interference and subversion.

36. No case could be more illustrative than that of Chile. The great Yankee multinational enterprises such as International Telephone and Telegraph, Anaconda Copper, Kennecott Copper and Bethlehem Steel, in collusion with the Central Intelligence Agency, Chilean reaction and the armed forces, plotted the bloody Fascist coup that overthrew the Government of Popular Unity, presided over by Salvador Allende, who fell heroically in that unequal battle. But let us bear that in mind. The struggle against the multinational enterprises is an indissoluble part of the struggle of the third world for liberation and development.

37. One of the most serious problems confronting the under-developed countries is that of the obstacles placed in their way by the developed capitalist countries to stop access to scientific and technical know-how, and, additionally, the brain drain that follows. Because technology is one of the factors giving impetus to development, its transmission, in appropriate economic conditions, calls peremptorily for a solution. The high cost imposed on the countries importing technology becomes enormous profits for the monopolies. But in this field the developed capitalist countries are getting close to the twenty-first century, yet the majority of the under-developed countries of Asia, Africa and Latin America are still lagging on the threshold of the present century and some have hardly crossed that threshold into contemporary civilization.

38. The genuine solution to this acute problem is doubtless that the transfer of technology should be carried out as a principle of international co-operation and not as a capitalistic business.

39. We have to allude to the monetary crisis now buffeting the capitalist countries that broke out when the United States Government unilaterally decreed the inconvertibility and then the devaluation of the dollar, inexorable corollaries of its policies of foreign investments, of strengthening its military apparatus and the abject war of aggression against the Indo-Chinese people. That crisis, which is closely linked to, and adds to, the galloping world inflationary spiral, has severely affected the under-developed nations, many of which saw their resources dimin-

ished and the cost of their imports increased and, generally speaking, have felt the negative effect of the instability which today is a feature of the international foreign exchange rates.

40. Cuba must insist that solutions to the international monetary crisis, if we are really to give priority to the needs of the under-developed countries, must be found outside the tottering structures and the discredited creations of the United States and the imperialist Powers that were devised for their own benefit in Bretton Woods in contemptuous disregard of the rest of the world. The International Monetary Fund, an obsolete and exclusivist machine, can never create a satisfactory solution to the monetary, commercial and financial problems of our day.

41. Cuba wishes to state its readiness to co-operate in any plan of reform to the international monetary system, open to participation by all countries, that will take account of the interests of all States and that will in particular contribute to a solution of the problems of the under-developed countries. It is high time to abolish the humiliating and onerous privilege of being the world's banker that one country arrogates to itself.

42. There can be no doubt that the struggle of the third world for its economic demands is part and parcel of the struggle against colonialism, imperialism and neo-colonialism. The most conclusive proof of this is that the progress that could be achieved in the prices for raw materials can only truly benefit those countries that have nationalized their strategic export sectors, thus preventing any improvement in the terms of trade from helping to increase the profits of the imperialist monopolies.

43. President Boumediène stated from this rostrum “nationalization in itself constitutes an act of development” [2208th meeting, para. 92]. This motto in this context acquires all its meaning.

44. Experience shows that nationalizations carried out by under-developed countries—as an act of reaffirmation of sovereignty and as the unavoidable motive force behind development—usually meets an immediate reaction from imperialism, a reaction that goes from threat to blackmail, from subversion to aggression, from intervention to blockade.

45. Cuba can testify, with a copious repertory of ugly proofs that this is the usual policy applied by imperialism against the countries that struggle to liberate themselves from under-development and dependency.

46. The dirty policies of economic blockade and trade embargo imposed illegally and criminally against Cuba by the Government of the United States is too well known, and it was applied as an unworthy reprisal because Cuba fully regained its independence and nationalized its natural resources and chose the socialist road to development.

47. It is precisely for these reasons that Cuba submits to this Assembly the following two proposals: first, energetically to reaffirm the right of all States to permanent sovereignty over the totality of their natural resources, both on land and in the sea, including those that are on the

sea-bed and in the subsoil thereof, as well as in the superjacent waters within their national jurisdiction; and secondly, to declare that actions, pressure, sanctions and exactions, direct or indirect, perpetrated by one State, by multinational enterprises or by any other entity, against a State involved in profound structural changes in the economic and social fields or in the exercise of its permanent sovereignty over its natural resources, are contrary to the Charter of the United Nations 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)*], and steps which at the same time threaten international peace and security.

48. Cuba is not evading the question of dialogue as proposed. We will speak, as usual, openly and frankly. Cuba does not oppose a constructive dialogue to solve the problems of mankind. But when to that dialogue we are invited, while Fascist and tyrannical policies are applied in Latin America, when Puerto Rico is subjected to colonial domination which its people reject, when Israeli Zionism is turned into a weapon to make the Middle East a sphere of imperialist influence, when the racist régimes of South Africa and Rhodesia must be preserved at all costs, when the under-developed world is offered investments by multinational enterprises that plunder arrogantly and ignore sovereignty, when, in a word, the dialogue is an effort to disguise imperialism, then grandiloquent rhetoric is not enough to make acceptable a merchandise that is all too well known.

49. The third world has got to the point where the need to elaborate its own strategy to face imperialist strategy is imperative. There is no other choice.

50. In the statement that I mentioned earlier, the Prime Minister of the Revolutionary Government of Cuba, Commander-in-Chief, Fidel Castro, said the following:

"It is necessary that the closest solidarity be developed between the countries of the non-aligned group, on the basis that Comrade Boumediène defined in the United Nations: national independence, the recovery and revaluation of natural resources and the equitable distribution of social wealth. And, it is for this reason that we press the need to tighten solidarity among the non-aligned nations on the basis of these principles: to engage in a forceful struggle for the prices of raw materials that are produced by the under-developed world; to struggle resolutely to create new terms of international trade in the world, and to put an end—because an end must be put, because it is a just demand, and because it is the need of the peoples and of history—to the unequal terms of trade between the developed capitalist countries and the under-developed nations. We must with determination oppose the divisionist policy of imperialism in the non-aligned nations. We have to devise formulas so that the benefits in this struggle will be shared by all the under-developed countries. We will have to widen the front against imperialism, against unequal trade and exploitation, which includes the efforts of the non-aligned nations, the countries of the socialist camp and all the progressive forces of the world. Because union is necessary, co-operation is required in order to overcome the formidable

obstacles which imperialism, exploitation and neo-colonialism, place on humanity's road towards progress. The road will be long, the struggle will be hard, but the people will win."

51. The dramatic failure of the International Development Strategy that was carried out under the aegis of the United Nations is visible to all. The fact that it has hardly been mentioned from this rostrum proves irrefutably that history has condemned it to oblivion. As Cuba has stated often, this expedient has resolved nothing and will resolve nothing. The gap between the developed capitalistic countries and the countries of the third world has become wider daily. The answer that these countries are giving to the challenge of under-development is now becoming open and energetic and timely. As President Boumediène stated during his official visit to Cuba in the speech he made from the rostrum of the Moncada Barracks, which is now a school and which faces the hills of the Sierra Maestra:

"The non-aligned nations, the third world as a whole, are committed to a question that is full of promise: the fact that we are now aware of our implacable desire to win in the struggle we have undertaken with the unequal forces of exploitation and domination. Our struggle against under-development has taken a historic turn. Its significance has become decisive in the world debate that is now taking place."

52. The very clear and lucid awareness, and that unshakable will to which President Boumediène referred, are also unequivocal signs that under-developed mankind is now aware of the fact that it must ready itself for the struggle to regain the decision-making power as far as it is concerned, and therefore to consolidate its full independence and to lay the bases for its economic development, its social progress, its cultural affirmation and its human dignity.

53. The process of liberation and development of the third world is now entering its most crucial moment of unity, solidarity and combativeness. Country or death! We shall overcome!

54. Mr. NXUMALO (Swaziland): Mr. President, before I proceed to make my statement, may I, through you, extend to the delegation of Austria my delegation's profound sorrow and shock at the untimely death of Franz Jonas, the President of Austria. Our expression of condolence is directed not only to the Government and the people of Austria, but to the Secretary-General, Mr. Kurt Waldheim, whose country it is that is in mourning, and to all States Members of the United Nations which depend so much upon the leadership of the Secretary-General. The late President's absence will be missed by us all.

55. Mr. President, may I at the outset take this opportunity to associate my delegation with all the compliments addressed to you since the opening of this special session of the General Assembly.

56. This Assembly has been convened as a result of very serious developments in the international economic scene—developments which have reached crisis proportions and which, as I see the situation, will leave the world economic

order very different from that which we have come to accept, rightly or wrongly, as the basis of economic relations among the nations of the world, be they large or small.

57. This special session has been convened with the primary object of finding solutions, and, I believe, concrete, workable and practical solutions, to the crisis facing us right at this moment.

58. In itself the gesture of convening this session of the General Assembly, as it happens, by one of our sister developing nations, is an affirmation of our abundant faith in the United Nations as a medium of collective endeavour to solve international problems. My delegation would like to place on record its great appreciation of the courageous initiative of the Government of the People's Democratic Republic of Algeria in convening this special session of the Assembly. It now lies with all of us gathered here to ensure that this initiative leads to fruitful results.

59. One of the corner-stones of the United Nations is the fundamental principle of the equality of nations. In political and conceptual terms, one could say that this equality is now a reality of sorts. But it is obvious that the equality of nations in its fullest meaning cannot be a reality as long as economic inequalities persist in the world.

60. The problem of the ever-widening economic gap between the industrialized nations of the world and the developing nations has been a subject of concern to, and discussion by, the United Nations through its various specialized agencies. It has been and continues to be discussed in many other international forums.

61. It is, however, rather distressing to note that, in spite of all the sympathies that have been so often heard expressed for the developing countries, and in spite of the numerous highly inspired declarations in world forums, so little has been achieved by all the efforts hitherto made to slow down the pace of the widening development gap between the rich and the not-so-rich countries. The reason for this poor performance is, in my view, primarily because of the lack or absence of the necessary political will to implement faithfully the decisions taken collectively in the various international forums. As a result, what has been done has been done either grudgingly or half-heartedly.

62. It is, therefore, my delegation's most fervent hope that this session will mark the turning point in our efforts to evolve a basis for a new economic order and that from this session will emerge practical proposals for tackling the long-standing problems of human development.

63. We are faced with very serious and difficult practical problems and these problems call for concrete and pragmatic solutions. The problems are of a widely varying nature, but in total they weigh very heavily on the shoulders of developing nations.

64. While the problems are, generally speaking, of equal importance, my delegation will concern itself with a few that it considers of such significance as to call for urgent and immediate attention.

65. I begin with trade barriers. One of the most basic problems underlying the developing nations' inability to make adequate advances in their industrialization efforts has been the lack of adequate and remunerative markets for their products, especially tropical raw materials in unprocessed or semi-processed form.

66. This does not mean that markets do not exist. They do. But the developed nations' policies relating to the access of such products to their markets have in many cases hindered or discouraged exports. Under these policies, barriers in the form of high tariffs, quota restrictions, monopolistic practices, domestic pricing policies and controls, and numerous other non-tariff measures have constituted effective barriers to the developing countries' products.

67. The free and unrestricted access of all our products to the markets of the industrialized nations should be the basis of the new economic order. Only in this way, I venture to say, can we hope to accelerate the development of the economies of the developing nations.

68. It is further my delegation's view that preferential treatment of our products should be extended unconditionally and without ties. It should, for instance, be based on the principle of non-reciprocity.

69. What I am suggesting, therefore, is the total elimination of trade barriers in whatever form they may exist. This will create guaranteed markets for our products, which in turn will have the effect of inducing sustained growth in our economies. Unless the principle of free access of our products to the established markets of industrialized nations is adopted as a basis of trade, it is, in my delegation's view, very unlikely that our goal of diversifying and further developing our economies will be achieved.

70. Another vital issue is that of the stabilization of our export earnings. One of the most serious problems facing the economies of the developing nations has been the unpredictable fluctuations of commodity prices in international markets, and especially affected are usually the primary commodities which are the subject of this session. These commodity price fluctuations have played a very destructive role in the economies of developing nations, especially in respect of these countries' terms of trade.

71. It is my delegation's view on this problem that a formula should be found whereby primary commodity prices can be regulated so as to ensure their stability at levels that are sufficiently remunerative to the exporting countries. Furthermore, whatever formula is devised should aim not only at the stabilization of prices but also at ensuring sustained growth in our countries' export earnings.

72. It has been suggested that this could be achieved by the setting up of price-stabilization schemes and rationalized commodity-marketing arrangements, such as individual commodity agreements. My delegation endorses these proposals in principle. But as this is a complex subject, it is my delegation's view that a thorough study by experts should be undertaken so that a practical and equitable system can be evolved.

73. As a result of the efforts of the United Nations through its specialized agency, the United Nations Conference on Trade and Development [*UNCTAD*], a new scheme intended to promote exports from the developing countries has been introduced and has been in operation now for a number of years. This is the generalized system of preferences. As a concept, this scheme is to be greatly commended. I regret to have to say that many of the developing countries whose exports the scheme is purported to assist have found that the implementation of the scheme has, to date, left much to be desired. It is needless to point out that a number of major trading nations have not adopted the scheme, which is regrettable and disappointing. Even those countries which have adopted the scheme have offered a limited range of eligible commodities for the scheme. Moreover, in many cases the margins of preference have tended to be very small indeed. A greater effort to make the scheme more effective is called for on the part of the developed nations.

74. Let me now turn specifically to the question of raw materials. Some aspects of the problem have been covered in the preceding paragraphs of my statement. First, as developing nations we are particularly concerned with the question of the effective and efficient utilization of our raw materials as a basis for fostering industrial development in third-world countries, or where this is not possible, to sell these materials at fair remunerative prices.

75. On this point, particular note has to be taken of statements made to this Assembly suggesting, among other measures, the greater local processing of raw materials. It is hoped that effective programmes will be undertaken to make these proposals possible and that such programmes will have the full support of the industrialized nations that have hitherto shown little or no interest in the local processing of our raw materials.

76. In asking for fair and remunerative prices for our raw materials, we are aware that the pricing of raw materials has a bearing on the prices of final manufactures. In this respect, it is hoped that the industrialized nations will, as far as possible and in order to control inflation, restrain their manufacturers from raising prices of final products in response to rising raw-materials prices. Developing countries have for a long time been selling their raw materials to the industrialized countries at low prices. It is my delegation's view that the economies of the industrialized nations can absorb considerable raw-material price-increases without the necessity of introducing corresponding increases in the prices of final products. The leaders of the developed nations can—and we ask them to do so—exercise restraint on their countries' manufacturers in this respect.

77. Another reason for our concern that we should be paid fair and remunerative prices for our raw materials is the disconcerting fact that for many developing nations raw material resources are or will soon be getting depleted. Such countries will face serious economic consequences, such as loss of employment by nationals and loss of foreign exchange, with many resultant problems. These countries have in the past earned much less than fair prices for their raw materials and it, therefore, seems to me just and fair to ask that special assistance be given to those countries by the developed nations.

78. Another serious problem being faced by developing countries on raw-materials exports to industrialized nations is the latter's domestic marketing policies, which tend always to work at the expense of the exports of the former. I am referring particularly to subsidies and price-support measures which are protectionist in nature and result in the surplus production of commodities which are in competition with the primary products of the developing countries. It is my delegation's submission on this problem that these domestic price policies should be formulated in such a way as not to work at the expense of the exports of the less developed nations.

79. I should at this point like to draw the attention of the Assembly to the problems of certain disadvantaged developing countries. Hitherto the United Nations has categorized certain developing countries as "least developed". The basis of the classification has been the gross national product of these countries. I am not too certain in my mind that the use of gross national product figures alone to determine the state of any particular country's needs is realistic. It would appear to me that there are other important considerations that ought to be taken into account. I have in mind, for example, such factors as geographical location, size and in some instances political circumstances. I am putting before this Assembly the plight of small countries, such as mine, whose land areas are tiny, which are land-locked, and whose populations are too small to form home market bases for their products. These countries' economies are entirely export-oriented and, therefore, most vulnerable to international monetary fluctuations and world inflationary pressures. While for larger countries these factors can and do have serious repercussions on their economies, for the small countries the international changes of fortune always, and invariably, mean absolute disaster.

80. I should like, therefore, to submit that the United Nations and its agencies as well as the developed nations, individually and otherwise, ought to pay special attention to the problems of those nations whose peculiar circumstances, whether their size, geographical location or peculiar political circumstances, place them and their economies at a disadvantage vis-à-vis other trading nations. I suggest that special assistance programmes be made available to these countries and that the present classification of "least developed", based as it is on gross national product calculations, be not made the sole basis for qualification for this special assistance.

81. Two other problems of major importance have been dealt with, perhaps more competently than I can hope to do myself. These are world inflation and international monetary instability. Therefore I will only record my delegation's unreserved endorsement of the views expressed here on the dire and urgent need for immediate collective action to evolve effective ways and means of stabilizing the international monetary system and of controlling what has been described by others as the world's "galloping inflation".

82. The question of the transfer of technology from the industrialized nations to the developing countries is also considered by my delegation to be of great importance if the developing countries are to accelerate the pace of their

industrialization. Difficulties are being experienced by developing countries in obtaining patent rights and other industrial property registered in developed countries. It is my view that the standardization of procedures for the international exchange and transfer of technology, combined with effective efforts by the developed countries to promote the transfer of technology, would go a long way towards accelerating the acquisition of this badly needed know-how and technology by the non-industrialized nations.

83. Before concluding this presentation, I should like to express my delegation's appreciation of the concern shown here by the oil-producing nations about the very serious effects of the recently reviewed oil prices on the economies of the developing nations. As my country is one of those affected, my delegation is greatly encouraged by the proposals made here to make funds available through various channels to assist the developing countries. My delegation supports these proposals, in particular in the context of paying special attention to the problems of the least-developed small land-locked countries.

84. I have already highlighted the general problem of these countries and, in particular, pointed out their vulnerability to international economic vicissitudes. It is, for these countries, crucial that, whatever measures are introduced to alleviate the hardships caused by the current world crisis, these measures should be practical and immediately available. Weak economies cannot carry the present burdens for any prolonged periods. Urgent action is, therefore, called for, and I hope it will be forthcoming.

85. Finally, let me reiterate my hope that this Assembly will produce a concrete and practical programme of action and that it will not turn out to be just another of those meetings in which pious hopes and imaginative but impractical ideals are enunciated. What we need in times of crisis, such as this, is brutal pragmatism, but, above all, there must be genuine political will to achieve the goals we shall set ourselves at the end of this session of the Assembly.

86. Mr. MAGHUR (Libyan Arab Republic) (*interpretation from Arabic*): It was with great sorrow that we heard of the untimely death of the President of Austria, Franz Jonas. On behalf of my delegation, I express my condolences to the Austrian delegation to the United Nations.

87. Allow me to express my personal felicitations and my delegation's sincere congratulations to you, Sir, upon your election as President of the sixth special session, which has been convened to discuss the problems of raw materials and economic development. The fact that you are a distinguished son of Latin America adds even greater significance to the participation of the third world and its leadership of the international community at this most crucial moment in the history of mankind.

88. The Libyan Arab Republic participates in this special session of the General Assembly with a positive and constructive spirit, based on a profound commitment to helping to solve the problems presently facing mankind. In our view man has been and always should be the central concern when dealing with issues affecting this world.

Therefore we feel that the primary goal of this session must be the realization of more prosperity for mankind. We cannot approach the topics of the session outside the context of all circumstances which have contributed to the present chaotic state in international affairs.

89. The problem of raw materials and development is not a new one; it has its roots in the early days of colonialism. During that period, the continents of Africa, Asia and Latin America, the principal suppliers of raw materials, were exploited and plundered by the colonial Powers without consideration for the welfare of the colonized peoples. The colonialist Powers used the primary commodities to produce manufactured goods, which they sold to the colonized at exorbitant prices. In this way, they were able to achieve a faster rate of growth and a higher level of affluence for their peoples and countries at the expense of the colonized peoples.

90. The discrepancy between the prices of the industrialized commodities and raw materials was formalized and became the standard practice and policy of industrialized nations. This inequitable relationship made it impossible for the developing countries to benefit from their export revenues, while the industrial countries used their trade surpluses to power their high rate of growth.

91. The situation became even worse since the industrialized countries made little effort to bridge the gap between themselves and the developing countries. In cases where aid was given, it was negligible and the conditions were at variance with the principles of equitable and free coexistence among nations.

92. The monopolistic commercial and industrial enterprises operating in the developing countries exploited the natural resources of these countries for the sole purpose of increasing their profits and capital surpluses. Cartels were established in order to eliminate any competition and further to dominate the operations of extracting, processing and marketing, thus controlling the raw materials from their subterranean sources to their consumers. As a result of this situation, monopolistic enterprises were able to fix prices of primary commodities at every level of the production process and minimize the already meagre revenues of the developing countries.

93. The developed countries were not satisfied merely with strengthening their economies at the expense of the peoples of the third world but they also instituted practices that contributed to the deterioration of international economic order. One of the gravest consequences of these actions is the present international monetary crisis. There is little doubt that the principal causes of this crisis are, first, the disequilibrium in the balances of payments of the Western industrial countries and, second, their pursuit of inflationary policies through irrational spending.

94. The United States, in order to adjust the deficit in its balance of payments, resorted to ending the convertibility of the dollar into gold at the established parity and took further steps in an attempt to protect the dollar. The dollar was devalued in 1971 and 1973. This step resulted in the aggravation of the international monetary system. After the devaluation, the world expected a decrease in the prices of

industrial goods, but the contrary happened; the price of industrial goods soared, while the prices of the raw materials remained stable.

95. The industrial countries, in their blatantly exploitative policies, have not confined themselves to the support of their monopolistic corporations when these have meddled in the domestic affairs of developing countries; more than that, they continue to obstruct the right of peoples to exercise sovereignty over their natural resources. The imperialist Powers are denying the right of peoples to self-determination through their support to the racist and colonial Powers in Africa and Palestine. The world has witnessed, during the latest Zionist aggression against the Arab nation, the collaboration and assistance provided by colonialist Portugal to the Zionists in providing landing and transport facilities for the biggest and largest military air lift ever undertaken by the Americans since the Second World War in order to deliver the most modern and sophisticated armaments to the Zionists. The oppression practised by racists and Portuguese colonialists in Africa and their continued aggression against the sovereignty and territorial integrity of the independent African States are well documented in this Assembly.

96. The international monetary crisis, which was primarily caused by the policies of the industrialized countries, was the major factor in spreading the scourge of inflation to the developing countries, inhibiting their rate of growth as the cost of development became prohibitive, with ominous long-range implications. This was particularly evident in the case of capital goods whose prices doubled and in the costs of services rendered by the industrialized countries to the developing countries. The foreign-exchange reserves of the developing countries have not been sufficient to meet their needs for imported goods, and accordingly their purchasing power has dropped.

97. The adjustment in the prices of raw materials was a mere rectification of the unjust price that has long been imposed by the monopolistic corporations of the developed countries. Such a rectification was necessary, even in the absence of the other economic factors I have just mentioned.

98. The first and foremost issue that confronts us is the nature of the relationships between the developed and the developing countries. There can be no reconciliation as long as developed countries continue to pursue selfish policies. They have maintained the high standard of living in their own countries without any consideration for the abject poverty which exists in the developing countries. This selfishness has been manifested in the industrial countries taking measures that have often had dramatic effects on the world economy. They have purposely avoided consulting or co-operating with the developing countries, even under the auspices of international organizations. This practice can only result in the aggravation of the economic difficulties and in chaos in the world economy as a whole.

99. The Libyan Arab Republic has set itself the goal of obtaining control over its natural resources by means of nationalization and participation. In realizing this goal the Libyan Arab Republic actually fulfilled the legitimate aspirations of the developing countries.

100. The Libyan Arab Republic and the oil-exporting countries have maintained their high-level production of crude oil and have thus met the demands of the world for this vital commodity. They have maintained a high level of output despite the fact that they are exhausting their only material resource, accumulating in the process funds decreasing in value due to the fluctuations in the international monetary system. In itself this indicates a shouldering on the part of the oil-exporting countries of their responsibilities to the world community, its progress and prosperity.

101. The oil-exporting countries have established economic development funds for the benefit of developing countries. The objective of these funds is to assist these countries in developing their own economies, exploiting their own natural resources and raising the levels of their national incomes.

102. The Libyan Arab Republic also undertakes bilateral co-operation with many developing countries. We are effectively assisting friendly and sister countries in their development projects. The co-operation agreements that we have signed with various countries give a good indication of the spirit of solidarity and sense of responsibility that we as a nation feel towards mankind in its strivings for prosperity and development.

103. The Libyan Arab Republic has contributed a major share to the capital of the African Development Bank and has purchased bonds of the International Bank for Reconstruction and Development. In addition to all this, my country has established the Libyan Arab Foreign Bank to finance development projects in developing countries.

104. The dialogue between nations can no longer be a dialogue between the strong and the weak. Any fruitful and constructive dialogue between countries must be based on the principle of equality. For the developed countries, a redress of past abuses of responsibility is long overdue. They must compensate the third world for their past exploitation and monopolistic practices. Only in this manner can all nations hope to realize the dream for a better world.

105. In conclusion, my delegation would like to stress the following points, which are, in our opinion, the underlying causes of the present disarray in the international economic order.

106. First, the roots of the problem lie in the historic responsibility of the industrialized countries. The exploitation practised by the colonial Powers through their prolonged complete control over the raw materials of the third world has contributed to the backwardness of the developing countries and has slowed their economic growth.

107. Second, the dominant position of the industrialized countries over international economic relations enabled them to manipulate the international economic order in the service of their own economic expansion. This was accomplished at the expense of the developing countries of the third world.

108. Third, the industrialized countries attempted to escape their responsibility for the deterioration of international economic relations. They confused the issue by introducing new terminologies such as the "energy crisis". They are, however, to blame in the first instance for what is now called the energy crisis. The so-called energy crisis is not the cause of the disarray in the international order but rather a consequence of it.

109. One should not try to evade the real issues by over-emphasizing the so-called energy crisis with the purpose of creating divisions within the ranks of third-world countries. The failure to achieve significant economic growth in the third-world countries is a direct consequence of policies of exploitation practised and perpetuated by industrialized countries, which have shown themselves unwilling to comply with the terms and resolutions of the Second United Nations Development Decade.

110. The solution envisaged by the Libyan Arab Republic to the present chaotic economic state is based on the necessity of remodeling and establishing a new programme of action which would reformulate the international economic order. The old system of exploitation and monopoly must be eliminated. Any new system should include the following principles: first, the right of the developing countries to control their natural resources with the final goal of establishing national industries based on their natural resources, and in this regard the steps taken by the Libyan Arab Republic should set an example to be followed by all countries aspiring towards this aim; secondly, the right of developing countries producing raw materials to adjust and rectify present unfair prices for their materials; thirdly, the guarantee of a fair share of the international market for the products of developing countries and free and permanent access to the markets of developed countries, reductions of tariffs and quantitative trade barriers not being adequate measures for obtaining these goals; fourthly, the taking by industrial countries of effective steps towards controlling inflation and halting its spread to the third world; fifthly, the encouragement of industrial development in the developing countries through technical co-operation, the transfer of technology and financing; and sixthly, the reformation of the international monetary system, giving more say to the developing countries, in order to ensure the stabilization of prices and an equitable system of international trade.

111. It is worth reminding the developed world that the natural resources of the world are limited and that it must follow rational economic practices in its use of these diminishing resources, to the long-range benefit of future generations of the world community.

112. Finally, there can be no stable international economic system without easing the political tensions of the world caused by the scourge of colonialism, alien domination and the hegemonic desire of the major Powers to rule the world, which desire entails irrational expenditure on armament arsenals.

113. The **PRESIDENT** (*interpretation from Spanish*): We have thus concluded the general debate in the Assembly on item 7 of our agenda. I am happy now to call on the Secretary-General of the United Nations, Mr. Kurt Waldheim, who wishes to make a statement.

114. The **SECRETARY-GENERAL**: Before delivering my statement, I wish to express to the Permanent Representative of Austria and the Austrian delegation my sincere condolences on the sad occasion of the passing away of His Excellency Mr. Franz Jonas, Federal President of Austria. This morning I conveyed to the Austrian Government and to the widow of the late President my deeply felt sympathy in their loss. I had known President Jonas for many years and I had the highest esteem for his human qualities and for his dedication to his most important responsibilities. Austria has lost a most distinguished statesman, who had committed his whole life to the service of his country.

115. For the past two weeks the General Assembly has conducted a debate of remarkable scope and depth on the most pressing and fateful issues of our time. The high level of representation in the special session has been matched by the quality and substance of the statements. It is no exaggeration to say that this special session is an unprecedented event not only for the United Nations but for the world community.

116. We now have before us a vivid picture of the world economic situation seen from many different points of view and an extraordinary wealth of constructive proposals. No one has any illusions about the difficulties which will be encountered or the efforts which must be made to combine and shape these proposals into agreed policies and plans of action which will be the foundation of a new world economic order.

117. All over the world the proceedings of this special session have been followed with extraordinary interest. The world expects, and anxiously awaits, the first concrete steps which this Assembly will take to deal with the emergency situation which, in one way or another, now faces all nations. The anxiety and expectation of the world community is heightened by the undoubted fact that, quite apart from the medium-term and long-term problems which confront us, the fate of millions of people may well depend, within the next few months, on what this special session does or does not do.

118. As I said in my opening statement [*2207th meeting*], the perspectives of different nations or groups of nations vary enormously. Certainly that observation has been amply borne out by the general debate. But the debate has also, and perhaps more significantly, demonstrated a striking degree of agreement among Member States on a number of important aspects of the problem before the Assembly. Clearly, the debate has provided the substance for a process of negotiation, co-ordination and harmonization which will endure beyond the week or so of the special session which remains to us.

119. At this stage in the work of the session, however, and after following the debate with the closest attention, I feel that a summary of my main impressions might be helpful in formulating the decisions which are necessary both for immediate action and for continuing expeditiously the vital work which this session has initiated. The following observations are made with full respect for the positions of Governments of Member States as expressed in the course of the debate, and in full cognizance of the strenuous efforts being made in the *Ad Hoc* Committee to formulate a declaration of principles and a programme of action.

120. First, no one could have failed to be impressed by the range, the relevance and the seriousness of the general debate, illustrating dramatically the undeniable interdependence of the many issues which must be tackled in the evolution of a new world economic order. It is imperative to maintain the momentum which this debate has generated and to agree on the principles which will give it direction.

121. Second, it is imperative to provide now financial and other assistance to those Member States placed in the greatest jeopardy as a result of recent violent economic changes and great natural disasters. Individual Member States and groups of States have undertaken steps bilaterally, collectively, and through international organizations to meet some of these needs. The International Bank for Reconstruction and Development, the International Monetary Fund and the other members of the United Nations system are also striving to do all they can to help. However, all these efforts are not enough. A potentially disastrous gap continues to exist between minimum needs and the resources so far made available to meet those needs. It is imperative that we take steps to mobilize greater resources before this special session ends.

122. Third, it is imperative to effect the speedy transfer of the necessary assistance to those Member States most in need, and also to make arrangements to monitor continuously future needs and responses to those needs from the world community. The United Nations system stands ready to act as a catalyst and clearing-house for everyone's efforts, and would be willing to act in whatever manner and through whatever mechanism the General Assembly may decide. I wish to emphasize that any arrangements made by the United Nations system would be complementary to those made by individual Member States and groups of States.

123. Fourth, it is imperative to recognize that the developing countries must earn more to pay for their imports, and that they still depend on commodities for the greater part of their export earnings. To the extent that progress could be made on this basic problem, progress could be made in ameliorating the acute financial crisis to which I have just referred. In the past, international efforts have failed to produce significant over-all results in the field of commodity agreements. Today, however, and more than ever before, it is in the interests of both producing and consuming countries to initiate, during this special session, action which will lead to the resolution of this problem.

124. Fifth, and finally, it is imperative, as I have said, that the momentum generated by this special session should be maintained. The basic problems so courageously and constructively faced by this Assembly will increase in

complexity and intensity over the coming months. It follows logically that the sooner realistic international policies can be established and effective action taken to implement those policies, the sooner it will be possible to move from our present dangerously defensive position to one where bold and positive action can be taken to establish a new economic and social order for the benefit of all mankind. Whatever the outcome of this session, some relatively simple and effective arrangements must be made to ensure continuity and follow-up.

125. The Administrative Committee on Co-ordination, which consists of the heads of all the agencies, organizations and programmes of the United Nations system, met here at United Nations Headquarters last week. The members of that Committee, including the heads of the International Bank for Reconstruction and Development and of the International Monetary Fund, asked me to inform this Assembly of their readiness to make available immediately the services of their institutions in order to facilitate and support within their competence any action that may be taken by the General Assembly. Recent experience has shown the usefulness of the United Nations system in focusing many forms of assistance to the maximum effect in dealing with a critical situation.

126. I believe that this special session will prove to have been a truly historic meeting. My main concern, which I know is shared by all of the distinguished representatives in this hall, is to get the maximum of agreement, the maximum of effective decisions, out of the few days of the session that remain. If upon the adjournment of this session we know where we are going, if we have begun to face up to the most urgent needs, and if we have made the necessary arrangements to follow up what has been done here, then this session will indeed prove to have been a turning-point in world affairs.

127. The PRESIDENT (*interpretation from Spanish*): I am very happy to thank the Secretary-General of the United Nations for the important statement he has just made.

128. Because of circumstances with which delegations are familiar, it may not be possible to conclude the work of the sixth special session until Tuesday, 30 April 1974. May I take it that the General Assembly would agree to this change and to hold a plenary meeting on 30 April should developments in the days ahead indicate the need to do so? If there are no comments, and if I hear no objection, it will be so decided.

It was so decided.

The meeting rose at 5 p.m.