



President: Mr. Salim Ahmed SALIM
(United Republic of Tanzania).

AGENDA ITEM 7

Assessment of the progress made in the establishment of the new international economic order and appropriate action for the promotion of the development of developing countries and international economic co-operation (continued):

- (a) New international development strategy for the third United Nations development decade;
- (b) Global negotiations relating to international economic co-operation for development;
- (c) Other matters

1. The PRESIDENT: I should like to remind representatives that, in accordance with the decision taken by the Assembly at its third plenary meeting [para. 48], the list of speakers will be closed today at 12 noon.

2. Before calling on the first speaker, I should like to inform the Assembly that the Observer for the League of Arab States has requested to be heard in the debate on this agenda item. On the basis of precedents and taking into account General Assembly resolution 477 (V) of 1 November 1950, by which the Assembly granted observer status to the League of Arab States, may I take it that the General Assembly has no objection to its inclusion in the list of speakers?

It was so decided.

3. Mr. OKITA (Japan): On behalf of the Government and people of Japan, I wish to extend my warmest congratulations to you, Mr. President, on your assumption of the presidency of the eleventh special session of the General Assembly. I am sure that, with your outstanding diplomatic ability and impartial leadership, this session will bring about the results that we all eagerly anticipate.

4. On this occasion I should like to express my profound appreciation to Secretary-General Waldheim and to the Director-General for Development and International Economic Co-operation, Mr. Kenneth Dadzie, for their devoted efforts towards the establishment of a constructive North-South relationship, as well as in preparing for this session.

5. I should also like to extend a most hearty welcome to the new State of Zimbabwe, which recently became the 153rd Member of this international Organization. Japan is especially pleased that the independence of Zimbabwe has finally been achieved, after many years of armed conflict, through peaceful means. I believe that through their wisdom and strenuous efforts the people of Zimbabwe will surely be successful in shaping a bright future for their young nation. Further, it is my firm conviction that the international community has a responsibility to assist Zimbabwe's nation-building efforts so that peace and stability may be achieved

throughout southern Africa. For its part, Japan is eager to establish a friendly and co-operative relationship with Zimbabwe, both within and outside the United Nations.

6. It is the task of this special session of the General Assembly to adopt the international development strategy for the third United Nations development decade and to decide on the agenda, procedure and other matters related to the global negotiations. Because of my own involvement with the preparatory work as a member of the Committee for Development Planning of the Economic and Social Council since its creation some 15 years ago, I have a special personal interest in the international development strategy.

7. We have just entered into a new decade. As we look back on the 1970s, we note that, despite some trouble, such as that brought about by the oil crisis, the developing countries as a whole have made considerable progress within the framework of the International Development Strategy for the Second United Nations Development Decade. Thus, this development performance in the last decade should be assessed accordingly. Looking at the world economy from the threshold of the 1980s, however, we see that many countries, developed and developing, are faced with the trilemma of accelerating inflation, recession with rising unemployment and substantial balance-of-payments imbalances.

8. The *World Economic Survey 1979-80*,¹ prepared by the United Nations Secretariat, shows that the rate of inflation in developing countries, especially in non-oil-producing developing countries, was more than 36 per cent last year, largely owing to the sharp increase in the price of oil. In the field of production, the world average growth rate of gross domestic product is expected to fall from 3.4 per cent in 1979 to 2.5 per cent in 1980. Furthermore, according to the recent IMF projection,² the total current account deficit of oil-importing countries, including both developed and developing countries, is expected to rise from last year's \$66 billion to \$120 billion this year. A substantial part of this deficit is borne by developed market economies. It will not be possible to adjust such a huge imbalance without the positive co-operation of the oil-producing countries which hold substantial surplus oil funds. Thus, we hope that oil-producing countries will play a more positive role in order to rectify the situation.

9. I should like to turn our attention to the peoples of the third world, whose continued suffering from severe poverty and famine represents a serious challenge to the dignity of human life. We cannot view such difficulties without acknowledging that all countries are interdependent within the framework of the world economy as a whole. Each country, regardless of its stage of development, political system or natural resource endowment, must play its own role and fulfil its own obligations for the harmonious development and expansion of the

¹United Nations publication, Sales No. E.80.II.C.2.

²See *World Economic Outlook, A Survey by the Staff of the International Monetary Fund* (Washington, D.C., 1980).

world economy. The acceptance of those responsibilities will result in the development of each country's economy and the betterment of its people's living standard.

10. This special session of the General Assembly is particularly important as the substantive opening of the North-South dialogue in the 1980s. As we begin the dialogue in the new decade, I believe the following points should be stressed.

11. First, it is important that all countries strive to confront the present difficulties and achieve an expanded and stable world economy by transcending differing viewpoints and promoting co-operative relations with other countries.

12. Secondly, we should recognize that reducing the existing gap between rich and poor countries will be to the benefit of all countries.

13. Thirdly, in tackling the North-South problem, every country has a shared responsibility for pursuing a solution that is of mutual benefit to North and South.

14. In that connexion, the Brandt Commission's report³ has already pointed out the necessity of pursuing a path of mutual benefit in the North-South dialogue and has correctly stressed the concept of shared responsibility in the development efforts of the South.

15. Nothing so urgently requires us to recognize the necessity of seeking mutual benefits and assuming shared responsibilities between North and South as does the present energy problem. The sharp increase in the price of oil has placed serious strains on the world economy. All countries, developed and developing, must combine their efforts to liberate the present world economy from the "trilemma" of inflation, unemployment and imbalance in the balance of payments, and thus set the world economy on a course of sustained and stable expansion.

16. Oil price hikes in the last two years have more than doubled the oil bill of oil-importing developing countries, with the result that their current account deficits have become increasingly serious. Furthermore, the recent IMF projection shows that the current account deficits of oil-importing developing countries will increase from \$68 billion this year to \$78 billion next year.

17. The international community must provide effective support to those developing countries showing substantial balance of payments deficits. In particular, the industrialized countries, major oil-exporting countries and others in a position to do so should assume the major responsibility for providing such support.

18. Measures should be devised to recycle surplus oil funds to those oil-importing developing countries by improving the functioning of international capital markets, as well as by expanding the supplemental role of international financial institutions. Developed countries, oil-exporting countries and international financial institutions must work together to provide the means for recycling such funds to non-oil-producing developing countries, in particular to the vulnerable ones which do not have sufficient access to world capital markets to finance their balance of payments deficits. In this connexion, I appreciate the efforts made by IMF and the World Bank to alleviate the external adjustment burdens of their developing member countries.

³North-South: A program for survival; report of the Independent Commission on International Development Issues under the chairmanship of Willy Brandt (Cambridge, Massachusetts, The MIT Press, 1980).

19. I welcome the initiative taken by the Group of 77 to include the energy issue in the coming global negotiations [see A/S-11/1 (Part IV), annex, I, sect. A]. I earnestly hope that in the discussions on this issue all participating countries will deepen their common recognition of the present and future world energy situation and thus increase the predictability of the price and supply of oil. I also hope that the negotiations will pave the way for the establishment of guidelines, as well as a mechanism for global energy co-operation between developed and developing countries and between oil-producing and oil-consuming ones. This co-operation should be achieved in such areas as the collection and analysis of energy data, the efficient use of energy, the research, development and accelerated utilization of alternative energy sources, and the development of energy resources in developing countries.

20. We are all striving hard to reduce our excess dependence on oil and to make transition to a greater use of diversified and more abundant energy resources, such as coal and nuclear power. Furthermore, I believe that the United Nations Conference on New and Renewable Sources of Energy, to be held at Nairobi next August, will be particularly timely in exploring ways and means of world-wide co-operation to accelerate such a transition to other energy sources.

21. Self-reliant effort is the most essential factor for development. Any development programme lacking such effort is doomed to fail without achieving enduring results. It is important, however, that the international community—and, in particular, the developed countries, irrespective of their political systems—should assist the developing countries in making their self-reliant efforts effective. Thus, it is an obligation assumed by centrally-planned economies as well as by developed market economies. In this sense, we have indeed a shared responsibility for development.

22. Japan recognizes that many developing countries need external financial resources, in particular official development assistance, to promote their own economic and social development. To this end, we set as a medium-term target the doubling of our official development assistance within three years, starting from 1978. We are confident of achieving the target this year. We will continue to maintain such a positive attitude by endeavouring hereafter to expand the volume of our official development assistance, with a view to raising its ratio to our gross national product. At the same time, we will exert our utmost efforts to improve the quality of our assistance as we increase the grant element.

23. In allocating its official development assistance, Japan intends to place increased emphasis on such areas as humanitarian assistance, the development of human resources, agriculture and energy. For instance, regarding humanitarian assistance, we intend to expand our disaster relief to refugees in great distress by providing medical care, food, drinking water and so forth. We also intend to increase food aid to developing countries suffering from severe food shortages.

24. I should like to emphasize the importance of the development of human resources in the development process, as it was outlined at the 153rd meeting of the fifth session of UNCTAD last year by the late Prime Minister Ohira.⁴ The ultimate objective of development is to enable the people of developing countries, and in particular those of the poorest class, to participate in the development process and to enjoy its benefits. I am firmly convinced that this objective can best be realized

⁴See TD/268/Add.1, annex II.

through a policy of human resource development, the core of which is education and training. I am pleased that Japan's views on this matter are reflected in the draft of the new international development strategy [A/S-11/2 (Part III), annex] which is to be adopted at this session. In 1979, Japan provided some \$300 million in the area of development of human resources, including the construction of schools and the provision of technical assistance. We will continue to expand our assistance in this field.

25. We realize that in their efforts to accelerate their economic development many developing countries are facing difficulties in the field of agricultural production, as well as in that of energy. Japan intends to extend positive co-operation to development efforts in those two fields.

26. Moreover, Japan is giving special consideration to low-income, non-oil-producing developing countries. It is those countries that have the greatest need for official development assistance and that are most seriously affected by such negative factors as the recent worldwide recession, increases in the price of oil and deteriorating terms of trade. In fact, 65 per cent of our bilateral official development assistance in 1979 went to those developing countries having a *per capita* annual income of \$400 or less. We are already implementing measures to give additional grant aid to the least developed among developing countries and to the most seriously affected countries. This is in accordance with Trade and Development Board resolution 165 (S-IX) concerning the debt problem of the poorer developing countries that was adopted on 11 March 1978 at the ministerial session of the UNCTAD Trade and Development Board.⁵ Japan will continue to expand and improve its official development assistance to low-income developing countries and, in particular, will make the utmost efforts to expand its grant aid to the least developed among developing countries.

27. In this connexion, reference should be made to the proposal made by Secretary-General Waldheim at the second regular session of the Economic and Social Council last July.⁶ It seems to me that his proposal should be examined at this special session, and in the subsequent North-South dialogue as well.

28. My country believes that financial co-operation extended through international organizations is complementary to bilateral assistance, and that such efforts contribute to the efficient promotion of international co-operation. Japan, for its part, will continue to make effective contributions through such institutions.

29. Now I should like to express Japan's views on primary commodities, a subject in which most developing countries have a great interest. The most significant progress made recently in this field is the adoption last June at Geneva by the Negotiating Conference on a Common Fund under the Integrated Programme for Commodities of the Agreement Establishing the Common Fund for Commodities.⁷ This Fund will have the very important function of helping to stabilize market conditions through its assistance to the international commodity agreements and it will also help developing countries to expand and diversify their production of commodities and thereby support the export earnings of developing

countries. It is for those very reasons that my country has exerted unlimited efforts for the expeditious establishment of the Fund. Japan intends to contribute a total of \$60.67 million to the Fund, including a contribution of \$27 million to the second window of the Fund. As we look ahead to the global negotiations, we believe that the establishment of the Fund is a positive outcome of the North-South dialogue and, as such, a propitious achievement. We hope that the conclusion of the Common Fund negotiations will promote individual commodity negotiations under the Integrated Programme for Commodities.

30. Needless to say, the expansion of trade is crucial to the economic growth of developing countries. It is particularly important that international efforts be made to promote the trade of developing countries within the context of expanding and liberalized world trade.

31. The Tokyo Declaration of September 1973⁸ initiated a series of multilateral trade negotiations called the Tokyo round. Those negotiations, which were brought to a substantive conclusion in April last year, were the most comprehensive in the history of GATT in terms both of the number of participating countries and of the issues taken up. As a result of the Tokyo round, the tariff rates of major industrialized countries will be significantly reduced to an average of 4.9 per cent, and several agreements were made on the reduction or elimination of non-tariff barriers, as well as on the framework for world trade in the future.

32. Those achievements will provide a basis for strengthening the international open trade system. It should be noted that in those negotiations particular attention was given to the special interests of developing countries. I am firmly convinced that the agreements will benefit many developing countries by promoting an open trade system in this increasingly interdependent world economy, and I sincerely hope that more and more developing countries will join in the agreements.

33. In order to promote their economic growth, developing countries will need to expand their exports of processed and manufactured goods. To that end, protectionism must be checked, and continued efforts need to be made to improve the access of their exports to the markets of developed countries. Furthermore, we should facilitate the dynamic expansion of the world economy through the promotion of the positive adjustment policy in developed countries. That, I feel certain, will greatly contribute to the economic growth of developing countries.

34. I should like now to touch briefly upon the generalized system of preferences. After Japan adopted the system in 1971, imports under the system increased year by year and by fiscal year 1979 reached \$4.3 billion. This April we introduced special measures for the least developed among developing countries. In addition, I am pleased to announce at this time that, as one of its contributions to the new international development strategy, Japan will further extend its generalized system of preferences.

35. I wish now to present Japan's views on the new international development strategy and on the agenda procedures for the global negotiations, which are the most important issues to be discussed in this special session of the General Assembly.

⁵See *Official Records of the Trade and Development Board, Ninth Special Session, Supplement No. 1*.

⁶See *Official Records of the Economic and Social Council, 1980, Plenary Meetings, 24th meeting, paras. 7-30*.

⁷See United Nations Conference on Trade and Development document TD/IPC/CF/CONF/26.

⁸See General Agreement on Tariffs and Trade, *Basic Instruments and Selected Documents, Twentieth Supplement* (Sales No. GATT/1974-1), p. 19.

36. The new international development strategy provides for a co-operative relationship, and for targets to be achieved by the international community for promoting the development of developing countries. We think that the targets included should be attainable and, at the same time, should duly reflect the aspirations of developing countries for economic growth. Furthermore, the strategy should also carefully consider development needs at each stage of the development process, recognizing that throughout the 1970s diverse stages of development emerged. In addition, since the strategy outlines the direction for co-operation in the international community as a whole, we sincerely hope that it will contribute not only to the development of developing countries but also to the development of the entire world economy. Also, because the strategy is to cover a full decade, it is essential that it be flexible enough to respond to the actual conditions of a world economy that is becoming increasingly uncertain.

37. Preparations for the strategy have been considered in the Preparatory Committee for the New International Development Strategy for more than one and a half years. We have already reached agreement on many important items, but still to be resolved are a number of difficult matters relating to the most fundamental issues of the global negotiations. I am confident that, if both developed and developing countries do their best to understand and sympathize with each other, it will be possible to reach an agreement on these issues, thereby establishing a guideline for North-South co-operation in various forums, including that of the global negotiations.

38. The global negotiations should, in our view, aim at achieving a stable expansion of the world economy by seeking comprehensive and realistic solutions to the urgent and important problems facing us today. It is a considerable task and, in view of the interdependence of the world economy, it should be carried out through the joint efforts of both developed and developing countries, regardless of their development stages or political systems. Accordingly, we think it appropriate to consider the following three criteria in choosing the agenda: first, problems included should be urgent and important international economic problems; secondly, they should be global in character; and, thirdly, they should be of common concern to both North and South.

39. With regard to procedure, a United Nations conference on global negotiations should be established as the central organ; under it, sub-committees should be set up as necessary. They would utilize the expertise of relevant international agencies and respect their independent functions. In my view, we must strive actively to promote the global negotiations in their entirety by seeking effectively to allocate tasks between the United Nations conference and the various international agencies.

40. Because the world economy is still in need of solutions to the many difficulties besetting it, the circumstances surrounding the North-South dialogue are by no means encouraging. However, we have decided to support the launching of the global negotiations in order to enhance our mutual interest. For that reason, it would not be appropriate in the North-South dialogue of the United Nations conference on global negotiations to expect contributions from the developed countries only. Rather, concrete solutions to North-South problems should be sought from the viewpoint of shared responsibility and mutual interest.

41. When faced with a number of economic crises in the 1970s, many developing countries, in co-operation

with developed countries, bravely confronted those difficulties and exerted steadfast efforts for development, which resulted in many encouraging achievements. With our firm resolution not to retreat, but to strengthen further our efforts for development, we believe we shall be able to make new progress in the 1980s as well.

42. Before concluding my remarks, I feel it is important to mention that we should emphasize those things we have in common rather than those things that divide us, in order to reach an agreement both on the new international development strategy and on the agenda and the procedure for the global negotiations. I am confident that in so doing the special session will be successful.

43. Mr. GENSCHER (Federal Republic of Germany):⁹ Mr. President, I am happy to see you in the Chair again at this special session of the General Assembly. I assure you of my delegation's fullest support.

44. It is with great pleasure that, on behalf of the Federal Republic of Germany, I welcome Zimbabwe as a new Member of the United Nations. We are happy to see in our midst the delegation of Zimbabwe, headed by Prime Minister Mugabe. The Federal Republic of Germany was very sympathetic towards the struggle waged by the people of Zimbabwe for independence and freedom. We viewed that struggle in a constructive and supportive spirit.

45. Zimbabwe has set a striking example of the success of peaceful efforts to settle conflicts. It has thus acted in accordance with a principle that has been at the basis of the policy of the Federal Republic of Germany ever since it came into existence—that is, the principle of the peaceful settlement of conflicts. That it was possible to achieve such a settlement in the case of Zimbabwe redounds to the credit of Prime Minister Mugabe, for his statesmanlike attitude, and of the United Kingdom Government, and in particular my British colleague Lord Carrington. It redounds also to the credit of the Presidents of the front-line States, for the very serious endeavours they made.

46. People in all parts of the world where conflicts have not yet been settled, where the path to peaceful resolution of contradictions has not yet been embarked upon, are turning their eyes towards Zimbabwe. For Zimbabwe today is a beacon of hope for the whole world. It is a demonstration of the will of peoples to attain self-reliance, independence and freedom. It is a symbol of the rejection of force as a political means, the rejection of the artificial transfer of East-West confrontation to the third world.

47. I wish to assure the Government and the people of Zimbabwe that in the Federal Republic of Germany they have a true friend. We have expressed our determination to assist Zimbabwe, by words and deeds, to achieve economic and social progress. We are convinced that Zimbabwe deserves to receive the support of all States in the world.

48. At the beginning of the third United Nations development decade we are confronted by a world economic and political situation in which the future development of developing countries and, hence, the peaceful development of the world as a whole are in jeopardy.

49. The jump in the price of oil this year, as compared with 1978, has presented those developing countries that

⁹Mr. Genscher spoke in German. The English version of his statement was supplied by the delegation.

have to import oil with a bill almost twice the size of all official development assistance from the members of the Organization for Economic Co-operation and Development (OECD), the Organization of Petroleum Exporting Countries (OPEC) and the Council for Mutual Economic Assistance (CMEA). It is as if that assistance had been cancelled and they had been asked to pay practically the same amount on top of it.

50. All this is compounded by the repercussions on the third world of recession and mounting inflation in the industrial countries: the rising cost of imported industrial goods, the waning demand for their exports, and falling commodity prices.

51. Even during the Second United Nations Development Decade, the growth rate of the oil-importing developing countries, as a consequence of the oil price shock of 1973, slowed down instead of accelerating. Now in the third decade it threatens to slow down further still. In the least developed countries *per capita* income threatens to stagnate or even to drop in absolute terms.

52. We all know what these abstract statements about growth rates mean in reality, in the daily lives of many people in the third world. They mean that want and poverty, which are already unbearable and unworthy of man, will grow worse. And we all know the responsibility that rests on us here at this special session of the General Assembly. It is up to us to do our best to remove this danger of mounting distress. It is up to us to help bring about co-operation in a spirit of solidarity among all nations, in order to overcome world economic difficulties and to push ahead with the development of developing countries and of the world as a whole.

53. In view of the world economic situation there is a great temptation for each nation to concentrate on its own problems. But no one should indulge in the illusion that the industrial countries—whether in the West or in the East—and the oil-producing countries could evade the consequences if the efforts of the oil-importing developing countries proved abortive. In a surging sea of despair they could not remain islands of peaceful prosperity. We are all in one boat. A heavy storm is brewing. It is a question of “survival”: that is what the Brandt Commission report says.

54. Conscious of this, the Government of the Federal Republic of Germany has revised its basic development concept in the light of the recommendations of the Brandt Commission report. It also supports the proposal contained in the report that North-South summit conferences with a limited number of participants be convened from time to time. We hope that such meetings would produce a political stimulus which would help us to make faster progress towards consensus and change within the framework of the United Nations. Aware of the gravity of the situation, the members of the European Community and the OECD countries have this year made the development issue a focal point of their deliberations. Foreign Minister Thorn yesterday outlined the views of the Europe of the Nine and the development-aid contributions of the European Community as a whole [see 3rd meeting, paras. 50-88].

55. The aim set out in paragraph 2 (d) of General Assembly resolution 34/138 on the new global dialogue is that the negotiations should contribute:

“... to steady global economic development, in particular the development of developing countries, and, to this end, [should] reflect the mutual benefit, the common interest and the responsibilities of the parties concerned, taking into account the general economic capability of each country”.

Indeed, that is the only way they can succeed. The development of the developing countries can be lastingly accelerated only within the framework of steady global economic development. The mere redistribution of available goods in a stagnating world economy will not lead any further. That is the first maxim. It follows from this that the criteria in the global negotiations must be “mutual benefit” and “common interest”.

56. In view of the present world-wide interdependence, the object must be to work together for the common benefit. Naturally, there are diverging interests between developing and industrial countries as to who should provide what contribution and as to how the common benefit should be distributed. But in our negotiations we must not forget that the common benefit must first materialize.

57. The resolution on global negotiations makes a third demand: that all States and all groups of States make their contribution to the common task of ensuring the development of developing countries and of the world. That applies to countries members of OECD, and it applies also to the oil-exporting countries. The latter must use the funds accruing from the increase in oil prices, among other things, for the purpose of considerably boosting their aid to the oil-importing developing countries and participating directly in the recycling of oil money to those countries. It should be noted that some oil-producing countries are already doing a great deal in this respect. The call to make their contribution also goes out to the communist countries, which must at last participate in measures to support the developing countries to an extent commensurate with their considerable economic potential.

58. For the forthcoming negotiations we need a sense of reality, flexibility and readiness for compromise. We must resolutely concentrate on those topics that are the most urgent in the present world economic situation and in respect of which we can soon achieve concrete results in the common interest.

59. In the first place, one key problem is that of energy. We face the inexorable fact that the world's conventional oil reserves are running out, which requires each country to make every effort as regards oil conservation, investment in coal and nuclear energy and in developing new sources of energy. In the European Community and the International Energy Agency and at the Venice summit conference held on 22 and 23 June 1980, the industrial countries with market economies have adopted a comprehensive energy strategy for continuous lowering of the demand for oil. We expect oil consumption in 1990 to be considerably less than it is at present.

60. The Federal Republic of Germany has already made clear progress in its efforts to save oil. In 1979, consumption was below the 1973 level in spite of the fact that industrial production had in those six years increased by 15 per cent. In the first six months of 1980, oil consumption fell by 8 per cent. In that period oil accounted for 47.5 per cent of total energy consumption, as compared with 55 per cent in 1973.

61. In the developing countries oil consumption has increased at a faster rate than in the industrial countries. In their case, a further increase in oil consumption will be unavoidable, especially as many developing countries are up against an additional energy crisis. Up till now about one half of the energy produced by the oil-importing countries has come from such traditional sources as wood and dung. But in many developing countries, stocks of wood for heating purposes are

almost exhausted and dung is urgently required to preserve the fertility of the soil. Thus those sources of energy must be continually replaced. But in the developing countries too there is considerable scope for saving oil without inhibiting growth, and there is above all considerable scope for developing their own sources of energy: oil, coal, hydroelectricity and new forms of energy such as biomass and solar energy. One of the most urgent tasks of the moment is quickly to tap that potential.

62. My country has sharply increased its bilateral aid for energy projects. We have also supported the proposal that the World Bank considerably increase its aid in the energy sector and, in accordance with the suggestion made at the Venice summit conference, study the possibility of establishing an independent energy bank within the World Bank group. We hope that the results of the United Nations Conference on New and Renewable Sources of Energy, due to take place in 1981, will provide guidance in that respect.

63. At the same time, it is obvious that it will not be possible to achieve a smooth transition from the oil age to the age of other forms of energy unless oil-exporting and oil-importing countries co-operate with one another in a spirit of joint responsibility. The oil-importing countries—and, I would add, the world economy as a whole—are dependent on foreseeable oil supplies and protection against sudden price increases. Although rising prices may be unavoidable in the case of a commodity that is becoming increasingly scarce, abrupt price increases and sudden problems of adaptation that cause severe setbacks in economic activity must be avoided.

64. The oil-exporting developing countries, on the other hand, are dependent on industrial and technological co-operation in the development of modern diversified economies and they need open markets for their increasing exports of finished products.

65. Those oil-exporting countries with large balance-of-payments surpluses also need attractive investment outlets for those surpluses. So, in the end, oil-importing and oil-exporting countries are together dependent upon a healthy world economy. Only through close co-operation can all these interests be met.

66. We cannot evade an energy dialogue any longer. We shall have to embark upon it comprehensively, as envisaged in the plans for the global negotiations, and we shall have to make it an example of how interdependence can be harnessed for mutual benefit.

67. A second critical aspect is the food situation. Between 1950 and 1975, food production in the developing countries showed an annual increase of 2.5 per cent, but demand increased by 3 per cent. As a result, the grain imports of third world countries have risen rapidly and continuously since 1950. If the present trend continues, in 1990 those countries will need to import an amount of grain that, even if it could be financed, the suppliers will no longer be able to provide. Unless something is done, the suffering will be appalling, the Brandt Commission report says.

68. In view of this situation it becomes clear what importance attaches in the third development decade to the aim of reducing the dependence of the developing countries on food imports. The Government of the Federal Republic of Germany has made support for the developing countries' efforts to increase food production a point of main emphasis in its bilateral assistance. It advocates the replenishment of IFAD, with all donor countries contributing equitably. It supports the proposed scheme for enhancing the food security of the

developing countries by building up internationally co-ordinated national grain reserves, and in this connexion it calls for the early conclusion of a new, effective wheat agreement. It is making a substantial contribution to food aid programmes for the developing countries and considers that food aid should be provided in a form which does not weaken the motivation of individual countries to increase their own efforts.

69. Thirdly, the present situation of the oil-importing developing countries urgently calls for an increase in the transfer of official and private resources. Here again we should be clearly aware that it is in the common interest of both North and South to maintain the import capability of the developing countries and to avoid crises resulting from excessive debt burdens.

70. For the least developed countries it is important to secure a substantial increase in official aid. The Federal Government supports resolution 122 (V) of 3 June 1979 adopted at the fifth session of UNCTAD¹⁰ to work out for those countries an extensive international programme of action covering the decade.

71. For the more advanced developing countries it is the transfer of private resources that will be of crucial importance. Here direct investment can and must play an important role. Many countries are trying hard to attract such investment. Their efforts would be greatly facilitated if it were possible at last to re-establish a general recognition of the protection of private investment in international law. The drafting of a code of conduct for transnational companies also belongs within this context. We should press on with that work and establish guidelines that do justice to both the need of host countries to have complete control over their national economies and the need of investors to have unambiguous and reliable rules.

72. In the past two years, the Federal Republic of Germany has, in spite of its unfavourable budgetary situation, doubled its official development assistance from 3.2 billion to 6.1 billion Deutschmarks. In terms of the absolute amount of assistance, my country shares second place with France among all donor countries. The share of our gross national product that we made available for official development assistance in 1979 amounted to 0.44 per cent, and thus considerably exceeded the average share provided by industrialized countries.

73. In addition, our transfer of private resources is substantial. We have in the past few years regularly achieved or exceeded the target of 1 per cent of the total transfer of resources. Between 1950 and 1979, the Federal Republic of Germany's transfer of net resources to the third world amounted to DM 151 billion, of which 66 billion came from official sources and 85 billion from private industry.

74. A substantial share of the effort to increase transfers to the third world must be taken over by the international financing institutions. My Government advocates the implementation without further delay of the decision to increase the World Bank's capital stock and to replenish international development assistance resources. We strongly support the World Bank's newly created instrument of structural adjustment loans. These loans are tailored to present needs, and permit a swift flow of resources.

75. The International Monetary Fund will also have to play a particularly important role in the financing of the

¹⁰See *Proceedings of the United Nations Conference on Trade and Development, Fifth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.79.II.D.14), part one, sect. A.

balance of payments deficits of the 1980s, and it needs to be strengthened for this purpose. At present the Fund has sufficient liquid assets available, and advantage should be taken of them. But for the future its resources will have to be increased. The decision on an increase in quotas should be implemented soon. The allocation of special drawing rights should be continued, according to international liquidity requirements. We hope, too, that the Fund will succeed in securing larger credits from the oil-producing countries on the most favourable terms.

76. Fourthly, apart from oil, the developing countries are financing about 80 per cent of their imports from export earnings. This shows the crucial importance of open world markets, especially for the more advanced developing countries. Last year's Tokyo round of GATT adopted an abundance of measures to liberalize world trade and, not least, to open up new markets to developing countries also. Yet one cannot ignore the fact that, owing to the pressure of increasing balance of payments deficits and of the rising level of unemployment, the danger of protectionism is, once more, acute. We should counter and avert that danger with determination, especially in regard to North-South trade.

77. In 1955, the industrial goods exports of developing countries amounted to but 10 per cent of their total exports, not counting raw material exports for energy production. In 1965 that proportion rose to 20 per cent, in 1975 to more than 40 per cent, and today it is 45 per cent. This means that the aim of overcoming the traditional trade pattern of the colonial period—namely, that the developing countries export raw materials while the industrial countries export manufactured goods—and of replacing that outdated structure by a balanced exchange of goods is increasingly becoming a reality for a growing number of developing countries. The OECD countries have at all times supported that aim. It is important now to continue that support, which means that markets must be kept open for the growing exports of industrial goods from the third world.

78. We know, in this context, that readiness to open markets means at the same time readiness for structural change. In the view of the Government of the Federal Republic of Germany, one of the central tasks of development co-operation is to make such structural changes possible under conditions that are socially justifiable. Here again, it is aware that both sides will benefit from the solution of this problem. The competition of free trade is also indispensable for the industrial countries themselves in their efforts to fight inflation and increase productivity or, in other words, to preserve the growth and vitality of their own national economies. The cost of protectionism would be far higher for the industrialized countries themselves than the cost of comprehensive, positive adjustment measures.

79. Our Federal Government will, within the European Community and among the Western countries, do all it can in following consistently the policy of opening markets to the developing countries. This should be done in the form of an international liberalization plan. Such a plan would take account of the export opportunities of developing countries and provide for the gradual elimination of customs barriers, of quantitative restrictions on imports, of non-tariff trade barriers, and of subsidies. The plan would thus reduce the need for selective protection measures, since companies in industrialized countries would be enabled to adjust themselves in time to the lowering of trade barriers.

80. The fact that the Government of the Federal Republic of Germany favours open markets for developing countries is evident from our import figures.

Between 1974 and 1979 we increased our imports from non-oil-exporting developing countries from DM 16 billion to more than DM 27 billion. The proportion of manufactures and semi-manufactures in these imports grew from 42 to 52 per cent. The least developed countries have fared particularly well, though in absolute terms their volume of exports is still small.

81. In the first half of 1980 the trade surplus of the non-oil-exporting developing countries in relation to the Federal Republic of Germany amounted to DM 2.6 billion. That too is a contribution towards advancing development. This, incidentally, shows quite clearly that in order to assess a country's contribution to development one has to consider the whole range of development co-operation: official aid and the transfer of private resources, the opening of markets and the willingness to transfer technology.

82. Fifthly, development assistance can never be more than help towards self-help. It cannot bear fruit unless it meets with promising national development strategies. The dovetailing of outside support and national development strategies must be the central concern in our negotiations on an international strategy for the third development decade.

83. In the 1950s and 1960s, development was often thought of in terms of mere industrialization. Today it is being realized that one-sided industrialization ends up in a blind alley. What we need are broad-based national development strategies embracing all economic and social sectors.

84. In many developing countries such strategies must normally focus on the development of a labour-intensive agricultural system as a priority concern, industrialization in interaction with agricultural advancement and, as a basis for the two, the development of national energy resources. Further integral elements are: a population policy aimed at containing population growth; an environment policy protecting the natural resources of developing countries, such as arable land, forests and water resources, from destruction through predatory exploitation; a policy for "human development", to which important field of any development strategy attention is drawn in this year's *World Development Report* prepared by the World Bank; and, finally, a policy that is designed to develop further a country's traditions and values, in harmony with the requirements of modernization: only nations and States that can establish their own identity will be able to cope with the challenges. Exchanges on a basis of equality in all political, social and economic spheres? Yes indeed, we want them; but no artificial transplantation and no impairment of national, cultural and religious identities.

85. Permit me, in the context of national development strategies, to refer to a danger which fills me with concern and about which I will be frank. In the North-South dialogue we are in danger of talking at cross purposes. The developing countries claim that all their own development efforts are useless unless the external conditions for development are created through reform of the world economic structure. The industrialized countries, on the other hand, claim that all external aid is of no avail unless it is augmented in the developing countries themselves with strategies designed to promote development, not just industrial growth.

86. We shall achieve a fruitful dialogue only if each side recognizes and admits that both these statements are correct: on the one hand, that development is possible only if external conditions are shaped in such a way that, as a result of the reform of the world economic

order, the developing countries can secure the imports and the technological know-how needed for their development; and, on the other hand, that development is possible only if it includes the mass of the poor in the development process. One-sided industrialization strategies, which leave out the large majority of the population, are bound to produce increasing economic and social injustice and, hence, political instability, which would finally destroy the growth of industry as well.

87. Development co-operation, thus, can inherently never be a one-way street; each one of us knows this.

88. What is needed is that in all frankness we draw conclusions for the North-South dialogue from this situation. More than has been possible up to now, we must make it a dialogue about what each of the two sides has to contribute to the success of development co-operation. I hope that the developing countries will appreciate the situation when I say that the Government of the Federal Republic of Germany can require its people to contribute towards development assistance only when they know that this does help to alleviate poverty and want. The more obvious it is that development assistance benefits all the people in the developing countries, the more will the citizens of my country be willing to contribute.

89. Sixthly, I should like to discuss one last subject. In 1980, world-wide expenditures on armaments will increase to more than \$500 billion, that is, to approximately 6 per cent of the net national product of all the countries in the world. The developing countries have a substantial share in those expenditures; their military expenses grew in the last decade by not less than seven to eight per cent per year.

90. The growing burden of military expenditure in the East and the West weakens the economic potential of the industrial nations, and with it their ability to increase their aid effort. Armament in the third world itself eats up resources that are indispensable for economic development, and at the same time causes increasing instability and a growing threat of armed conflict. The success of development thus also depends more and more on whether it will prove possible to put a stop to arms growth. The world does not need an arms race, but rather a race in the provision of aid for the developing countries.

91. The industrial nations of the West and East must make it a point of honour to do works of peace for the developing countries. The third world needs schools and hospitals; it needs tractors and factories, but not guns. My country is striving for disarmament in Europe. We want the balance of power necessary for our security to be at the lowest possible level of armaments. Whoever calls for disarmament in Europe, as we do, must join in our call for an end also to the arming of the third world.

92. Attempts at arms limitation and disarmament require a minimum of mutual trust. Trust, however, can develop only when all those involved are willing to be open and above-board in military matters. Realizing this, the Federal Government has supported confidence-building measures for a long time. We are doing this in Europe in the framework of the Conference on Security and Co-operation in Europe and the Vienna negotiations on balanced force reductions.

93. We are doing it at the United Nations by supporting world-wide attempts to agree on confidence-building measures. Here at the United Nations we must see to it that military budgets world wide become more transparent and comparable. We need to keep a register at the United Nations of how much each industrial

nation spends, *per capita*, on armaments and how much on development aid. We need a register at the United Nations of weapons exports and imports.

94. Two hundred years ago, at the end of the eighteenth century, the twofold revolution—liberal and industrial—in Europe and America opened up a new kind of future for mankind. Up to that point oppression and poverty had been the inevitable fate of the great majority of people. From that point on, however, it became possible that one day all people might be free from bondage and free from want. In the present century, along with decolonization and economic development in the third world, that process of liberation has spread to all of humanity.

95. We are now at a critical point: the development of the third world is threatened by the world economic situation. It is no less threatened by the world political situation: a new policy of domination and a new colonialism on an ideological foundation threaten to reverse the political emancipation of the third world. At the same time this threatens to destroy the fundamental requirement for economic development: peace.

96. Afghanistan is the latest example of this. The condemnation by 104 Members of the United Nations of the intervention in Afghanistan [see *General Assembly resolution ES-6/2*] proves how seriously the community of nations views the danger for the developing countries emanating from these new hegemonistic aspirations.

97. The industrial nations of the North must be aware that overcoming the East-West confrontation is also of decisive importance for the third world. My country is in the vanguard of efforts to secure East-West détente, but we know that the way leading to the removal of such confrontation is long and is paved with setbacks. However, the East-West confrontation must not now be transferred to the third world; alien antagonisms must not be forced on the developing countries. These alien confrontations are often the cause of the arms buildup and of military conflicts in the third world. They are often also the cause of great streams of refugees. The refugees from Afghanistan and Cambodia are numbered in the hundreds of thousands, and those are not the only countries by far. Every single refugee is an indictment. Aid for the refugees is no solution by itself; the causes must be done away with.

98. We must also think of the receiving countries in the third world. How will developing countries in Asia or Africa solve their own problems when new burdens are imposed on them from without? Only world-wide respect for human rights and for the self-determination of nations will help us further.

99. Until that is achieved everywhere, we appeal to all those responsible not to prevent the international relief organizations from reaching those who need help anywhere in the world. I appeal to those responsible: open the doors at last to the food and medical supply shipments of the international relief organizations. Permit aircraft operating on behalf of the United Nations to drop food and medical supplies for those in need in places where they cannot be reached by land, or only with great difficulty. Every day that passes without this help is a death sentence for thousands of innocent people. The alarming and heart-rending pictures of ill and starving refugee children are an indictment of the entire community of nations.

"Full respect for the independence . . . of every country . . . [is] of the utmost importance for the success of the International Development Strategy". [A/S-11/2 (Part III), annex, para. 13]

That is how it is put in the preamble to the development strategy for the third decade and the truth of it cannot be emphasized enough.

100. Reactionary hegemonic thinking must be overcome, and the outdated view abandoned that one's own interests are best protected when as many other countries as possible are kept subordinate. No nation has the prerogative to force its ideology on other nations. No nation has the prerogative to occupy foreign territory.

101. The plurality of the world and the self-determination of nations must be recognized as indispensable sources of strength for the spiritual and material advancement of the human race.

102. In short, we must return to the task to which the world dedicated itself in the Charter of the United Nations: that of creating an international order in a spirit of partnership, in which all nations live together peaceably in free self-determination and in which, being aware of their interdependence, they work together in solidarity.

103. The non-aligned countries constitute one of the strong forces in world politics fighting for an order of equality among all nations. I want them to know that the Federal Republic of Germany stands on their side in their struggle to safeguard independence and self-reliance. We want partnership, not hegemony and subordination.

104. Technological progress gives us the chance to solve the economic and ecological problems which confront the world today and which will confront it in the future. It is up to us to muster the moral strength that will determine the future of mankind: the will for tolerance that respects the right of others to self-determination, the will for a fair balance of interests, the will for solidarity—in short, the will for peace.

105. The 1980s will be a decisive decade. It is still possible to choose our course. Let us choose a course of peace and world-wide development.

106. Mr. RICHARD (Madagascar) (*interpretation from French*): Mr. President, the delegation of the Democratic Republic of Madagascar is very pleased to see you once again assuming the presidency of a special session. Since we are already familiar with your special qualities and the commitment that you have constantly shown for the defence of the interests of the third world, we are certain that under your guidance our discussions will contribute to a better understanding of the necessary co-operation that must exist between countries at different levels of development, countries that are now divided by their immediate interests but that are condemned to prepare together for their future.

107. I should like to take this opportunity to extend again to the delegation of Zimbabwe our fraternal congratulations, by way of paying a tribute to the determination that the people of Zimbabwe and their distinguished leaders have displayed in order to achieve, through a noble struggle, the recognition of their identity, dignity and aspirations. Zimbabwe has a very important contribution to make to the building of a world that is more acceptable to all, and its admission to the membership of the United Nations, far from being a mere formality, has a symbolic value.

108. There is no more fitting role for our Organization, and particularly for this Assembly, than that which it assumed and continues to assume in effecting the political, economic and social liberation of peoples. It is for that reason that the proclamation in 1974 of the principles and aims of the new international economic order [*see General Assembly resolutions 3201 (S-VI)*

and 3202 (S-VI)] was greeted with as much hope and enthusiasm as was the adoption in 1960 of the Declaration on the Granting of Independence to Colonial Countries and Peoples [*General Assembly resolution 1514 (XV)*], the twentieth anniversary of which we are celebrating this year.

109. We have learned from experience the bitter lesson that it is not sufficient to proclaim principles and to determine objectives. We must also take into account the conservative instincts of those who have secured control of the present economic system, who are more inclined to defend their immediate interests than to accept the requirements for equal and just relations among nations.

110. During the last six years, negotiations between the North and the South have not yielded the expected results, and the objectives that were identified during the sixth special Assembly session have not yet been achieved despite the fact that they reflect the general desire of all and enjoy the support of the majority of the peoples. Our partners have excelled in the art of non-dialogue in order to sterilize the initiatives of the third world and to shirk the commitments which they undertook, in other words, to maintain the traditional relations which assure them of their domination but which we have unequivocally rejected.

111. We approach the present session with the same handicaps: some of us are concerned about how to revamp an economy in crisis, whereas others are pursuing broader objectives in the hope of eliminating the injustice, inequalities and frustrations of existing international relations. This dual approach is the very crux of the difficulties that affect both the spirit and the conduct of the negotiations, in which no country or group of countries would or could refuse to be involved, without being prepared to shoulder a grave responsibility and to betray the profound aspirations of peoples to bring about the harmonization of interests and to seek mutual benefits, co-operation and peace.

112. In this connexion, we have referred to a lack of political will and the various forms which this has taken. That is precisely the point at issue when certain countries use the pretext of the current situation to say that they cannot even conceive of a serious resumption of negotiated co-operation with the third world and even less imagine themselves studying the fundamental reforms required to combat the unemployment, inflation and recession which are affecting their economies. For those countries, if an urgent and concerted solution has to be found at the international level, it can only be for the problems that are always to the fore, including energy, which would not have been as acute as it is without the lack of foresight of those who have built their whole economies on cheap energy.

113. We do not refuse outright to discuss such specific problems as energy, food supplies or the balance of payments. What we reject is the selectivity which would be tantamount to giving to particular questions a priority which might make us forget that the world economy is in a permanent state of crisis, simply because the necessary emergency measures have not been taken to correct the fundamental imbalances which the countries of the third world have been pointing out for years.

114. We shall never give up trying to convince our partners that our deliberations must embrace all subjects and should be aimed at remedying the chronic imbalance of international payments, the serious deterioration in terms of trade, the ever-growing burden of external indebtedness, inflation, the inadequate volume of the transfers of real resources, the shortage of food

supplies, the increase in protectionism, the high level of unemployment and underemployment, and the considerable decrease in world economic activity and growth.

115. Because of their complexity and diversity, these problems have strained the capacities of our various agencies and institutions, and it now seems clear that the decentralization of negotiations will not be effective in resolving them. However, the solutions to these problems are in our grasp, provided that, in a frank interplay of ideas and interests, the developed countries show the necessary degree of political will and provided that the economically weak and, unfortunately, still unorganized countries of the third world show their imaginativeness, cohesion and perseverance.

116. It is here that we can see the essential benefit of this session which should complete the establishment of the new international economic order, first, by adopting a new international development strategy for the third United Nations development decade—a strategy which must go beyond the ideas of planning and growth and emphasize co-operation—and secondly, by preparing for and organizing global negotiations on international economic co-operation for development.

117. Through a lack of understanding or a lack of conviction, the first Development Strategy has been much criticized. The strategy in the second Decade, just ended, has not escaped criticism either.

118. It has been blamed, among other weaknesses, for being mainly concerned with growth figures and for not taking sufficient account of non-quantifiable targets such as social progress, for not having gone far enough in questioning the bases of the present institutional system and for being based on the assumption that, as a result of some improvement in assistance, trade and the transfer of technology, the growth of the developed countries would promote that of the countries of the third world.

119. It is not surprising, therefore, that the scenarios or models proposed have not yielded the expected results, since they were not properly adapted to the realities or the economic needs of the developing countries. Therefore, we consider that the strategy for the third decade should have as one of its features a broader approach than that taken in the previous ones. It should be more resolutely focused on the establishment of the new international economic order.

120. We entirely subscribe to the passage in the preamble of the document prepared by the Preparatory Committee for the New International Development Strategy, which states that that strategy is

“... an integral part of the continuing efforts of the international community to accelerate the development of developing countries and to establish a new international economic order and is directed towards the achievement of its objectives. These call, in particular, for equitable, full and effective participation by developing countries in the formulation and application of all decisions in the field of development and international economic co-operation with a view to bringing about far-reaching changes in the structure of the present international economic system on a just and equitable basis and the full permanent sovereignty of every State over its resources and economic activities [including the right to nationalization in accordance with its national laws and regulations].” [A/S-11/2 (Part III), annex, para. 6]

121. We must note that despite the efforts which have been made during a number of sessions of the Preparatory Committee, considerable differences of opinion

still persist on certain vital issues for the developing countries, particularly regarding the “goals and objectives” of the new strategy as well as the measures which have been proposed. We, for our part, are quite prepared to make every contribution that we can to reach the necessary agreement on matters that are still outstanding.

122. Among the components of the new strategy those relating to the restructuring of the world economic system seem to us to be of prime importance and, therefore, we will focus our efforts on the adoption of measures that will embody such a restructuring process or contribute to it. We are particularly interested in achieving a reform of the international monetary and financial system which would give the developing countries a greater chance to participate in decision making and which would create more favourable conditions for credits and assistance for their benefit, a tangible increase in the transfer of real resources, a considerable improvement in the framework of international trade, a redeployment of industrial capacities which would lead to a more rational international division of labour, greater ease in the transfer of technology, and a solution to the problem of imported inflation.

123. The Malagasy delegation will also pay equal attention to promoting South-South co-operation based on the Arusha Programme for Collective Self-Reliance and Framework for Negotiations,¹¹ which is also a major component in the new strategy. We should like to reiterate our adhesion to the Monrovia Declaration of Commitment on Guidelines and Measures for National and Collective Self-Reliance in Social and Economic Development for the Establishment of a New International Economic Order, adopted at the sixteenth session of the Assembly of Heads of State or Government of the OAU in Monrovia in July 1979, in which the African countries expressed their resolve to reach collective autonomy, and which has taken the form of a Programme of Action drawn up at the Economic Summit of the Assembly of Heads of State and Government of the OAU held at Lagos on 28 and 29 April 1980.

124. Guaranteed support on the part of the competent organs of the United Nations system is highly desirable, because any assistance programme that does not encourage self-sufficiency and the initiative of countries and Governments would run the risk of degenerating into a world charity programme.

125. We are encouraged to see the economic organization of the third world take shape, as is attested by the great number of projects at present being studied in the group of non-aligned countries or the Group of 77, among which we might refer to co-operation between State trading organizations and the creation of multinational marketing enterprises.

126. In order to contribute to that general effort, the President of the Democratic Republic of Madagascar, in September 1979 at Havana, during the Sixth Conference of Heads of State or Government of Non-Aligned Countries, presented proposals designed to foster economic, financial and monetary co-operation among the developing countries and to promote the complementarity of their economies. Those proposals relate to the creation of the following funds which would be made up of contributions from member countries on the basis of their gross national product, their reserves and their export earnings and of contributions from some member countries on the basis of their surpluses, as well as

¹¹See *Proceedings of the United Nations Conference on Trade and Development, Fifth Session*, vol. I, Report and Annexes. (United Nations publication, Sales No. E.79.II.D.14), annex VI.

by possible loans from international financial bodies and the money markets.

127. The first would be a monetary fund, which would grant short-term and medium-term loans to help the member countries to deal with their balance of payments deficits caused mainly by the importation of oil. It would have the further advantage of promoting trade among the member countries and acting as an intermediary when they wish to float loans on the money markets. Thus, it would attempt to abolish restrictions on current payments and help to co-ordinate the position of member countries on international monetary and economic problems.

128. The second would be called a development fund. It would help to assist the member countries in financing their investment projects and in the selection or setting up of those projects.

129. The third would be an institution to finance buffer stocks and stabilize commodity prices. It would come into play on the markets whenever prices were above or below a price bracket which would be determined periodically and would make it possible for that body to absorb the financial and commercial profits made by the multinational corporations and monopolies in their transactions in raw materials.

130. We consider that those three fundamental proposals should be considered on an appropriate level and in an appropriate context, and should be the subject of preliminary exchanges of views, for we are open to any suggestions.

131. Let me take an example from the recent past in order to illustrate what the Malagasy delegation thinks of the global negotiations which we must not only initiate but also conclude by adopting a comprehensive agreement which all States would pledge themselves to implement.

132. In his report, contained in document A/S-11/5, on the assessment of the progress made in the establishment of the new international economic order, the Secretary-General concludes that, since the adoption of the Declaration on the Establishment of a New International Economic Order in General Assembly resolution 3201 (S-VI), only minimal progress has been made with respect to a number of fundamental aspects of the new order.

133. As to the institutional framework, the report rightly recalls the decisions to create new agencies to which we have entrusted considerable responsibility: the Common Fund, IFAD, the World Food Council, the United Nations Interim Fund for Science and Technology for Development, the United Nations Commission on Transnational Corporations and the United Nations Special Fund for Land-locked Developing Countries. But the report goes on to say in paragraph 389 of its annex that, however careful we were to devise

“... voting and management structures which reflect equitable participation by developing countries... the institutions concerned are relatively small, commanding resources unlikely, in present form, to exceed \$3 billion in the near future.”

134. Is this anything like the sort of structural reform we were pressing for? Can we continue indefinitely to create new institutions at a time when the major problems of poverty, hunger, ignorance and lack of hygiene still prevail?

135. As regards our efforts to establish new norms, new “rules of the game” that would govern international trade, monetary and financial flows, here again

the results obtained have been extremely disappointing. Our efforts have been sectoral and restricted and far from fitting in with the idea of democracy, joint responsibility and active solidarity that should underlie the institution of the new international economic order.

136. In a coyly reticent way, the report does not speak of reform, and even less of revolution in the operations of existing international institutions; it simply refers to adjustments. Well, in the case of “the longer established and more influential trade, monetary and financial structures” [A/S-11/5, annex, para. 389], it appears that even adjustments have not been undertaken, because we have seen that the balance of forces in their administrative organs has hardly been modified.

137. Six years of efforts to bring about these results? Is it not clear that we are on the wrong path?

138. In this connexion, it appears to us that the time has come to take bold initiatives to seek, according to the terms of resolution 34/138, “new, concrete, comprehensive and global solutions going beyond limited efforts and measures intended to resolve only the present economic difficulties”.

139. We have no doubt that the initiative of the third world, on the basis of the resolution adopted at the Havana summit,¹² to organize global negotiations to deal with international economic co-operation for development was a timely one.

140. We have some difficulty in understanding the reticence, even the obstructive manoeuvres, we encountered during the course of the thirty-fourth Assembly session, when it was a question of agreeing in principle on these negotiations. Was it a deliberate reluctance to face up to reality, a desire to ignore the failure of a number of sectoral conferences and the inability of existing institutions to resolve the problems comprehensively?

141. In view of what I have said, a selective, sectoral and subject-oriented approach to the agenda would, in our opinion, be contrary to the spirit of resolution 34/138 and would, indeed, involve us in the very errors that we are trying to avoid. To the extent that it tries to gloss over certain important problems such as reform in the international monetary system, the realization of the Lima target regarding the redeployment of industry and the protection of the purchasing power of the unit value of primary commodities—to name only those—such an approach would be unacceptable.

142. The Group of 77 therefore proposes that negotiations be centred on the five following important issues, which have been chosen because of their interdependence: raw materials, energy, trade, development and money and finance.

143. Agreement on a time-frame for such negotiations would seem easy to arrive at. But the same is not true regarding procedural matters and ways and means. The failure of the preparatory work can be attributed mainly to the differences of opinion which have been engendered by the politicization of these questions, politicization that cloaks the desire of some to deny the fact that the United Nations is capable of providing an adequate framework for negotiations that should lead to action-oriented decisions.

144. We will always defend the authority of our Organization and its powers under the Charter to deal with any matter pertaining to the promotion of development and co-operation. These powers are not confined

¹²See A/34/542, annex, section VI, part B, economic resolution No. 9.

to a mere co-ordinating function, but relate equally to study, negotiation and the taking of decisions. This is what the Group of 77 has asserted in saying that if there should be any deadlock on the current negotiations being held in other forums the questions will be taken up within the framework of global negotiations.

145. At the conclusion of this special session a new development strategy will be adopted, and we hope that next year considerable headway will be made in the global negotiations. Should we then conclude that the new international economic order will eventually come into being? It is without doubt fashionable to err on the side of being optimistic, and, indeed, what would be the point of our having undertaken so much during the past six years if we were simply to throw up our hands in despair?

146. But are we certain, after our present deliberations, that the attitudes of the past will be abandoned? Is it pure coincidence if a number of developing countries have denounced the half-hearted response of some, the wait-and-see approach of others, the deliberate lack of understanding or even the defensive and introverted reactions which seem very much to suggest that interdependence has been rejected?

147. We are forced to make a choice. Either we remain firmly fixed in a deadlock and let the problems pile up, or else we decide to make preparations for a decade where there will be less uncertainty. It is important that we hold our discussions on the same wavelength, that we do not turn this dialogue into an end in itself and that we resist the temptation to use these discussions to defend the old order.

148. The new international economic order has to be brought into being if we want to prevent the disorders of the present system from seriously affecting the social and political fields. It is possible, of course, to fight against the stream, but this undoubtedly would not be in harmony with the sort of international co-operation that has, I think, been accepted by everyone, despite differences of opinion. As in other international fields of activity, it is equally true that a minimum of mutual trust is essential, without necessarily having to compromise one's principles.

149. As far as we are concerned, we maintain that this decade should be one of co-operation among all peoples because, after all, are we not, as an Organization and according to the spirit and letter of our Charter, at the service of all peoples in all spheres?

150. Mr. MESTIRI (Tunisia) (*interpretation from French*): Mr. President, first of all, I should like to say how pleased we in the Tunisian delegation are at seeing this important special session presided over by you. Your authority, which derives from your competence, courtesy and efficiency, will ensure the success of this session.

151. I should also like to say that we welcome the fact that the free and independent State of Zimbabwe has joined the United Nations. We are sure that under the leadership of Prime Minister Mugabe that country will contribute to the work of the Organization and to international peace and security.

152. Here we are, at the end of the Second United Nations Development Decade, a Decade that was the focus of much hope, the source of numerous initiatives to define and put into effect a more just and more equitable international economic order, but a Decade that is ending, it must be recognized, in disappointment and bitterness for a third world that is more disillusioned than ever and whose development efforts, despite

enormous sacrifices, have provided only derisory results.

153. Here we are on the threshold of a third United Nations development decade, which is going to be a difficult one, in view of the bleak international economic situation and its uncertain outlook.

154. This unhappy picture should not lead us to despair; rather, it should enable this special session, basing itself on the ideals of peace and justice of the Charter of the United Nations, to undertake immediate practical measures to restructure international economic relations in order to foster the development of the developing countries and strengthen international economic co-operation on a more just and more equitable basis within the framework of the new international economic order.

155. On this occasion my delegation wishes to reiterate its conviction that the General Assembly, a universal and democratic body, remains the only appropriate forum in which the North-South dialogue and international economic negotiations can be commenced, pursued and successfully concluded. That is why this special session must, on the basis of an assessment of the progress made in the establishment of the new international economic order, take appropriate action for the promotion of the development of developing countries and international economic co-operation, especially by adopting a new international development strategy and by launching global negotiations on international economic co-operation for development.

156. The scope, the seriousness and the complexity of the problems hampering the development of the developing countries must move the international community to adopt an ambitious international development strategy.

157. That strategy must define the practical action to be taken and the means to be employed to achieve clearly defined goals and targets.

158. A solemn commitment from the international community to achieve the goals of the strategy, and to contribute to their achievement, is necessary. Otherwise, we would just be repeating the experience of the second strategy with its wide gap between grand promises and meagre results. Let us take a look at this.

159. With regard to official development assistance, the not very ambitious but rather realistic target of 0.7 per cent of gross national product (GNP) established by the International Development Strategy for the Second United Nations Development Decade of the 1970s is far from having been met by most OECD donor countries, whose official development assistance has fallen from 0.35 per cent of GNP in 1970 to 0.32 per cent in 1980. A very small number of developed countries have met the target. Furthermore, the debt of the developing countries has worsened. The total debt of the developing countries went from \$113 billion in 1970 to \$230 billion in 1977.

160. As for trade, the industrialized countries have increased and strengthened protectionist measures against imports from developing countries by having recourse to quantitative restrictions and quotas in contravention of their commitments and agreements concluded both in international forums and bilaterally.

161. With regard to the ambitious idea of setting up a Common Fund to stabilize export prices of commodities from developing countries, with a capital of \$6 billion, endless negotiations resulted in an agreement far below the hopes that had been raised.

162. At another level, the goals of industrial restructuring and redeployment, of strengthening industrial capacities in developing countries and of implementing comparative advantages have remained the pious hopes of a developing world increasingly impoverished and deprived because of continued exploitation.

163. Those are a few examples illustrating the true scope of the dialogue undertaken between North and South without significant results throughout the decade that is now closing.

164. It is now up to us during this special session of the General Assembly to complete and adopt a new international development strategy that can be an effective instrument and framework to accelerate the development of the developing countries and a significant step towards the promotion of international economic co-operation for development within the framework of the restructuring of international economic relations and the establishment of the new international economic order. Any document which merely reproduced the usual ambiguous formulations would not only be useless but perhaps even harmful to the future of the North-South dialogue.

165. We must constantly bear in mind what is stated in the draft preamble of the strategy, that "accelerated development of developing countries is . . . essential for world peace and stability." [A/S-11/2 (Part III), annex, para. 4]

166. The same text rightly points out that the present difficulties of the world economy must not prevent the international community from pursuing its endeavours to restructure international economic relations and to begin effective and meaningful international co-operation responsive to the needs and problems of the developing countries.

167. Finally, we believe that the new international development strategy must aim at the promotion of both the economic and the social development of developing countries and ensure full, effective participation by those countries in the policy formulation and decision-making process concerning development and international economic co-operation as well as the exercise of full and permanent sovereignty by each State over its resources and economic activities.

168. In Tunisia, we share the firm conviction that the ultimate subject of development can only be people, and that development must ensure that the whole population flourishes and prospers on the basis of full participation in the process of development and an equitable distribution of its benefits.

169. My delegation fully endorses the substance of paragraph 8 of the preamble of the draft strategy, which considers that economic growth, productive employment and equity are the fundamental and indivisible elements of development.

170. While reaffirming that the main responsibility for development lies first and foremost with the developing countries themselves, we think that the international community is in duty bound to make available to them the necessary technological and financial support to assist them in achieving their growth and development targets.

171. In this regard, my delegation feels that international aid and assistance must be continued and strengthened for countries such as our own which, despite their meagre resources, have of course made real progress towards development thanks to the sacrifices made by their people and their mobilization, but which still have a great need for financial assistance and aid on

favourable terms at this critical stage just before their economic take-off. To do otherwise would be to penalize initiative and condemn the efforts of those countries to rid themselves of the consequences of underdevelopment.

172. To ensure complete and sustained development in the developing countries, the international development strategy must provide for ambitious and firm goals and objectives for all sectors of development, which will call for more intensive efforts from the international community for their implementation.

173. It is necessary for the developing countries as a whole to have an average annual growth rate in their gross domestic product of 7.5 per cent during the coming decade. That rate should allow for a doubling of *per capita* income in the developing countries by the mid-1990s. Such a growth in income is necessary if we wish to make real progress in substantially increasing the share of the developing countries in the world production of goods and services and to reduce the growing gap between the standard of living of the developing countries and that of the developed countries.

174. That progress is designed to enable the peoples in the developing countries to profit from development through an increase in employment opportunities and in levels of income and consumption, and through an improvement in housing conditions and an expansion of health and education facilities.

175. We believe that an acceleration in the growth of the developing countries can, on the national level, facilitate the implementation of policies to ensure a more equitable distribution of the gains and advantages of development and, on the international level, contribute to, among other things, balancing the growth of the world economy.

176. Those objectives must be translated into measures establishing high growth rates for the various economic sectors. If they are to be achieved, there must be a more intensive mobilization of, and a considerable increase in the real value of, flows of finance for development. In that connexion, we feel that, within the framework of the strategy, quantified and fixed objectives must be established for official development assistance. Thus, we do not think it is impossible for the industrialized donor countries, whatever their economic and social systems, to undertake to meet, and if possible exceed, the agreed international objective of 0.7 per cent of their gross national product by 1984 at the latest, and to reach 1 per cent of their gross national product by 1990.

177. Need I recall that this increase in official development assistance must benefit all developing countries, without exception?

178. Furthermore, formulas must be found to adapt the net capital flows, provided on market terms, to the possibilities and particular needs of the developing countries.

179. In terms of sector-based objectives, the agricultural production of the developing countries as a whole must grow at an average annual rate of at least 4 per cent in order not only to allow for the elimination of hunger and malnutrition throughout the world, but also to ensure balanced development in the developing countries, diversification of their economic structures, correction of the current imbalances in world production, and a considerable increase in the developing countries' share in food and agricultural product exports.

180. The achievement of stable and harmonious economic development requires an annual growth of 9 per cent in the developing countries' manufacturing output;

that would help to increase their share of the world manufacturing output.

181. The strategy must enable the developing countries to increase their share of trade, to develop and strengthen their economic and social infrastructures, and to strengthen and diversify economic and technological co-operation among them, on the basis of the principles of collective autonomy and solidarity.

182. My delegation welcomes the inclusion by consensus in the draft strategy of—in addition to economic objectives—an aspect of social development, on the basis of a unified and dynamic notion of development. We find that a fundamental and indispensable factor for balance.

183. The achievement of the objectives of the strategy requires the effective mobilization of the efforts of the developing countries, together with active support by the international community for the adoption and implementation of general policy measures that are both flexible and effective. Africa, for its part, agreed at Lagos on a programme of action to strengthen inter-African co-operation and the complementarity of our countries, with the year 2000 as the target. The international community must assist us to attain those objectives.

184. Although during the process of preparing the strategy, broad agreement emerged on the actions to be taken to attain the goals and objectives of the strategy, major differences still exist, particularly in regard to taking concrete measures to ensure policies to adjust the structures of industrialization and trade. The same difficulties crop up when we deal with actions to be taken to increase the flows of finance for development or to make changes in the international monetary system.

185. We hope that during this special session countries and groups of countries will show the necessary flexibility and political will to enable us to adopt an action-oriented, consistent and dynamic strategy.

186. The establishment of development goals and objectives by the international development strategy must not make us lose sight of the need to have a responsible and constructive dialogue, through global negotiations, in order to find appropriate solutions for certain crucial problems, solutions that will be the basis not only for the implementation of the strategy, on good terms, but also for the improvement of international relations.

187. In taking the initiative of proposing global negotiations on international economic co-operation for development, the developing countries have demonstrated a high sense of responsibility, as well as their devotion to orderly dialogue and their determination to avoid confrontation.

188. Aware of the increasing interdependence of countries, as well as of the interrelationship of the problems hampering the development of the developing countries and international economic co-operation, the Group of 77 proposed that, within the framework of the United Nations, global negotiations should be entered into, negotiations which would be action-oriented and which would deal with the subjects of raw materials, energy, trade, development, and monetary and financial questions [see *A/S-11/1 (Part IV), annex I, sect. A*]. Those subjects should be considered together, in a global and consistent way.

189. The Committee of the Whole Established under General Assembly Resolution 32/174, which was given the task in resolution 34/138 of preparing the agenda, the procedures and the time-frame for global negotiations, failed to carry out that task. Once again, the will

to change was checked. The industrialized countries seem to agree to dialogue only in order to discuss crises. Otherwise, how can we explain the attitude they took during the preparatory stage of the global negotiations? What justification can there be for their attitude of seeing in the proposals for structural changes made by the developing countries only a latent threat to past gains and exorbitant interests which are jealously guarded?

190. Instead of generous promises of a new international economic order based on equity, justice and mutual interest, most of the industrialized countries seem to want short-term adjustments to paper over an outdated and cracked structure, which seems ready to collapse at any moment.

191. Once again we note with great disappointment that the developed countries are mesmerized by the short term and seem concerned only about the economic difficulties of the moment, to the detriment of the breadth of vision necessary to deal with problems in the longer term.

192. Indeed, when the attempt was made to determine the agenda and the procedures for global negotiations, we were confronted by the strong resistance of the industrialized countries to the inclusion of items implying change or reform. That resistance took the form of a so-called thematic approach to focus global negotiations on the consideration of what they call fundamental needs of developing countries and on the short-term difficulties of the industrial countries.

193. When it came to procedure this same resistance took the form of a decentralized approach to negotiations, which in the final analysis meant scattering the issues to be dealt with among the specialized agencies of the United Nations system, thus stripping the global negotiations of any meaning or scope.

194. That approach is in direct contradiction of the letter and spirit of General Assembly resolution 34/138.

195. Attempts to reconcile points of view, which were marked by the particularly conciliatory spirit shown by the Group of 77, unfortunately proved unsuccessful.

196. The re-drafting of the agenda to make it more neutral, the willingness of the Group of 77 to leave out some agenda items so as to avoid any duplication of effort or overlapping with ongoing negotiations, the flexibility shown by the developing countries on the matter of procedure: none of these met with a favourable reception from our partners who were still determined to maintain the *status quo* and to safeguard their privileges and past gains.

197. Tunisia, which continues to believe in the virtues of dialogue and concerted effort, refuses to give way to irresponsible pessimism or sterile accusations. Of course the North-South dialogue is more than ever in stalemate, and while it is unquestionable that the immediate outlook of an international economy in crisis is bleak and long-term prospects for change seem compromised, it is nonetheless true that if the offer to enter into action-oriented global negotiations is not taken up we may lose our last chance—the final opportunity to achieve orderly, concerted change.

198. Political will, creative imagination and a spirit of concession must be the order of the day for us all, regardless of our levels of development and regardless of our economic and social systems, so that we may jointly undertake the task of restructuring international economic relations and establishing the new international economic order.

199. It is high time for the international community, and in particular the industrial market-economy countries, to realize that the new international economic order is not and cannot be a game of chance in which the gains of one player are necessarily the losses of another.

200. For our part, we think of it as a task of needed reform and an unavoidable restructuring of international economic relations in order to remedy the injustices and shortcomings of the pretence at an economic order which prevails and which, as events and cyclical crises constantly prove, is neither satisfactory nor even always favourable to the developed, let alone the developing, countries.

201. May the international community, on the threshold of the third United Nations development decade, manifest a spirit of initiative and a sense of responsibility in order resolutely and courageously to set about reform and—why not?—change.

202. If it does, this session, which promises to be a difficult one, will have made a major contribution to the security of a world which, despite all the crises, is increasingly interdependent and interrelated.

203. Mr. ARAIM (Iraq) (*interpretation from Arabic*): Mr. President, it gives the Iraqi delegation great pleasure to see you once again presiding over the General Assembly at this important historic session. We are sure that your wisdom will have a positive impact on the future negotiations in general and on the third world in particular. Today the whole world is following the deliberations of our important session in the hope that we shall be able to solve the great problems that bring with them a dire threat of world disaster, such as hunger, backwardness and the inequitable balance in international economic relations. The fault lies with the most developed countries, which show neither political will nor a sincere desire to resolve the problems. As a result of their having suffered oppression and exploitation in past centuries, the developing countries see in this session a historic opportunity that might not come again to adopt appropriate solutions and to establish a relevant body that would bring about world prosperity, stability and peace.

204. The world of today is a world of increasing economic crises that basically emanate from the inequitable balance of economic relations between the industrial developed world and the developing world. The crises in industrial countries have had a direct impact on the developing countries themselves as a result of the mechanism that causes the international economic order to be characterized by inequitable relations and economic dependence. Moreover, the phenomenon of "stagflation"—stagnation and inflation—is not the first that has affected the third-world countries, but it is the most serious, having had the most direct influence on those countries. It is well known that the capitalist economies have suffered a series of crises whose negative impact has always been transferred to the third world, thereby perpetuating the cycle of backwardness and the spread of hunger and malnutrition, even after the industrial countries have managed to overcome those crises. Usually, the crises are very easily and quickly transferred to the countries of the third world, but it is far more difficult for them to recover from them. In fact, the impact of those crises has been most severe because of the very nature of the unequal relations of the international economic order. The "stagflation" phenomenon that prevails in the world today has had an adverse effect on the development potentials of the third world. That is because inflation and stagnation exhaust

the resources of third-world countries and increase their balance of payments deficits, thus pushing them deeper into debt. Stagnation reduces the opportunities available to the developing countries to increase their exports to the developed countries.

205. This session has special importance because the question of a dialogue between the industrial and the developing countries is being discussed for the first time within the framework of the United Nations, with the participation of all Member States. As we know, the international Conference on International Economic Co-operation, better known as the North-South dialogue, which met in Paris from 30 May to 2 June 1977, failed to reach the agreement on fundamental issues that is necessary to bring about structural changes in the economy. As a result of that failure, the non-aligned movement took an initiative, and the entire issue was referred to the United Nations in order that it might take the steps necessary to foster change.

206. The failure of past attempts to lay down the main principles for structural change in the world economy has been due to the lack of political will on the part of the developed countries to bring about such changes. We hope that the present session will have a better chance of succeeding than previous attempts. Failure to reach an agreement during this session will have grave consequences for the developing countries, which account for more than 70 per cent of the world's population. Such a failure would also have dire consequences for the industrialized countries, whose interest lies in the success of this session as well. We believe that the crises of the industrialized countries cannot be solved except through the implementation of structural changes in the international economic order. Short-term measures advocated by the developed countries cannot deal adequately with the problems facing us. That is why we believe that the structural changes proposed by the Group of 77 in the framework of the agenda of the global negotiations are the best foundation for achieving the necessary long-term changes.

207. I would like to refer briefly to the global economic negotiations, and to my country's position concerning some of the proposals submitted thus far. First, I would like to remind representatives of General Assembly resolution 34/138, which stipulates that the new round of global negotiations should include major issues in the five main fields specified in that resolution. This was to be done in a coherent and integrated manner, without isolating one area from the others. The resolution also stated the negotiations should take place within the United Nations, without prejudice to the central role of the General Assembly. It is on this basis that the proposal of the Group of 77 has been presented, outlining the procedures of the global negotiations. In regard to the agenda, the Group of 77 submitted positive proposals regarding the five main areas specified in the General Assembly resolution [see A/S-11/1 (Part IV), annex I, sect. A]. But we regret that we realized at the last meeting of the Committee of the Whole that the developed countries have no serious intention of presenting positive proposals, and in some cases they remain silent on matters of the utmost importance. This position, in our opinion, is not constructive or in harmony with the main objectives of the global negotiations, which we hope will bring about long-term structural changes in the international economic order.

208. We have some remarks concerning some of the suggestions made by the industrialized countries. First and foremost, we would like to emphasize that the energy issue cannot be isolated from the other main

issues, and that any attempt to isolate it would deprive this important session of its serious character in seeking to establish a just international economic order and would lead to the failure of the negotiations. As to the question of prices and equipment, these fall within the purview of national sovereignty and the right of States to use their natural resources as they see fit. There is also the concern of the oil-exporting countries to conserve this vital non-renewable resource in the face of inflation and the fluctuations in the value of the dollar. Consequently my delegation will definitely reject any consideration of the price issue. As concerns equipment from industrialized countries, it cannot be considered except within the context of national sovereignty and policy and the national interests of the oil-producing countries, which aim, among other things, at maintaining the purchasing power of energy and rationalizing consumption in industrialized countries, within the framework of normal international economic and political conditions.

209. In this connexion, I wish to say that my country has reaffirmed several times that it is going to assess its relations with the world on the basis of the recognition of the legitimate rights of the Arab people of Palestine, and would like to remind representatives of the recent Iraqi-Saudi-Arabian joint communiqué, which affirmed that both Iraq and Saudi Arabia intend to sever their political and economic relations with any country which responds to the decision taken by the Zionist entity and establishes or maintains an embassy in Jerusalem after the adoption of resolution ES-7/2 of 28 July 1980 of the seventh emergency special session of the General Assembly.

210. As to the questions of money and finance, our delegation wishes to emphasize the importance of a reform of the international monetary system. We reject the ideas of the industrialized countries, which wish this subject to be considered within the framework of the World Bank and IMF, for we believe that this should be discussed within the framework of global negotiations. Only after a political decision on this matter is taken can we effectively discuss the technical details in those financial institutions. We stress the significance of adding to the agenda the question of the adverse effects of the inflation exported by the developed countries to the third world. The rapid rate at which inflation is increasing in the industrialized countries is the main reason for the continued increase in the balance of payments deficit of the developing countries. This inflation forced the developing countries to bear an additional financial burden equal to about \$51 billion during the period 1974 to 1978. And if we take into consideration the rapidly increasing rates of inflation that have been exported by the industrialized countries during the last two years, this figure is expected to reach \$80 billion. Hence, it is no wonder that foreign debts climb to \$280 billion, soaring far above the \$42 billion of the total export earnings for 1980 of the developing countries.

211. I should like to recall the proposal put forth by the President of the Republic of Iraq, Mr. Saddam Hussein, which calls for the establishment of an international fund to compensate the developing countries for inflation by having the developed countries, regardless of their economic or political systems, contribute to the fund in proportion to the inflation rate exported by them to the developing countries. The oil-exporting countries would contribute in a similar manner.

212. That initiative taken by Iraq stems from a position of principle represented by the need to achieve a

balanced and equitable international economic order. It is not motivated by calculations of profit and loss but, rather, is aimed at effective participation in the restoration of balance to the international economic order. In accordance with this position, Iraq has committed itself to providing assistance in the form of grants and loans on concessionary terms to the tune of 4 per cent of its gross national product in 1979, and more than 7 per cent of its gross national product in the first half of this year. Yet we notice that the industrial countries failed to fulfil their commitment, and contributed less than 0.3 per cent. We sincerely hope that the industrialized countries will look into this proposal seriously, since it aims at tackling one of the most difficult problems of the contemporary world: the economy. I should like to refer, in this connexion, to the volume of aid given by some OPEC countries to developing countries. According to studies conducted by the World Bank, in spite of the fact that the gross national product of the OPEC countries constitutes only 7 per cent of that of the industrialized countries, the assistance given by four oil-exporting Arab countries, whose gross national product is 4.5 per cent of that of the United States, has exceeded the United States contribution during the past years.

213. It is clear that continued increases in balance of payments deficits in developing countries can only lead to catastrophe in the end, so the industrialized countries must realize the dangers inherent in this situation.

214. The international commercial system, like all other sectors of the economy, has suffered from essential defects which are at the root of the deterioration of terms of trade, as we can see from the abundance of protectionist measures adopted by the developed countries vis-à-vis the exports of other countries, and from the inability of the existing commercial rules and principles to cope with the needs of the international economy.

215. Iraq commends the remedies that the international community is trying to achieve in this regard, but realizes that there is still much to be accomplished.

216. The procedural aspects of the global negotiations are no less important than the agenda. We believe that the issues we are about to negotiate upon are interrelated and that concentration on one at the expense of the others can only lead to superficial solutions which will only complicate matters in the world economy. The proposals of some industrialized countries concerning global negotiations aim, in the first place, at circumventing the main objectives of General Assembly resolution 34/138, because those proposals recommend referring the issues to specialized agencies instead of to the General Assembly in New York. My delegation will strongly oppose any such proposals, since what is needed is a high-level centralized political body to oversee the global negotiations and ensure a comprehensive approach to all aspects and, at the same time, supervise the technical aspects of the measures agreed upon to be referred to the specialized agencies. We should also like to emphasize the need for global negotiations to lead to a package agreement to which all parties concerned will be politically committed.

217. With regard to the international development strategy for the third United Nations development decade, we feel that the subjects it deals with should be approached separately from the global negotiations, because the strategy has, since its inception, been regarded as a programme which serves the interests of the developing countries and aims at achieving specific rates of growth throughout the decade, in the interests

of those countries. Therefore, those subjects are considered essential prerequisites for the implementation of a programme for which the industrial countries bear primary responsibility. To this may be added the fact that this programme is bound to a specific time-frame.

218. As regards the global negotiations, notwithstanding their leaning towards the interests of the developing countries, they aim at bringing about structural changes in the world economy that will benefit all concerned and are aimed at putting an end to the economic crisis. On this basis, my delegation does not see a link between the development strategy and the global negotiations; each has to be dealt with separately. I should like to take this opportunity to convey my delegation's deep appreciation to Mr. Naik of Pakistan, the Chairman of the Preparatory Committee for the New International Development Strategy, for the invaluable efforts he made in order to narrow the differences and overcome the difficulties.

219. Once again, we should like to say that this session is a historic occasion, and we call upon the industrial countries to live up to their responsibilities. In view of the vast capabilities and resources they possess, the industrial countries are called upon to assume their responsibilities to the world community as a whole. Their attitude, marked mainly by stubbornness and a hardening of position up to now, will only lead to the failure of this session at the same time as it increases the tension between developed and developing countries. When faced with this reality, the third world will be forced to use its capabilities and economic resources, which everyone knows are effective in international economic relations, in order to confront the stubbornness of the industrial nations and free themselves from economic exploitation.

220. Therefore, the industrial countries are called upon to take the necessary political decisions which will enable the negotiations to arrive at a positive result that will serve stability, prosperity and peace in the world.

221. My Government believes very strongly in the importance of deepening economic co-operation among developing countries, and considers this to be an important element in achieving the new international economic order. Iraq has translated this co-operation into concrete reality; this may be seen in the massive aid, both multilateral and bilateral, given by Iraq to other developing countries despite the efforts it is making in the field of internal economic development.

222. In conclusion, I should like warmly to welcome the admission of Zimbabwe to membership in the international Organization. The freedom and independence achieved by the people of that country under the leadership of the Patriotic Front and its leader Robert Mugabe after a relentless struggle against colonialism and racism give us full confidence that other struggling peoples, such as the Palestinian people, will achieve victory in the end over racism, which is what the people of Zimbabwe were fighting, and that they will find their way to membership in this international Organization, overthrowing the forces of oppression, colonialism and racism.

223. Mr. CHISSANO (Mozambique):¹³ Mr. President, as I am addressing this special session of the General Assembly of our Organization for the first time, I should like to pledge to you our total commitment and co-operation in our work, so that when it is completed we may leave this special session with valid

instruments which will clearly define a coherent and realistic international development strategy. This strategy must put into motion new dynamics for the social and economic development process of more than three quarters of the world's people.

224. In fact, we are dealing with yet another vital event for millions of human beings, whose lives are blighted by hunger, misery, sickness and illiteracy, and who must survive without clothing and without shelter. Those are the evils which constitute a real threat of the extermination of the human race.

225. We are on the threshold of yet another development decade. It is a decade of hope. It demands from us all co-operation and mutual understanding in the resolution of our common problems.

226. Mr. President, it is with renewed satisfaction that my delegation congratulates you when it sees you again presiding over our deliberations. Your presence as the representative of a front-line State, coupled with your ability as a wise diplomat, gives us the guarantee of success in the work of this session.

227. It is with pleasure that we see the vast family of nations continue to grow. Our satisfaction attains even greater proportions as this increase is the result of the bold measures taken by the whole international community. The Republic of Zimbabwe is today a Member of the United Nations. At this historic session we hail the victory of the people of Zimbabwe who, under the leadership of the Zimbabwe African National Union (ZANU) Patriotic Front, knew how true national independence could be won. This victory of the people of Zimbabwe is the result of the sacrifices and abnegation of all the people, people who were humiliated, massacred and exploited.

228. This victory is the result of an arduous struggle for national liberation, imposed on the people by colonialism and racism. Many died the victims of massacres, bombings and assassinations, not only on the battlefields, but also in the prisons and concentration camps: Mozambicans, Botswanans, Zambians, Angolans and, in much greater numbers, Zimbabweans.

229. This victory expresses the certainty of the irreversible course of our contemporary history through the struggle of subjugated peoples to gain their fundamental rights of independence and freedom, whether political, economic, cultural or social.

230. The delegation of the People's Republic of Mozambique warmly salutes the admission of the Republic of Zimbabwe as the 153rd Member of our Organization. This event takes place at a time when the United Nations is preparing to celebrate the twentieth anniversary of the adoption of the historic Declaration on the Granting of Independence to Colonial Countries and Peoples [*General Assembly resolution 1514 (XV)*], a document of great significance in the lives of the peoples who were and are subjected to colonial domination.

231. This occasion impels us to reaffirm the inalienable rights of peoples under colonial domination who, employing every possible means at their disposal, are struggling against colonial Powers which oppose their aspirations to freedom and independence. The continued existence of colonialism in all its forms and manifestations is incompatible with the Charter of the United Nations, the Universal Declaration of Human Rights [*General Assembly resolution 217 A (III)*] and the Declaration on the Granting of Independence to Colonial Countries and Peoples and constitutes a grave threat to international peace and security.

¹³Mr. Chissano spoke in Portuguese. The English version of his statement was supplied by the delegation.

232. With the victory of Zimbabwe, the struggle of the peoples of Namibia and South Africa gains impetus. That victory is an incentive for the struggle of those peoples. The People's Republic of Mozambique does not view the victory of the people of Zimbabwe merely as the liberation of yet another people. That victory had political and economic repercussions of great consequence for the struggle for the total liberation of southern Africa and of our continent in general. That victory enables the people of that region to renew their activities for the rational application of human and material resources for the development of our people. Up to a short time ago those same resources were channelled, on the one hand, to the just war for national liberation and, on the other, to the unjust racist war of genocide, oppression, exploitation and colonial domination. This challenge must be faced by the people of southern Africa in order to win the great economic battle.

233. His Excellency President Samora Moises Machel, in his address to the summit meeting of the Assembly of Heads of State or Government of the Organization of African Unity, stated that

"The independence, sovereignty and liberty of our peoples are devoid of meaning if we do not break the external control of our natural resources, the financial impositions of international institutions and inherited economic dependence."

234. Our children, the future generations, will not forgive us if we prove incapable of winning this hard struggle. The opportunities exist for us to make these aspirations come true.

235. The colonial Powers endowed our countries with infrastructures whose principal purpose was to serve the interests of the international capitalists through the racist régime of South Africa. With the liberation of Zimbabwe, conditions have been established for the gradual integration of our economies. Conditions have been established to eliminate economic bottlenecks and decrease the direct dependence of the land-locked countries of our area on the Pretoria régime by offering them new opportunities and alternatives through economic co-operation.

236. The prospects for co-operation in our area are immense. With some positive experience in bilateral co-operation, we are increasing co-operation on a sub-regional level. Thus, in southern Africa we have taken important initiatives for the integrated development of our economies. Each of us has experience and infrastructure in a given sector. We shall put that experience and infrastructure to good use for the benefit of our development.

237. It is within the framework of those initiatives of intraregional co-operation that the People's Republic of Mozambique, the key country in the transportation of raw materials produced by countries in the region, was given the responsibility of co-ordinating the major undertakings to be carried out in the field of transport and communications. Our area is endowed with varied raw materials which are used in the large industrial complexes of the developed countries. The liberation of Zimbabwe has removed the barriers to the transportation of those resources which were created by the war that prevailed in the country.

238. That is why we say that all of this has been gained as a result of the Zimbabwe victory. It has strengthened our concept of the economic interdependency in international economic relations that we should like to see instituted in a just, equitable and mutually advantageous way.

239. The operational capacity of the whole system of economic integration and the division of labour among the countries of southern Africa requires an ability and a capacity on the part of all the countries to respond to the demands made as a result of such action. For the People's Republic of Mozambique to carry out the great undertakings proposed in the field of transport and communications within the framework of regional development co-operation, undertakings that are vital to the area, substantial help will be needed from the international community.

240. As a result of those initiatives, the second co-ordinating conference on economic co-operation among the countries of southern Africa will be held in Maputo in the month of November, and probable donors will be invited. The large development projects of our area will be presented at that Conference. We hope that all those invited will respond positively to that initiative, which must be translated into practical supportive action.

241. Our country will do everything in its power to play its vital role efficiently in the field of the economic integration of southern Africa, despite the difficulties we have experienced as a result of the war, sanctions, aggression against our territory and, lastly, the natural disasters which have plagued our country. Regional economic co-operation is the result of the political unity of the front-line States and of the political unity which has been extended to other countries of the area for the purpose of eliminating economic dependence.

242. I should like to take this opportunity to express here our deep gratitude to all the countries that firmly supported us during the liberation struggle of Zimbabwe when we were subject to aggression, massacre and bombings as a result of our implementation of a decision of the international community. The independence of Zimbabwe does not mean the end of our need for support. On the contrary, that support is still necessary, bearing in mind the imperative need to rebuild our country, which has been devastated by war, so as to enable us to carry out our role as the rear guard in the battle for economic and social development, not only of Zimbabwe and Mozambique, but also of southern Africa as a whole.

243. I shall not dwell at length on this subject today, since it is one of the items that will be dealt with at the next regular session of the Assembly, when the Secretary-General's report related to assistance to Mozambique is considered.

244. It is not by chance that the concept of the new international economic order has emerged. It derives from the need felt by the international community to create firm foundations so that the complete liberation of all peoples can become a reality.

245. The liberation of peoples of necessity presupposes economic independence. Liberation means equality among nations. Liberation means respect among all nations. It means that each people is entitled fully and permanently to exercise its right to its natural resources.

246. The existing economic order is profoundly unjust. It runs counter to the basic interests of developing countries. It is incompatible with the liberation of those countries. In the programmes and strategies previously adopted, particularly with regard to the reorganization of the world economy after the Second World War, the situation and interests of developing countries were not taken into account. The machinery of international economic relations created conditions favouring the prosperity of market-economy developed countries. However, we see the perpetuation of underdevelopment in Africa, Asia and Latin America. The

peoples of those continents are forced to face increasing hunger, starvation, poverty, nakedness, disease and illiteracy.

247. Relations based on inequality and dependence on former colonial Powers still prevail most acutely in those regions. The main aspects of social and economic life are strongly, and negatively, influenced by the former colonial Powers. It is in this gloomy situation that the eleventh special session of the General Assembly is taking place.

248. Among the developing countries there is a growing awareness of the need to discover a mechanism that will free them from the yoke of economic dependence of which they are victims. We denounce any kind of economic prosperity or independence for part of mankind built on the dependence, domination and exploitation of the rest of mankind.

249. At Algiers and Lagos, at Lima, Mexico City, Colombo, Buenos Aires, Manila, Havana and New Delhi, among others, the developing countries have warned the world about the need to take measures to eliminate the main obstacles to emancipation and progress of the peoples struggling for a proper standard of living which would meet the basic needs of life.

250. Between the Algiers and Lagos meetings the international community, inspired by the political power that the developing countries constitute through the non-aligned movement, has adopted useful instruments, such as the Declaration and the Programme of Action on the Establishment of a New International Economic Order [*General Assembly resolutions 3201 (S-VI) and 3202 (S-VI)*] and the Charter of Economic Rights and Duties of States [*General Assembly resolution 3281 (XXIX)*]. Those instruments call for an end to the existing international economic system, characterized by inequality, domination, dependence, strict self-interest and fragmentation, and its replacement by an order based on equality, sovereignty, interdependence, common interests and co-operation among States, irrespective of their economic and social system.

251. It is the responsibility of the international community to review the unjust existing economic order and to adjust it to the objectives of this Organization so as to enable all peoples to master their resources and, finally, their destiny. The developed countries are bound, pursuant to the United Nations Charter, to co-operate in good faith with the developing countries in the implementation of the norms and principles concerning the new international economic order.

252. Today, six years after the sixth special Assembly session, the world economic crisis has attained unprecedentedly alarming dimensions. The present crisis is due to the control exercised by the developed market-economy countries over the natural resources of the developing countries and over key international markets. It is a symptom of structural and fundamental imbalance, aggravated by the unwillingness of the developed market-economy countries to control their external deficits and their high inflation and unemployment, which generate fresh imbalances in the international economic system.

253. Economic and social progress in the developing countries is still being adversely affected by several threats and sometimes even aggressive attitudes towards those among us who are opposed to plans to impose political, economic and social structures that favour dependence, domination and exploitation. It is the case of aggression against Angola, Cuba, Mozambique and others.

254. It was with astonishment and real concern that the international community recently became aware of the unilateral legislation promulgated by the United States of America to grant its enterprises the right to start exploring the resources of the soil and subsoil of the sea-bed beyond the zone of its national jurisdiction. It is an affront to the international community's General Assembly resolution 2749 (XXV) of 17 December 1970, in which it was declared that the resources of the ocean floor and the sea-bed are the common heritage of mankind. The United Nations, in adopting that important document, did not intend to grant any State the right to exploit by itself resources meant to be for the benefit of mankind as a whole. The People's Republic of Mozambique vigorously condemns this measure and reaffirms the stand taken by the Group of 77 at the Third United Nations Conference on the Law of the Sea, recently held at Geneva.

255. This session of the General Assembly invites us to review and appraise the implementation of the decisions taken by the international community on the establishment of the new international economic order and then to take the necessary measures. Today we are gathered here in a session that may be historic, if the decisions that we as a group will take are designed to restructure international economic relations.

256. It is with concern that we see the lack of progress in negotiations in the last few years on the implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. It is even more alarming to watch the prevailing trends which mirror the retreat of some industrial countries from their commitments. The meagre progress could be dubbed negligible, bearing in mind that no change has been made with regard to the non-participation of the developing countries in the decision-making process in international economic relations. Our countries are still passive subjects in attempts at restructuring the international economic and social order.

257. There is a long list of failures and discrepancies in fundamental areas of assistance to development, industrial restructuring, international monetary and financial reform, changes in international trade, transfer of technology, and support and assistance from the developed countries to economic co-operation among developing countries.

258. The consensus achieved six years ago at the sixth special session is yet to be translated into practical action, action enabling people to eliminate hunger, illiteracy, poverty and disease.

259. The adoption of the new international development strategy for the third United Nations development decade should constitute an integral part of the international community's effort to accelerate development and set up the new international economic order. It should be geared to attaining its objectives. For this purpose we must have equitable, complete and effective participation from the developing countries in the drafting and implementation of all decisions in the field of development and in international economic co-operation. Thus, changes must be made in the structure of the existing economic system on the basis of justice and of the national sovereignty of each State in controlling its resources and economic activities, as set forth in the Charter of Economic Rights and Duties of States.

260. In our opinion, it is very important to implement practical measures for general and complete disarmament under effective international control. The taking of such measures will lead to the release of vast

resources which would be used for development, in particular, in the developing countries.

261. The international community should be unanimous in realizing that economic interdependence among all countries at their different levels of development is a reality that involves the taking of practical, specific measures of economic policy.

262. It is our understanding—an understanding that has brought us here today—that what is required is not only to discuss the best ways of alleviating the poverty of the developing countries, but also to resolve the problems within those countries. These problems are of concern to us within the framework of the dangerous crisis that threatens all humanity.

263. We are here to say that it is not the fact of being poor that constitutes a problem. It is the dichotomy between the “haves” and the “have-nots”, between producers and consumers, between the exploited and the exploiters. What brings us together is the need to create a platform of coexistence in a world profoundly damaged by discrepancies that have been deliberately fabricated. It is the fact of having gained an awareness of a barrier deliberately created and the realization of our own possibilities and capacities and that each people is worthy of its natural resources.

264. Once again we are asked to prove our ability to respond to oppression and subjugation. During the colonial period, we were branded as rebels and insurgents when we demanded the restitution of our status as human beings. When we demanded independence, we tried to talk peaceably with our masters, but no one would listen. The dialogue of force was imposed upon us. We took up arms. Much blood was spilt. But only in that way were we able to win.

265. Today, it is exactly the same situation that we are experiencing. We are dealing with the same process. It is the same process of liberation, which is not yet complete. We are facing the same obstinacy that we faced in the past. It is the same revulsion that impels us to act. What shall we do?

266. We simply want to talk, to have an honest and sincere dialogue in which the prevailing will is to do away with selfishness and to build a world in which equality reigns.

267. We are human beings. We do not come here to beg. Co-operation among countries should not be seen or understood as alms given by the rich to the poor. On this subject, President Samora Machel said, “Alms humiliate and demand submission to the enemy”. So we reject alms. We have come here as a wealthy country, an equal among other wealthy countries. We must repeat: we still have a long way to go. The historical process of development has its stages, which must be passed through, and we still have much to do for the benefit of our people. We need to use technology to exploit our own resources, and this technology cannot indefinitely be a monopoly of anybody, much less a monopoly of one country to the detriment of others.

268. As I have said, the historical process of development of necessity goes through stages. The countries that are developed today have taken the same path, and we shall attain that level. It is a question of the desirable world equilibrium, one that is desirable for all. It is up to the developed countries. It is their moral obligation, to support the development of countries which have not yet attained that same level.

269. We want a rapid development of our countries in order to enable them to overcome all the inherited consequences of colonial domination, to eradicate hunger, poverty, sickness and illiteracy, and to eradicate under-development.

270. The struggle for economic independence is not waged against anyone. It signifies the establishment of relations of benefit to everyone. This struggle should therefore be shouldered by everyone. Our common enemy is under-development.

271. We came here to draw up the terms of co-operation. A great part of the technology owned by developed countries is designed for the exploration and exploitation of the virgin riches of the soil and subsoil of our so-called poor countries, using manpower being paid starvation wages. These are hungry and under-nourished people who, far from the so-called third world, continue to build skyscrapers in major capital cities in the developed countries.

272. What we want now is for these forgotten men and women to benefit as well from their physical labour. What we want is that the exploration for and exploitation of raw materials, and all trade, should fall within the framework of our development programmes through mutually advantageous co-operation among all countries, regardless of their political or social systems. What we want is for the military tensions which prevail in various parts of the world, in particular in the Indian Ocean region, to cease in order to guarantee the free flow of trade in the goods that we all need.

273. In conclusion, we should like to stress the importance for the entire international community of the global negotiations proposed by the Group of 77. It is our duty to encourage their initiative, and it is necessary that we do so. We firmly believe that the success of such negotiations will show the maturity of the Assembly in working towards the concept and practice of international co-operation.

274. We are convinced that only through dealing with agenda items in an integrated and consistent manner shall we arrive at the conclusion of a package agreement binding on all Member States.

275. Therefore, we appeal to those who insist on leaving out of these negotiations some matters of vital interest to three quarters of humanity. The global nature of the negotiations derives from discussion of all the problems together. Success will lie in the degree of seriousness that characterizes them, so that it will not be necessary to convene more conferences and meetings to mull over the same old themes.

276. It is our desire that the spirit of collaboration, openness, universality and justice should prevail.

277. When we say *A luta continua*—the struggle continues—we are not just repeating another slogan. The difficulties we have when some refuse to recognize the need to restructure international economic relations are the same we had during our struggle for political independence.

278. Once again, we are convinced that, as in the past, the final result will be recognition of our cause as a just one for the whole of mankind, and all will join together with us in the determination to win that cause.

279. *A luta continua*, and thus *venceremos*.

The meeting rose at 1.55 p.m.