

the United Nations to banish the spectre of hunger and malnutrition from the world and declared its solidarity with the developing nations in their struggle for economic independence and security, which were a

prerequisite for a durable peace and for stability in the world.

*The meeting rose at 1 p.m.*

## 1526th meeting

Friday, 5 October 1973, at 3.20 p.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1526

### GENERAL DEBATE (*continued*)

1. Mr. SELFE (South Africa) said that the word *détente* had cropped up again and again in statements. Equally, many speakers had referred to an increasing sense of solidarity among the countries of the third world, and to an extent in the international community as a whole. It would therefore seem that there was a better climate for co-operation for development than before, as was borne out by the decision taken at the ministerial meeting at Tokyo (12-14 September 1973) concerning future trade negotiations under the auspices of GATT.

2. However, there were still many problems, some apparently insoluble, and a note of disappointment at the slow rate of progress being made was evident throughout the report of the Economic and Social Council on its fifty-fourth and fifty-fifth sessions (A/9003). From the over-all viewpoint, however, there had not been a complete standstill and one should not give way to discouragement, even if the targets still seemed distant. It was to be hoped that the recent improvement in terms of trade for the developing countries resulting from enhanced demand for their major products, temporary though the phenomenon might be, would lead to a betterment of their situation in the longer term. His delegation agreed with others, that efforts must be made to prevent wild fluctuations in world trade. In that regard, a system of commodity agreements was useful, and his Government was considering adherence to another of them, namely the International Cocoa Agreement, 1972.

3. The situation in the Sahelian region showed the interdependence of countries and groups of countries in a world where, more than ever, national action had international implications and repercussions; the recent monetary crisis had also shown that. One could but hope that the currency stability so badly needed would be achieved as a result of the continuing studies by the experts concerned and the measures they recommended.

4. South Africa too had felt the effects of the crises and uncertainties in the world economy. As the major provider of gold to the world's markets, it had been most closely affected by the considerable and often sudden variations in its price. Despite the advantages it had gained from the rise in the price of gold, South Africa, like others, would prefer to see stability in any system of international exchange—based indeed on gold, but at a far higher price than that which had prevailed in previous years, which his country regarded as unrealistic.

5. Increased production of gold in South Africa had made it possible to raise wages throughout the mining industry and generally to give proportionately higher increases to those at the lower end of the wage scale. That policy had helped to reduce the gap between higher and lower wages, which had a general tendency to increase in most countries and which paralleled the gap between rich and poor countries of which so much was heard in international forums.

6. The prices of other South African export goods, such as diamonds, base metals, sugar, fruit, maize and wool, had also risen in the past year. The rise in prices must also have gratified developing countries which produced those commodities. There again, it was to be hoped that prices would attain stability at remunerative levels which would enable those countries to finance without difficulty the imports they needed for their development.

7. In the case of South Africa, the gross national product (GNP) had risen at a rate of 5.5 per cent during the year ended June 1973, compared with 5 per cent the previous year, while the gross domestic product during the same period had increased by between 4 and 4.5 per cent. At the same time, the rate of increase in factory production had risen from 1.8 per cent in 1971-1972 to 5 per cent for the last year. That increase had been caused in part by an improvement in productivity, and it too was contributing to diminishing the gap to which he had referred.

8. It would be ingenuous to believe that that progress, which was to some extent fortuitous, would suffice to solve the whole problem. South Africa recognized the need for making direct contributions to the well-being of the less privileged among its own population by way of programmes of education, health and social welfare services, as well as of giving direct aid to development in the commercial, agricultural and other productive sectors. That too had been on a much increased scale during 1973.

9. Mr. RASOLONDRABE (Madagascar), speaking on a point of order, requested that the quorum should be verified. In his view, the statement of the representative of South Africa should not appear in the record.

10. The CHAIRMAN said that the quorum required under rule 110 of the rules of procedure of the General Assembly had existed when the meeting had opened. There were now only 27 members present but, since the meeting had opened under the required conditions, it did not seem to him that the statement of the representative of South Africa could be struck from the record.

11. Mr. RASOLONDRAIBE (Madagascar) moved the adjournment of the meeting.

12. Mr. VAN GORKOM (Netherlands) requested a vote on the motion in accordance with rule 120 of the rules of procedure.

13. Mr. PAGUAGA (Nicaragua) said that, since the representative of South Africa had been allowed to speak that morning at the plenary meeting of the General Assembly, there was no reason to prevent him from speaking in the Second Committee. Such delaying tactics were pointless and prevented the Committee from continuing its work.

14. Mr. RATSIMBAZAFY (Madagascar) said that it was not a matter of impeding the Committee's work, and he did not intend to contradict the decisions of the General Assembly. He had simply wished to point out that at the time when he had arrived in the conference room the situation had not been normal. He asked whether the representative of the Netherlands would withdraw his request.

15. Mr. VAN GORKOM (Netherlands) said that he would withdraw his request if Madagascar would withdraw its motion.

16. Mr. RATSIMBAZAFY (Madagascar) said that, in the interest of compromise, he would leave the room.

17. Mr. RASOLONDRAIBE (Madagascar) said that he would not repeat what had already been said but, without wanting to impede the Committee's work, he wished to announce his intention of leaving the room if the representative of South Africa took the floor again.

18. Mr. HAMID (Sudan), Mr. NDUNG'U (Kenya) and Mr. FASLA (Algeria) supported the views expressed by the representative of Madagascar.

19. Mr. SANDERS (United States of America) recalled the position taken by his country in plenary meetings of the General Assembly, namely, that when the representative of a country had been duly accredited he had the right to speak.

20. Mr. DELIVANIS (Greece) agreed with the representative of the United States.

21. The CHAIRMAN suggested that he should give the floor to the representative of South Africa again, so that the Committee could continue its work.

22. Mr. SELFE (South Africa) said that, because of the scale of its own self-help programmes, South Africa's contribution to external development programmes had been relatively limited. That was also due in part to the fact that South Africa was excluded from participating at all in some activities where it would be able to furnish valuable assistance. However, at the joint annual meeting of IBRD and IMF at Nairobi (24-28 September 1973) his country had announced that it would treble its replenishment contribution to IDA, thus proving that it intended to encourage development where it was generally agreed to be most urgently needed.

23. Mr. SULEIMAN (Oman) said that the remarks of the Under-Secretary-General for Economic and Social Affairs, in his introductory statement at the 1516th meeting, on the role of science and technology deserved particular note. The developing countries, and more so the least developed among them, faced an increasingly complex problem, since they had on the

one hand to adapt their traditional modes of production to new technological methods and on the other hand to decide what technological means would best and most economically suit their particular requirements. In that respect it was regrettable that the developing countries were often presented with highly sophisticated machinery and systems which did not meet their needs and were difficult for their economies to absorb. The masters of technology were less interested in its utility to the developing countries than in their own profits. That comment applied not only to multinational corporations, but also to the Governments of the developed countries in which such corporations were primarily based. For that reason, his delegation welcomed the Under-Secretary-General's suggestion that the United Nations should undertake a programme to ensure that technology was geared to the service of development.

24. Oman, a large part of whose population was engaged in agriculture and fisheries, had initiated an intensive programme of modernization in those fields. Being keenly aware of the seriousness of the world food situation, Oman was making every effort to expand its agricultural production and hoped to meet not only its own needs but also those of regional markets.

25. Since similar efforts were being made by other developing countries, his delegation felt that the time had come for a concerted institutional approach to the application of technology in the agricultural sectors of the developing countries. The developed countries should also make an effort to ensure fair and stable prices in their markets for agricultural and other products of the developing countries.

26. Although the emphasis had rightly shifted to the principle of self-help and the optimal utilization of domestic resources, the need for development assistance from outside should not be underestimated. His delegation therefore regretted that the target of 0.7 per cent of GNP by 1975 for official development assistance by the developed countries as called for in the International Development Strategy did not seem likely to be achieved. It nevertheless hoped that the Committee would reach a consensus on methods of improving economic development in the third world during the Second United Nations Development Decade.

27. Mr. KUDRYAVTSEV (Byelorussian Soviet Socialist Republic) drew attention to the change for the better which had taken place in international relations because of the active international policy of the Soviet Union and the other socialist countries. The end of the war in Viet-Nam, the European Conference on Security and Co-operation, the agreement between the United States of America and the Soviet Union concerning nuclear weapons and the visits by Mr. L. I. Brezhnev, the General Secretary of the Soviet Communist Party, to the United States, the Federal Republic of Germany, and France, were all concrete signs of the application of the Leninist principle of peaceful coexistence between States with different social systems. Peaceful coexistence was a prerequisite for the solution of problems arising in the economic field, as in others. It was therefore essential that all States should strive further to improve the atmosphere, to make the progress already accomplished irreversible and to extend the political *détente* to the whole world, accompanied by a military *détente*.

28. The role of the Second Committee was to indicate how the *détente* that had taken place in the political field should be reflected in economic terms. His delegation categorically rejected the idea appearing in the report of the Committee on Review and Appraisal on its second session,<sup>1</sup> that the *détente* brought no benefits to the developing countries. Clearly, the end of the cold war and the curbing of the arms race were of considerable importance to all countries, including the developing countries. In that respect, it was appropriate to emphasize the importance of the Soviet delegation's proposal on 25 September (2126th plenary meeting) for a reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved to provide assistance to developing countries.

29. The economic achievements of the Byelorussian people testified to their continued advance towards the establishment of a communist society. Byelorussian workers had scored new successes which had contributed to improving the general well-being. In 1972, industrial output had increased by 9.7 per cent over the figure for the previous year, and the chemical and petroleum industries had increased by 20 per cent; cereal crops in 1972 had been 30 per cent above the average level for the previous five-year plan, owing to the mechanization of agriculture and the strenuous efforts of collective and State farm workers. Wages had increased and retail prices had fallen during the past year, which had contributed to the well-being of the workers. Judging by the results obtained during the first nine months of 1973, the targets set for the year had been fulfilled, if not exceeded. Byelorussia's economic progress was only one of the examples of the progress made in all the socialist countries as a result of socialist economic integration.

30. The situation was very different in the capitalist countries. Despite a certain recovery of the economy, inflation and unemployment continued to grow. The retail price index continued to rise and the purchasing power of the consumer to fall. On the other hand, the profits made by capitalist monopolies were increasing very rapidly. The capitalist world was continuing to suffer from a monetary crisis. Currency devaluations and revaluations were in fact only half measures which could only postpone the solution of the problem and aggravate matters; nor could the system of floating exchange rates improve the situation. The monetary crisis was the natural result of the internal and external contradictions of the capitalist world. Much of the responsibility for the disorganization of the currency market lay with the multinational corporations, which ignored the decisions of Governments. It was the countries of the third world that were suffering the worst effects of the crisis.

31. Since 1952, the General Assembly had been discussing the important question of the sovereignty of countries over their natural resources; yet, the situation was far from satisfactory. His delegation endorsed the conclusions of the Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers from 5 to 9 September 1973, concerning the sovereignty of States over their natural resources, namely, that States which nationalized their resources

were fully entitled to do so. It was impossible not to mention the bloody events in Chile, where the forces of imperialism had assassinated the legally elected President, overthrown the Government and, so to speak, stabbed the Chilean people in the back by snatching from them the benefits they had succeeded in obtaining.

32. The great colonial empires had long since collapsed, and yet the situation of the developing countries was still very serious; the disadvantaged place they occupied in the international division of labour was due to the effects of colonialism. It was the task of the United Nations to help them to change that state of affairs; neo-colonialism did not act in opposition to every kind of economic growth in the developing countries, but it oriented that growth in such a way as to serve the interests of the neo-colonialist countries, and not those of the developing countries. In that context, too much stress could not be placed on the role played by foreign private capital, and above all by the multinational corporations, which were constantly increasing in size. The aim of neo-colonialism was to use the cheap labour of the developing countries and to create a market for obsolete equipment manufactured in the developed countries.

33. The decisive factor in the economic progress of the developing countries was undoubtedly the efforts they were making to mobilize their resources. Profound social transformations were essential to the attainment of intensive economic and social development. The results of the first years of the Second Decade had been unsatisfactory and had confirmed the soundness of the principles laid down in the joint declaration of the eight socialist countries on the Second United Nations Development Decade.<sup>2</sup> If account had been taken of those principles in the Strategy, the current acknowledgement of its failure so early in the Decade would not have occurred; those principles remained fully valid.

34. The socialist countries were sympathetic to the needs of the developing countries and would continue to develop with them co-operative relations on the basis of rights and mutual advantage. However, they did not accept the "collective responsibility" of the "whole rich North" towards the "whole poor South". The colonialists and neo-colonialists had amassed their wealth during the era of colonial domination and were continuing to plunder the developing countries through neo-colonialism. To ensure the triumph of justice the United Nations must assist the developing countries to recover the resources which belonged to them.

35. His delegation supported all measures to establish international economic co-operation on the basis of equality of rights and mutual advantage and to strengthen international peace and security.

36. Mr. JANKOWITSCH (Austria) described measures taken by his country to strengthen its co-operation with the developing countries. It had signed and ratified the International Cocoa Agreement, 1972, and was applying the generalized system of preferences to the largest possible number of developing countries. His Government considered that one of the main tasks to be carried out during the multilateral trade negotiations was to improve trade opportunities for the developing countries and thus increase their export earnings. In that connexion, specific measures should be taken for

<sup>1</sup> Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 11.

<sup>2</sup> See Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 42, document A/8074.

products of particular interest to developing countries and for the least developed among them.

37. In the field of development finance, his Government would make the equivalent in Austrian currency of \$33 million available to the World Bank in the form of a loan, to be remitted in two equal parts in October 1973 and January 1974, on terms which met the requirements for official development assistance defined by the Development Assistance Committee of OECD. Similar agreements were to be concluded with the Asian Development Bank and the Inter-American Development Bank for a total of \$11 million each. Those loans were not tied to any special conditions.

38. Furthermore, Austria was among the 24 contributing members of IDA which had agreed at Nairobi on the need for a fourth replenishment of the Association's resources. Austria's contribution would be over \$30 million.

39. On 28 September his Government had concluded an agreement with UNDP providing for the participation of young Austrian experts in the Programme's activities. That agreement should further strengthen co-operation between Austria and UNDP. Finally, his Government had recently established a governmental body whose main function was to deal with development co-operation.

40. Speaking of the form and methods of international co-operation for development, he said that no one appeared to question the importance and necessity of strengthening international co-operation. The decisions and resolutions adopted in that connexion at Algiers by the Conference of Heads of State or Government of the Non-Aligned Countries were particularly deserving of attention. However, as the representative of Sweden had stated (1519th meeting), it was necessary to give practical effect to professions of solidarity, and it might well be that the methods which had so far been used were not consistent with practical action. There had been a tendency, for instance, to seek solutions on the basis of group positions, a method which certainly had some merits but which involved a dangerous element of confrontation. It might be better to strengthen intergroup contacts and establish flexible consultative machinery to prepare the ground for fruitful negotiations, in which sufficient political will and imagination would be exercised. He stressed that genuine consensus was needed; no purpose was served by adopting resolutions which were weakened by a series of reservations.

41. It was to be hoped that the forthcoming discussions on the review and appraisal of the International Development Strategy would provide an opportunity for dealing more thoroughly with the procedures to be followed in the field of international development co-operation. Austria had followed with great interest the efforts made by the Economic and Social Council in that field and was glad to note the progress achieved. It welcomed the increase in the membership of the Council and was confident that that step would enhance the Council's capacity to deal effectively with the pressing problems of economic and social development.

42. Mr. NDUNG'U (Kenya), Mr. RASOLON-DRAIBE (Madagascar), Mr. HAMID (Sudan), Mr. KUMI (Ghana), Mr. HACHANI (Tunisia), Mr. FASLA (Algeria), Mr. SINARINZI (Burundi), Mr.

MADDY (Guinea), Mr. NSUBUGA (Uganda), Mr. CHABALA (Zambia), Mr. AL-KHUDHAIRY (Iraq), Mr. MUTUMBO (Zaire), Mr. MBÉDO (Central African Republic), Mr. BOUNDA (Congo), Mr. ABHYANKAR (India), Mr. UDOVENKO (Ukrainian Soviet Socialist Republic), Mr. LOHANI (Nepal), Mr. GARCIA BELAUNDE (Peru), Mr. POJANI (Albania) and Mr. AL-EBRAHIM (Kuwait) expressed strong opposition to the representative of Portugal speaking because of the policy of repression Portugal followed in the African Territories it administered, and stated that if the representative of Portugal was allowed to speak, they would feel obliged to leave the room.

43. Mr. QUARTIN SANTOS (Portugal) said that his delegation, like all others, had the right to be heard; he asked on the basis of which provisions the representatives who had just spoken were seeking to prevent him from speaking.

44. The CHAIRMAN said that, in accordance with the rules of procedure, he had to allow the representative of Portugal to speak.

45. Mr. PATRICIO GOUVEIA (Portugal) said that prosperity currently seemed to be concentrated in a small number of industrialized countries whose economies were increasingly integrated and which were therefore experiencing an increasingly similar evolution in growth of GNP, the level of inflation, surpluses or shortages of some agricultural products, and the monetary crisis.

46. Should those countries, with their similar interests and problems, decide to act in unison, the consequences for the countries with the weakest economies would certainly be harmful. It was true, however, that economic integration was a means of using existing resources more effectively and rationally, even if it caused great problems. The existence and the activities of large multinational corporations were both the cause and the consequence of such co-operation. It was therefore necessary for Governments to give urgent consideration to means of regulating the participation of those corporations in the world economy. The work of the Group of Eminent Persons appointed in accordance with Economic and Social Council resolution 1721 (LIII) should shed some light on the way in which those corporations operated and influenced economic life, at both the national and the international levels. As had been stated by the representatives of Peru (1521st meeting) and Mexico (1525th meeting), the establishment of a code of conduct for those corporations would assist certain countries whose GNP was smaller than the typical turnover of a multinational corporation.

47. The developing countries were facing a multiplicity of problems; those problems could, however, be solved through bilateral agreements and the work of international organizations. The primary task of the United Nations in general, and of the Second Committee and certain specialized bodies in particular, was the development of the poorest countries. Priority should therefore be given to agenda item 46, on the review and appraisal of the objectives and policies of the Strategy, and the Committee should pursue more important and positive objectives than those proposed in the report of the Economic and Social Council (A/9003). To that

end, a working group might be established, as had been suggested by the Netherlands delegation.

48. It would be more realistic to increase technical and financial assistance to the developing countries than to give priority to the concept of economic security, which, though interesting, was still somewhat vague. The GATT negotiations should enable the participants to create a better balance in world trade by preventing the formation of trade blocs, which would lead to an unhealthy fight rather than useful competition between exporting nations. Participants in the GATT negotiations and in those on the reform of the international monetary system should bear in mind that, as eminent experts had said, a stabilized trade balance was, in the medium and long term, better than a continued surplus. Nor should they overlook the interests of the developing countries. His Government attached great importance to that question and had already emphasized the need to approve measures to control the growing non-tariff barriers to international trade.

49. He hoped that the IMF Committee of 20, which included representatives of countries at different stages of development, could devise a new international monetary system to meet the needs of the current situation.

50. The question of food shortages, which had repeatedly been brought to the attention of the international community by FAO, required the co-operation of all the nations of the world, leaving aside all political considerations. In that respect, his Government would continue to live up to its responsibilities whenever the situation required. It considered the proposal made on 24 September by the Secretary of State of the United States (2124th plenary meeting) for a world food conference in 1974 was constructive and Portugal was prepared to participate in such a conference.

51. In 1972 and the first half of 1973, the economy of European Portugal had suffered from the effects of some of the circumstances and trends he had mentioned. Inflation, for example, had been higher than in the previous decade. But the growth of the gross domestic product (GDP) had also been very rapid, exceeding by almost 0.5 per cent the 7 per cent target set under the Development Plan. The growth rate in the states of Angola and Mozambique had exceeded 9 per cent, giving hope that those Territories would soon be showing the first signs of becoming industrialized societies. The *per capita* GDP in European Portugal was almost \$1,100, and in the states of Angola and Mozambique it amounted to \$470 and \$310 respectively. Despite the drought the Cape Verde Islands province had experienced, its GDP had grown by 4 per cent during 1967-1971 owing to the receipt of more than \$30 million in assistance from the Portuguese Government. In European Portugal, investments had risen by 10 per cent and consumption by 8 per cent. The Portuguese Government was about to reform stock market regulations in order to strengthen the role of the Lisbon stock market, which had been very prosperous in 1972 and during the first few months of 1973.

52. Portugal had always worked towards the construction of a united Europe and had been a member

from the outset of such European associations as the European Free Trade Association. It had concluded trade agreements with EEC; the Common Market countries took more than half Portugal's exports and were by far its main supplier. Portugal was therefore determined to increase its ties with the chief European economic association, especially since the goal expressed in the declaration of the European Free Trade Association was the unification of the European economies in a single institution. Although the deficit in the Portuguese trade balance had persisted in 1972, the over-all balance of payments had been in surplus, enabling the Government to maintain a high level of reserves and to avoid using special drawing rights. Foreign investments had continued to grow and would continue to be welcomed under the development plan for the period 1974-1979. The objective of that plan was to achieve the balanced development of the entire Portuguese territory and to improve the well-being and social conditions of the Portuguese people. It included a number of social and economic measures designed to raise living standards. Portugal's contribution to the efforts made by many countries and organizations to improve the lot of the developing countries had always been based on the concepts of equity and non-reciprocity. His Government would give its full support to all efforts by the Second Committee to develop formulae which were just and realistic, and met the needs of all its members.

#### *Organization of the Committee's work (continued)\* (A/C.2/L.1289)*

53. The CHAIRMAN pointed out that the Committee had already fallen behind in its work as set out in the programme of work adopted at the 1515th meeting and published in document A/C.2/L.1289. As the main theme of the general debate seemed to have been the question of review and appraisal, he suggested that the Committee should consider that item 46 had been dealt with during the general debate, subject to a final discussion on 12 October to deal with the question of a working group on review and appraisal.

54. Mr. BRITO (Brazil) agreed with the Chairman that the question of review and appraisal had indeed been dealt with in the general debate, but he wished the Chairman of the Group of 77 to be given an opportunity to speak at a later stage, should it be necessary to clarify certain points.

55. Mr. DIALLO (Upper Volta) expressed surprise that the Chairman had summarized the general debate before it was completely over.

56. The CHAIRMAN explained that he had merely been seeking to confirm that the Committee wished to continue the general debate on 8 and 9 October, contrary to the programme of work, and then to take up item 101. If he heard no objection, he would consider that the Committee accepted his suggestion.

*It was so decided.*

*The meeting rose at 5.50 p.m.*

\* Resumed from the 1515th meeting.