

of interpretation, which sought to conceal the true nature of what had happened there.

55. The statement made by the Soviet delegation at the preceding meeting was in no way interference in the internal affairs of Chile but was simply an explanation of why the USSR had broken off diplomatic relations with that country.

56. He recalled that in the political declaration adopted by the Conference of Heads of State or Government of Non-Aligned Countries published a few days before the coup d'état the Conference paid a tribute to the struggle of the Chilean people against imperialism. It was no mere chance that such a great number of delegations in the plenary session of the General Assembly had denounced the crushing of civil liberties in Chile. The position of the international community was quite clear.

57. As for the role that the USSR had played in the economic development and national independence of Chile, it was advisable to refer to the statement made in the USSR by the lawful President of Chile, Mr. Allende, in which he had stressed the contribution made by the USSR to his country. The intervention of the military junta had set back the struggle of the

Chilean workers, and what had happened in Chile was a warning for the world at large: imperialism and internal reaction were the enemies of economic progress and national independence.

58. Mr. FIGUEROA (Chile), noting that the representative of the USSR had referred to the repression of civil liberties in Chile and Soviet aid to that country, said that anyone bringing up the repression of liberties had to have a clear conscience; otherwise he would be on very shaky ground. As to the question of aid, the representative of the USSR had not mentioned the terms on which that aid had been granted.

59. Mr. MAKEYEV (Union of Soviet Socialist Republics) said he well understood that the representative of the military junta sought by every possible means to justify the illegal Government in Chile, the assassination of the President and the absence of legality in the country. The dream of imperialists in Chile and elsewhere had been thus fulfilled. The representative of the junta deserved no reply to his arguments and he (Mr. Makeyev) merely wished to confirm what he had said at the preceding meeting.

The meeting rose at 5.30 p.m.

1522nd meeting

Wednesday, 3 October 1973, at 3.20 p.m.

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

A/C.2/SR.1522

GENERAL DEBATE (*continued*)

1. Mr. HOVEYDA (Iran) recalled an observation made by the Under-Secretary-General for Economic and Social Affairs that the assumption of responsibility for the future was an invitation to the international community to rid itself of habits of thought and action which were already to a large extent out of date (1516th meeting, para. 38). The failure or semi-failure of development efforts could indeed be attributed to various causes—international trade difficulties, collapse of the monetary system, inadequacy of the resources devoted by the rich countries to the development of the poor countries and so on—but the main cause was precisely habits of thought and action which were largely out of date. Those habits, which were to be found in the developed as well as the developing countries, prevented the international community from resolutely embarking upon the reforms of the world economic order which were clearly necessitated by the rapid transformation on the modern world.

2. In his view, those habits were, first, excessive confidence in economic theories which, although useful, were often marred by excessive specialization. Furthermore, numerous studies were made of certain subjects whereas relatively little work was done on questions of immediate interest to the third world. Moreover, the formalism of economic theories lent itself to exchanges of views between experts, but their remoteness from reality shielded them from criticism. Even when the experts studied the real problems of the

modern world, their work always lagged behind requirements. It was, of course, necessary to study situations carefully and to appraise the outcome of action regularly, but the unprecedented evolution of the modern world called for immediate action.

3. As the Under-Secretary-General had noted, it was essential at the current stage to assume responsibility for the future. But although forecasts were not lacking, there was a time-lag between forecasts and decisions. A case in point was that of the environment, where considerable time had passed before the warnings of scientists had been heeded.

4. The burning issues of the present called for even greater co-operation, but there was little indication of any real development in the concept of international solidarity, and the third world was literally becoming more under-developed. It was true that some countries, such as Iran, had managed to break out of the vicious circle of under-development by abandoning abstract theories. In Iran, the effort to attain national objectives had reached a new peak in 1973, because the country had reassumed complete control and total responsibility for the operation of its oil industry. In July, the Iranian Parliament had ratified a historic agreement with the foreign oil companies annulling by mutual consent the 1954 contract with an international consortium and transforming the country's relations with the oil companies into a seller-buyer relationship. Iran was currently the sole master of all its natural resources and its gross national product (GNP) continued to increase

at an extremely high annual rate. Despite its success, however, Iran had not forgotten its natural solidarity with the countries of the third world as a whole. It noted with concern that the proportion of GNP devoted by the rich countries to aid to poor countries was diminishing, and that moreover the minimal resources which the latter managed to acquire with so much difficulty seemed to be poured into a bottomless pit. The consequences were inevitably disastrous. That being so, it was difficult to refrain from pessimism on observing that the hopes of seeing the trend towards aid and development accelerate had been unfounded and that despite the signs of *détente* and progress in the world, the situation was hardly encouraging, especially from the standpoint of the third world.

5. There seemed little point in rehashing once again the continually reworked themes of the general debate. His delegation's position was well known; it had always maintained that in an interdependent world, the new economic order should be based on the principles of equity and the new requirements of economic co-operation. It had always affirmed that all the countries of the third world should participate in the taking of any international decision of an economic, commercial or monetary nature. It also supported the initiative taken by the Brazilian delegation concerning the essential concept of collective economic security, that of the Director-General of FAO concerning a food security plan and that of the United States delegation concerning a world food conference.

6. The fact remained, however, that the rich countries would have to be persuaded to make greater efforts to bridge the gap which separated them from the developing countries. The developed countries must acknowledge the long-term advantages of a re-evaluation of their trade and economic policy, despite the immediate effects of such a change. Although few Governments had thus far embarked upon that course, there were some encouraging signs. For example, a recent inquiry carried out by four European newspapers on relations between EEC and the developing countries had revealed changing trends which benefited the latter countries. Those who had carried out the inquiry had not denied that conflicts might arise between the regional and global aspects of Community policy. In their view, the best way of helping the developing countries was to reform the international monetary system and the rules of international trade in order to correct the drift which rendered the poor countries progressively poorer. Moreover, the Community possessed enormous power with regard to the establishment of commodity prices, and only stability of those prices could enable the producing countries to count on a regular and predictable inflow of funds, which was a basic rule of development.

7. Of course, the developing countries bore a large share of responsibility for their national progress; they should undertake the necessary structural reforms and plan their programmes carefully. Nevertheless, most of them lacked the necessary resources and suffered from the functional defects of an out-of-date international order. They therefore needed substantial and sustained assistance, especially in order to acquire modern technology. It was true that development problems were very complex and could not be solved by technical and financial assistance alone. But in addition to material obstacles there was an even greater impediment,

namely, fixed attitudes and mutual lack of understanding. It was those attitudes which had to be changed, because development problems could be properly solved only by mutual consent. There was no point in engaging in sterile confrontations or questioning each other's intentions; on the contrary, the international community should seek forthwith to achieve genuine co-operation in order to apply the complex of measures necessitated by the current situation. What was the point of forcing the adoption of a resolution if those to whom it was addressed ignored it in practice? Majority battles should therefore be avoided and negotiations encouraged; negotiation was always difficult and lengthy, but in the long term it was the only possible course, and his delegation was ready to co-operate with other delegations to that end.

Mr. Arvesen (Norway) took the Chair.

8. Mr. ZACHMANN (German Democratic Republic) said his country welcomed the positive signs of international political *détente* which were appearing in the world and which made it possible to lay a more solid foundation for broader international co-operation, especially in the economic, scientific and technological fields. His country was contributing to those co-operation efforts, which had been positively assessed by the Economic and Social Council at its fifty-fifth session and by the Conference of Heads of State or Government of Non-Aligned Countries at Algiers (5-9 September 1973). The process of *détente* would benefit every State and have effects in other areas; the first signs of *détente* in international economic relations had already become apparent. Like the other socialist States, his country was participating actively in the *détente* process so as to develop stable political and economic relations with all States on the basis of the principles of the Charter of the United Nations. Moreover, it was seeking to complement political *détente* by a military *détente* and supported the proposal made by the Minister for Foreign Affairs of the USSR to the General Assembly (2126th plenary meeting) to the effect that the military budgets of States which were permanent members of the Security Council should be reduced by 10 per cent and part of the funds thus saved used to provide assistance to developing countries. His country welcomed the inclusion of that question in the agenda of the twenty-eighth session (item 102) and the decision to study it in plenary meetings.

9. It could not be overlooked, however, that there were still strong forces in the world trying to oppose *détente* and co-operation. They used their economic and political power to maintain a system of colonialist and neo-colonialist oppression and exploitation of the Asian, African and Latin American peoples. His country supported the struggle of the peoples of the developing countries to regain sovereign control over their natural resources, to exercise their right to nationalize the assets of foreign monopolies and to put an end to the interference of such monopolies in their internal affairs. For that reason, it took an interest in the work of the Group of Eminent Persons appointed by the Secretary-General to investigate the activities of multinational corporations and felt that the Group should concentrate on analysing the negative effects of the activities of such monopolies on the political, social and economic development of the developing countries. It

might be advisable to consider a more balanced composition of the Group to ensure that the objective laid down in Council resolution 1721 (LIII) was achieved.

10. When examining the world economic situation, it was impossible to disregard the continuing monetary and financial crisis of the capitalist world, for it had very serious consequences not only for the economic and social situation of millions of working people in the Western countries but also for the economic and social situation in the developing countries. It should be stressed that that crisis was a crisis of the capitalist economic system and was alien to the socialist countries. Rigorous efforts should be made to overcome that crisis, which had adverse effects on the world economy and international economic relations.

11. To assess the recent world economic trends, it was essential to make a distinction between the capitalist world economy and the socialist world economy, the latter being characterized by co-ordinated long-term plans and high growth rates on stable economic and social foundations. The national income of the German Democratic Republic, which was a member of CMEA, had increased by 5.8 per cent in 1972 and that growth rate was expected to be maintained in 1973. The real national income in 1972 had been 120,000 million marks, which was a fivefold increase since the State's founding in 1949. With industrial production amounting to almost 70 per cent of the gross domestic product, the German Democratic Republic's economy had come to be an important partner in the system of international economic co-operation. Foreign trade had increased spectacularly, rising from 26 per cent of the national income in 1960 to 40 per cent in 1972. Those figures reflected the increasing importance which the German Democratic Republic attached to foreign economic relations, not only with the other socialist States but also with the developing countries and the capitalist industrialized countries.

12. The German Democratic Republic had always supported the struggle of the Asian, African and Latin American peoples for their political and economic independence and against exploitation and oppression. Its foreign trade with the developing countries had increased by 28 per cent in the first six months of 1973; the German Democratic Republic had proved to be a stable market not only for commodities and agricultural produce from the developing countries, but also for manufactured and semi-finished products exported by them.

13. In its export policy towards the developing countries, the German Democratic Republic, respecting the principle of due regard for the specific requirements of developing countries in foreign trade and in the financing of their development, exported primarily plant, machinery and equipment, which were important for the industrialization of those countries. The German Democratic Republic encouraged the conclusion of long-term agreements and contracts to intensify trade and economic co-operation with the developing countries. In that respect, modern technology was transferred to those countries, training facilities were provided for their nationals and experts were sent to them. Furthermore, the German Democratic Republic was continuing its practice of accepting finished products as repayment of credits granted to developing countries.

14. The German Democratic Republic had also increased its trade with the industrialized countries which

had diplomatic relations with it, particularly France, Italy and Sweden. Trade with those States had increased by 11 per cent in the first half of 1973, compared with the same period of the previous year. In the last few months, long-term agreements on economic, industrial, scientific and technological co-operation had been concluded with Italy, Finland, Austria and France. His delegation believed that elimination of the trade restrictions and discriminations still existing against the socialist countries was indispensable for expanding trade and would benefit all parties.

15. His delegation was convinced that the maintenance of international peace and security, the main political task of the United Nations, was closely linked to the promotion of economic, scientific and technological co-operation between States, as set forth in the Charter. His delegation was therefore ready to co-operate to the best of its ability in creating conditions that would promote and accelerate the stable economic and social growth of all States.

16. His delegation agreed with many others that the aims of the Second United Nations Development Decade had not yet been achieved, and it shared the views expressed by the socialist States in their joint statement.¹ It believed that real economic and social progress for the developing countries was possible only when social and economic reforms were carried out, when the negative influence of domestic and foreign private capital on national development plans was eliminated and when all unequal and discriminatory treaties affecting national sovereignty were annulled. Furthermore, in order to solve their problems and improve their position in the system of the international division of labour, those countries would have to mobilize all their domestic resources, increase productivity in all economic sectors and industrialize. The German Democratic Republic also supported the justified demands of developing countries that the developed capitalist countries should compensate for the material damage they had suffered and continued to suffer from colonialist or neo-colonialist exploitation.

17. The measures taken by the military junta in Chile to liquidate socio-economic reforms in that country might have a very negative impact not only on economic and social progress in Chile but on the implementation of the International Development Strategy as a whole. His delegation strongly protested against the slanderous allegations made by the representative of Chile regarding the assistance which the Soviet Union and other socialist countries had granted to that country, and it fully associated itself with the statement on the subject made by the representative of the USSR at the preceding meeting.

18. He was gratified at the importance which the Economic and Social Council's report attached to the question of permanent sovereignty over natural resources. In accordance with the position expressed by the socialist countries and the developing countries in a draft resolution submitted at the third session of UNCTAD,² his delegation supported all measures aimed at safeguarding the right of the developing coun-

¹ See *Official Records of the General Assembly, Twenty-fifth Session, Annexes*, agenda item 42, document A/8074.

² See *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex VII, document TD/L.72.

tries to control their own natural resources and to take the necessary measures of expropriation or nationalization.

19. His delegation considered that, if the United Nations was to make a substantive contribution to the development and expansion of economic co-operation, the Second Committee should, at the current session, place due emphasis on increasing the effectiveness of United Nations economic activities and on improving the organization of the work of the Economic and Social Council. His delegation therefore supported the proposals contained in Council resolution 1622 (LI) and the initiatives of various Member States to improve the organization of the Council's work.

20. It was the task of the United Nations to consider the economic interests and problems of all States and not only those of some States or groups of States. He wished to stress the importance which his delegation attached to a charter of the economic rights and duties of States to reinforce the foundations of international economic co-operation. Finally, he announced that the Government of the German Democratic Republic had decided to complement its wide bilateral relations with the developing countries by making financial contributions to the voluntary funds of UNIDO and UNDP.

21. Mr. PEAL (Liberia) said that the *détente* of which so much was being heard was not the panacea to bring about solutions to the problems now facing the world. On the contrary, those problems—poverty, inflation, monetary problems, disease, and so forth—far from diminishing, were being aggravated. Consequently, what must flow from *détente* was not only a lessening of tensions among the big industrialized Powers but a genuine desire on the part of all nations to resolve the political, social, racial and economic issues which were causing such tensions. The most important task of the Second Committee was, as many had said, the review and appraisal of the Second United Nations Development Decade. All were agreed on the abysmal failure of the First Development Decade, and it did not appear that the Second Development Decade would produce any better results, since most of the objectives set, however modest, had not yet been achieved: the percentage of aid provided by the industrialized countries, the transfer of science and technology, tariff barriers, the easing of credit terms, the availability of capital, sovereignty over natural resources, and the prices of commodities, raw materials and food.

22. Many had attributed that failure to the lack of political will. It might well be, in fact, that the spirit now prevailing in the United Nations was not that which had been present at the time of the framing of the Charter of the United Nations. Whereas the Charter gave expression to the will of the peoples of the world to put an end to wars, that popular will was frustrated in the Organization by the setting up of complex structures which ran counter to the objectives sought. There was so much hair-splitting that the United Nations was incapable of tackling the problems which it was supposed to solve. There had been a proliferation of organs which, having been established only as a result of compromise, had been totally ineffective.

23. The Second Committee could carry out its task and solve problems only by recapturing the spirit which had inspired the Charter. One problem, for example, was the food shortage. The Second Committee com-

prised representatives of the Governments which controlled that food and which could assist the developing countries with their technology and provide them with the agricultural equipment and fertilizers they needed. Solutions to the problems of the third world were available, and it was only a question of communication and persuasion. The members of the Second Committee must take the message of the third-world countries to where it counted most—beyond Governments, to those who grew the food, manufactured the goods and had the ability to cure illness and eradicate ignorance. The United Nations should approach the question of review and appraisal not as an assembly of Governments but as an assembly of peoples.

24. Liberia had registered remarkable success in the past two years, as a result not only of measures taken by the Government, but also of the participation of the people themselves. At the call of the President, the population had voluntarily contributed more than \$4.5 million, a sum which, for a country the size of Liberia, with a *per capita* income of \$280, represented a great sacrifice. The Liberian people knew that self-help was necessary in order to defeat under-development. Liberia had succeeded in greatly reducing its debt burden and balancing its budget and was now launching out into new ventures in trade and industry through its self-help programme. At the same time, the Liberian Government was strengthening its trade links with its neighbours, as could be seen from the recent agreement with the Republic of Guinea for the exploitation of an iron-ore deposit. For the first time, Liberia had established diplomatic relations with many Governments in Asia and Eastern Europe, including the Government of the German Democratic Republic.

25. Mr. WANG Jun-sheng (China) noted that the world was at present going through a turbulent period in both the political and the economic fields. The imperialist countries were constantly beset with difficulties and the political, economic and trade contentions between them were unceasingly aggravated. The super-Powers were trying to impose the consequences of the current crisis on the developing countries by strengthening their hold over them and by subjecting them to intensified plunder and exploitation. Some developed countries were seriously hindering the efforts of the developing countries in the field of international trade by discriminating against them. As a result, the developing countries' share of world trade was constantly dwindling. They were suffering from a sharp rise in the prices of their imports, which entailed an unwarranted increase in their expenditure. Furthermore, they did not have control over the prices of their own exports and the few profits they were able to make from the increase in the prices of certain of the products they exported were offset by inflation and the transfer abroad of part of their income by foreign companies. All those factors impeded the economic development of the developing countries and the raising of the living standards of their peoples.

26. While the imperialist countries were intensifying their exploitation under the banner of "economic co-operation" and "international development", the socio-imperialist countries were more insidious. Although they represented themselves as friends of the developing countries, they were in fact seeking to acquire strategic resources and strategic points by taking advantage of the difficulties of the developing coun-

tries, and were reaping exorbitant profits by re-exporting products which they purchased from them at low prices. Those countries were actually attempting to return the developing countries to a state of slavery; their so-called "aid" was in fact plunder, and their so-called "support" was in fact control.

27. Without political independence, economic independence was out of the question, and without economic independence, the independence of a country was an empty phrase. In order to safeguard their sovereignty, the large number of developing countries in Asia, Africa and Latin America were now unfolding a gigantic movement against imperialism, colonialism and hegemony. In recent years, various organizations of those countries which exported raw materials had been continuously enlarged and strengthened in order to be able to obtain reasonable prices and defend their sovereignty and interests. For the purpose of defending their permanent sovereignty over their natural resources, opposing the activities of multinational corporations and safeguarding their maritime rights, the developing countries were struggling resolutely against big-Power hegemony.

28. The developing countries were now demanding that international trade should be based on governmental consultations and multilateral trade negotiations. They demanded the abolition of tariff and non-tariff barriers and preferential treatment which would give their products their due status on the international market. They demanded the right to full participation in discussions and decision-making on an equal footing. They also demanded a lightening of the debt burden and supported the initiative of the President of Mexico at the third session of UNCTAD for the formulation of a charter of the economic rights and duties of States which would safeguard the independence and sovereignty of all nations and conduce to their economic development on the basis of mutual benefit and mutual respect. The Chinese Government and people resolutely supported the just struggle of the developing countries and hoped that a charter of the economic rights and duties of States would be formulated as soon as possible.

29. The Conference of Heads of State or Government of Non-Aligned Countries at Algiers had emphasized the need for the third world countries to develop their economies and consolidate their national sovereignty through co-operation and reliance on the strength of their peoples.

30. During the fifty-fourth and fifty-fifth sessions of the Economic and Social Council, a number of positive resolutions had been adopted as a result of the determination of the countries of Asia, Africa and Latin America, which now played an increasingly important role in international affairs. A large number of developing countries had come to realize that they must, first and foremost, rely on themselves for the achievement of independence and the development of their national economies. For that purpose, they must bring into full play the efforts of their peoples, exploit and utilize their resources in a systematic way, conduct trade exchanges on the basis of equality and mutual benefit, and handle correctly the relationship between agricultural development and the development of light and heavy industry, treating external assistance as no more than auxiliary support.

31. The purpose of emphasizing self-reliance was to place economic construction on a more reliable basis and not to rule out international co-operation based on equality and mutual benefit. It was, of course, very difficult for the developing countries to obtain such co-operation from the imperialist countries. Even if they failed to do so, the developing countries must not be discouraged and must remain faithful to the principle of self-reliance, which alone would enable them to achieve true economic independence. They must, however, maintain their vigilance, for the imperialist forces would do all they could to sabotage their economic development.

32. His delegation was pleased to note that numerous developing countries had made positive efforts to free their economies from any foreign control. It was convinced that by applying the correct policies and encouraging each other they would certainly achieve great success.

33. China, a socialist country and a developing country, belonged to the third world. It had a profound friendship with the peoples of Asia, Africa and Latin America and would continue to support them in their struggle.

34. Mr. ABHYANKAR (India) said the Second Committee should ask itself some questions about the rationale of the United Nations development effort and its present and potential role in global economic and social development.

35. The implicit assumption behind the activity of the United Nations system in the field of development was, as had recently been pointed out by Mr. Elmandjra, the Assistant Director-General of UNESCO, that a relatively small operational programme could bring about a substantial transformation of the economies and standards of the developing countries without a major change of the existing norms and structures of the international system and without a radical re-examination of the prevailing patterns of political, social, economic and cultural relations between all of the Member States. Between 1960 and 1970 the United Nations system, excluding the World Bank Group, had spent about \$3,500 million on pre-investment activities in favour of development. That amount was ridiculously small when compared with the real needs of the world. It was, for example, less than the world had spent on armaments in one week during 1970. Experience led one to suppose that for success within a realistic time-frame a critical minimum effort had to be mobilized. The Marshall Plan was a very illuminating example. The absence of an explicit and meaningful time-frame had been the most conspicuous short-coming of earlier efforts at multilateral economic co-operation and must in retrospect be considered one of the prime reasons for their failure.

36. As the representative of Yugoslavia had pointed out at the 1520th meeting, the Conference at Algiers had proved that by 1980, if current trends continued, the enormous gap between the developing countries and the developed countries would have considerably widened, since in the former, national *per capita* income would increase by only \$85, as against \$1,200 in the latter. From that viewpoint, United Nations activities in the economic and social fields seemed to lack a valid time-frame. His delegation considered that the gradual approach was bound to fail and could lead only

to disenchantment among donors and beneficiaries alike, since the prospect of providing assistance indefinitely with no appreciable results would erode the goodwill of donor countries without meeting the aspirations of the developing countries. A time horizon, on the other hand, could stimulate both the energy of the developing countries and the enthusiasm and idealism of the developed countries in a determined attack on world poverty.

37. It was instructive to look at the multifarious operational activities of such bodies as UNDP and UNICEF from that point of view. As a member of the Governing Council of UNDP, India was dismayed to note that the Programme, which was at the forefront of technical assistance activities, could not attract sufficient financial resources. The intended growth rate in resources of 9.6 per cent, adopted as a compromise in 1970, was nowhere near being achieved. Worse still, owing to inflation and currency revaluation, the general level of UNDP real resources for the first Development cycle had remained static, or perhaps fallen slightly. The Governing Council had studied various aspects of that problem, but it was clear that the only viable solution, the only one which could make UNDP a dynamic programme, was to step up its resources considerably and see that donor countries honoured their pledges. Otherwise UNDP would become a marginal technical assistance programme, surviving with ever-decreasing impact over the years. The same might be said of the work of UNIDO in the essential field of industrialization: because of a lack of resources, its contribution had not been all it might have been.

38. In retrospect, it could be said that the International Development Strategy for the Second United Nations Development Decade was an attempt to widen the scope of action on the basis of a specific time horizon. It was not enough, of course, to lay down completion dates for targets; periodic checks had also to be made on progress towards achieving the targets, and any weaknesses corrected. That was the aim of the periodic review and appraisal exercise. The United Nations was currently engaged in that exercise, and his delegation had taken an active part in its successive stages. The operation had been worth while for two reasons. First, a joint effort made by developing countries and developed countries meant that their discussions on the remedial measures required were better informed and more productive. Secondly, a measure of convergent views had evolved on the nature of the remedial measures required to correct the manifest shortfalls in achievement. Despite its imperfections, the working paper annexed to resolution 1827 (LV) of the Economic and Social Council gave a clear and objective view of the background to international co-operation for development in the 1970s. His delegation therefore urged that in the weeks ahead the Committee should concentrate its collective energy on carrying that task forward rather than going back over ground which had already been covered.

39. His delegation felt constrained to comment on the statement made by the representative of Australia at the 1517th meeting. The middle part of that statement was inconsistent with the beginning and the end, for, after giving a detailed account of his country's efforts to promote international economic co-operation and before concluding with an equally persuasive exhortation to all countries to take further measures in concert, the

representative of Australia had inexplicably contended that there was no development problem and that the Committee should not confuse the shadow world of review and appraisal with the reality of economic conditions in the countries at large. In support of his assertion, he had said that commodity prices had reached a level unequalled since the Korean War and, in the case of cotton, since the American Civil War.

40. Such comments were misleading, since the rise in commodity prices was a transitory phenomenon. Developing countries were concerned about ensuring a constant increase in their relative share of international trade and in the growth rate of their economies. It was relevant to ask whether all the countries which had benefited from the price boom at the time of the Korean War had been able to resolve their development problems. What the developing countries needed was not a windfall, but gains enabling them to improve and develop their infrastructure, industry and agriculture. No comment was required on the position of countries which had not benefited from the price boom. Moreover, even if increased revenues made it possible for some developing countries to diversify their economies, they, too, would become dependent on imports of raw materials and other intermediate goods and would in turn become victims of price inflation. As the representative of Australia had himself admitted, the cyclical upswing in industrialized countries would soon reach its peak, and a solution would then have to be found to the serious economic management problem arising from the downswing, in order to prevent the boom from converting itself into an economic recession. The interdependence of the world economy required that the interests of all countries be taken into account, particularly those of the developing countries, when making decisions at the national level. That was why his delegation considered that the review and appraisal was not a shadow exercise but perhaps the most important item on the Committee's agenda (item 46).

41. The continuing improvement in the institutional structure of the United Nations was essential, not only for the success of the Decade, but for the whole range of international economic co-operation activities. His delegation therefore welcomed the decision to enlarge the Economic and Social Council, thereby, it was to be hoped, making it more representative of the current membership of the United Nations and more responsive to its needs.

42. It was sometimes held that the Second Committee should not discuss such complex sectoral matters as world finance and multilateral trade negotiations, but confine itself to generalities. His delegation could not accept that argument, since to do so meant abandoning any efforts to take into account the central, indeed critical, features of the world economy. All earlier discussions of that subject had degenerated into a dialogue of the deaf, with developing countries reduced to expressing their anguish at the bleak facts and figures involved, while the developed countries generally remained silent. That state of affairs was incomprehensible in such an important body and implied a disregard of the obligations which the widely recognized concept of the interdependence of the world economy and polity imposed on all Members.

43. The declaration recently approved at Tokyo at the ministerial meeting of GATT (12-14 September 1973)

had outlined the guiding principles for the forthcoming multilateral trade negotiations. Such negotiations had in the past centred on the problems of the developed countries alone, despite assurances to the developing countries that their interests would be taken into account. If the preferential arrangements among developed countries were extended, the meagre benefits obtained by the developing countries under the generalized system of preference would be seriously eroded. The liberalization of world trade would be a welcome development, but the developing countries should not emerge as losers in the process. Specific measures for the benefit of their international trade would have to be taken. One of the prerequisites was the acceptance of the principle of preferential treatment for developing countries in all sectors of the negotiations. The generalized system of preferences had to be made fully operational through its implementation by those who had not yet done so and through substantial improvements in the schemes already in operation. As the Indian Finance Minister had remarked at the joint annual meeting of IBRD and IMF at Nairobi (24-28 September 1973), the previous year had been eventful on the monetary front. His delegation was extremely disappointed that, contrary to all expectations, it had not been possible to arrive at an outline for reform. It had welcomed the formation of the IMF Committee of 20 since, for the first time, the developing countries could fully participate in the discussion of certain crucial questions concerning the international monetary system. They had the right to expect that a reformed monetary system would, among other things, help to create a more favourable international environment for their economic development.

44. It had become abundantly clear, however, that the solution of the main issues affecting the developing countries depended on the willingness of the industrialized countries to accept the proposition that the developing countries' problems were as important to the international community as those of the developed countries, that international monetary problems could not be divorced from the larger problems of developing the poorer countries, and that the equitable distribution of world output required attention as urgently as the need to secure stability and rapid growth. At Nairobi, India had stated its views on a number of specific questions. It believed that the corner-stone of the new monetary system should be the establishment of a mechanism for the adequate transfer of real resources to the developing countries; to that end a link should be established between SDRs and additional development finance. Such an arrangement not only was technically feasible but was also consistent with the requirements of the International Development Strategy. Lastly, his delegation hoped that the structure of the new monetary order would be such as to enable the developing countries to play their rightful role in the deliberations of IMF.

45. In the final analysis, it was obvious that the peoples and Governments of the developing countries would have to bear the brunt of the efforts and sacrifices needed for their development. A corollary was the possibility of increased co-operation among the developing countries, the considerable potential of which was as yet virtually untapped. The countries which had attended the Conference of Heads of State or Government of Non-Aligned Countries at Algiers had drawn up

a detailed programme to that end, and he urged all delegations to examine thoroughly the 14-point programme for co-operation among the developing countries. The programme was complementary to the efforts and discussions of the United Nations and UNCTAD.

46. The international community was beginning to grasp the fact that all countries were interdependent. That recognition was one of the most important aspects of the discussion held earlier in the year in the Economic and Social Council on the question of collective economic security and the drafting of a charter of the economic rights and duties of States. It was the Committee's duty to formulate the functional implications of interdependence for the international community.

Mr. Gabre-Sellassie (Ethiopia) resumed the Chair.

47. Mr. DRISS (Tunisia) said that 1973 had been a year of economic events of great importance. Sooner or later, the Second Committee would have to consider whether the resolutions adopted at previous sessions of the General Assembly had had an immediate or remote effect on those events. The answer to that question might enable the Committee to place its work in the proper context as a result of situations which were unfortunately beyond the scope of the United Nations.

48. The Tokyo and Nairobi meetings had opened the way to a process that could give all mankind reason for hope or could prolong the inequalities or uncertainties, together with the familiar frustrations and shocks that they brought in their wake. The Economic and Social Council had continued its useful work, pending its forthcoming enlargement, for which Tunisia and other countries had patiently laboured. In particular, the Council deserved great credit for the work it had done at its fifty-fifth session, with some success, on the first review and appraisal of the Strategy. The working paper (resolution 1827 (LV); annex) submitted by it to the Committee for study was not perfect, of course. It had been drafted in a spirit of compromise, with the result that some considered its content exaggerated, while others hesitated to accept it for fear of sacrificing some of their most legitimate demands. That fact should not, however, interfere with the continuing dialogue.

49. The Economic and Social Council had also had to deal with the question of food shortages so severe as to give continued concern to the international community, in particular after the shocks resulting from the succession of natural disasters that had shaken the world. Those disasters showed the great importance of the efforts undertaken by FAO and endorsed by the Economic and Social Council with a view to ensuring a minimum level of world food security. General agreement on such a principle would be a first step towards the realization of the broader concept of collective economic security, which was beginning to make headway and which would certainly be reinforced to some extent by the charter of the economic rights and duties of States.

50. The third-world countries, meeting at Algiers at the Conference of Heads of State or Government of Non-Aligned Countries, had expressed justifiable concern at the food situation, of which they were the first victims, and had made an urgent appeal in their action

programme for economic co-operation for the convening of a joint emergency conference of FAO and UNCTAD at the ministerial level with a view to setting up a programme of international co-operation to relieve the growing shortage of food and primary commodities and maintaining price stability. It was reassuring that a number of developed countries, including the United States of America, agreed on the principle of an international conference. The conference must be carefully prepared and must bring conclusive results for the welfare of a world population whose uncontrolled growth gave just cause for concern.

51. Tunisia had always affirmed its interest in a rationally and humanely conducted family planning programme, based on principles enunciated in the International Development Strategy. It was convinced that the developing countries themselves must solve their population problems; what was needed was not a world-wide birth control crusade but an effort in each country to strike a balance between population and resources, for the well-being of the family and the happiness of the human person, which remained the source and the goal of all efforts.

52. The relationship between the economic and the social aspects of development had been taken up in 1973 by the Economic and Social Council's Committee for Development Planning. His delegation welcomed the resolution (1808 (LV)) adopted by the Economic and Social Council at its fifty-fifth session on the problem of mass poverty and unemployment in the developing countries. It interpreted in the same sense the statement made by Mr. McNamara, the President of the World Bank Group, on 24 September at Nairobi concerning the importance of the rural sector. Moreover, it was certain that the World Bank would be able to play an important role in the rural sector. Lastly, it would be desirable if the funds of IDA could be replenished promptly.

53. Perhaps it was time for the developing countries to think of intensifying their mutual-aid efforts in the transfer of resources, as in other fields. The Conference at Algiers had defined the channels for such co-operation, and the developing countries could accordingly find means of protecting themselves to some extent against the uncertainties of the current monetary situation that had made it possible for the Nairobi meeting to envisage any solutions acceptable to everyone, and against the uncertainties of trade negotiations, which remained acute, in spite of the encouraging good intentions expressed in the ministerial declaration at Tokyo. For while an attempt had been made to stress the beneficial effects of the economic boom on the primary commodities produced in the developing countries, the Under-Secretary-General for Economic and Social Affairs had been careful to point out that the gains were uneven and that the boom in raw materials could not last, whereas it was quite likely that the high prices of capital goods would persist. In that situation as elsewhere, the developing countries were the losers both in the medium-term and in the long run.

54. The world had grown more or less accustomed to the uncertainty of the system of floating rates of exchange, but the developing countries would be better protected under a system which was more stable but adjustable and therefore regulated, since their present stage of development did not allow them to live from day to day.

55. Financial and trade problems were undoubtedly difficult and highly technical, but to the extent that the United Nations could adapt its work to the needs of the hour, it would remain at the centre of the main currents and high aspirations of the world.

The meeting rose at 5.45 p.m.

1523rd meeting

Thursday, 4 October 1973, at 10.45 a.m.

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

A/C.2/SR.1523

GENERAL DEBATE (*continued*)

1. Mr. RATSIMBAZAFY (Madagascar) said that the review and appraisal of the objectives and policies of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)) had given rise to discussions on its substance, form and timeliness. It was particularly important that each Member State, indeed the United Nations itself, should review its position regarding the objectives of the Strategy and its efforts to implement the Strategy, and examine its conscience and its political will in relation to the commitments undertaken. Mankind was grateful to all those who had made efforts to achieve or even exceed the objectives of the Strategy. His delegation wished to point out to all States that there could be no real well-being unless some improvement was apparent in the living condi-

tions of those at the survival level. There were various levels in life: survival, living, a better living, and well-being. International co-operation was needed if progress was to be made from one stage to the next.

2. No development could be permanent without a solid foundation and basic principles absolutely respected. Peace, security, independence, permanent sovereignty over natural resources, social justice and equity constituted the ideal foundation for integrated economic and social development. Obviously, as had frequently been stated, each country was primarily responsible for its own development but a number of countries offered their experience to those who needed it to facilitate their development, and his country would be glad to have the benefit of such experiences, provided they were offered with due respect for the permanent sovereignty of States.