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at 3 p.m.

NEW YORK

Chairman: Mr. Bruce RANKIN (Canada).

*In the absence of the Chairman, Mr. Gobba (Egypt),
Vice-Chairman, took the Chair.*

GENERAL DEBATE (continued)

1. Mr. OKELO (Uganda) said that any discussion of the state of the world economy should be held against the back-drop of the International Development Strategy. In the first place, it was clear that the annual growth rate of the developing countries called for in the Strategy, namely 6 per cent, was far from being achieved by the majority of them. Secondly, while the Strategy called for a 3.5 per cent *per capita* growth rate of the gross national product, the rate was in fact lower and an even greater imbalance in income distribution could be noted, the rich becoming richer and the poor poorer in the developing and the developed countries alike. Thirdly, it was clear that the development of agriculture was essential to the developing countries; however, according to the preliminary report of FAO for 1971, the Second United Nations Development Decade had got off to a poor start with respect to agricultural production in the developing countries, with the exception perhaps of Africa, where progress had in part been offset by an increase in the population growth rate. Lastly, in the industrial sector, progress had continued to slow down, as the IMF report for 1972 showed.
2. It therefore seemed clear that the objectives of the Strategy would not be achieved and that the future was particularly bleak for the least developed among the developing countries. The work of the Second Committee should therefore be characterized by a redoubling of efforts and the Committee should take decisions on a number of key issues relating to the world economy on the basis of the groundwork done by the Economic and Social Council.
3. Mr. DEBRAH (Ghana) reaffirmed the principles which governed his country's economic behaviour. Ghana had opted to pursue a policy of non-alignment; in so doing, it had been determined to contribute to the progress of the international community but at the same time it had expected the more prosperous members of that community to make a special effort to help it to overcome its own difficulties. In that connexion, it was pertinent to recall that most of Ghana's problems arose from the fact that, for more than a century, it had been subjected to a system which had subordinated the economic and social development of the country to foreign interests. It was therefore impor-

tant to place in the right perspective the magnitude of the similar problems facing the majority of the developing countries. Too often there was a tendency to think that those countries sought to depend on international charity. In fact, since they had contributed to the growth of many rich countries, it was logical that the latter should help them to overcome the obstacles to development which were for the most part due to the vestiges of colonialism. No progress could be made, however, if the traditional pattern of economic activities was allowed to continue.

4. The developing countries had believed that those who had finally conceded independence to them would be imbued with a desire to help them to achieve genuine economic and social self-sufficiency. In fact, nothing had changed. The direction taken by international co-operation continued to be dictated by the interests of a few, as the results of the UNCTAD sessions had shown. It was essential therefore to develop international co-operation by freer contacts, more open and frank consultation, and a greater desire to be active members of the international community.

5. For its part, his Government had taken steps to correct some of the basic imbalances in Ghanaian society. It had undertaken programmes which relied more on the self-reliance of Ghanaians than on outside help. Ghana was not turning its back on the world, but using its own resources to gain its proper place in the international community.

6. As part of that policy, Ghana proposed to exploit its natural wealth and consequently to give priority to agricultural development. Ghana, which had spent enormous sums on importing agricultural food-stuffs which it could easily produce itself, now wished to be self-sufficient in that area; the first results of the programme had been successful. Another aim of the programme was to produce the raw materials to feed idle factories. To that end, his Government was giving priority to those industries for which Ghana had the necessary raw materials and the appropriate technical skills.

7. If the developing countries were to become self-sufficient, it was imperative that the international community should agree to facilitate the access to their markets of products coming from the developing world and to ensure reasonable prices for those products. The stabilization of the prices of primary commodities, where applicable, was the touchstone of the will of the international community to help the developing countries to find a stable source of income. In fact,

the situation was far from reassuring: for instance, the International Coffee Agreement, 1968 seemed to be falling apart and no agreement had yet been reached on cocoa. The developing countries were, of course, seeking to diversify their crops, but in the meantime they still depended for the most part on a single source of revenue, and a refusal to stabilize prices could only destroy their political and economic stability and shatter their faith in the international system.

8. Under its economic diversification programme, Ghana was seeking to develop industry in those areas in which it had the necessary raw materials and skills. In that connexion, it was ready to co-operate with other members of the international community and would welcome credit and private investments. The latter should, however, be in those sectors which would enable Ghana to increase its foreign-exchange earnings and which would help to solve the problem of unemployment and accelerate the transfer of technology. Such investments should make it possible for business circles to participate with the Government in the management of industry. In order to do that, it was essential that credit should be extended to them. Credit should not have the effect of creating an additional burden for the country but should be extended in such a way that repayment could be made easily from the results of the project. In that connexion, he pointed out that too often the terms for the repayment of loans were much too severe and were sometimes not even related to the productive capacity of the project financed. Loans granted to development projects should be modelled on the terms provided for loans by IDA. All the industrialization and agricultural development programmes of the developing countries would, however, amount to nothing if the products did not have access to the markets of the rich countries. There again, the opening of markets was the touchstone of the goodwill of the international community.

9. With regard to the reform of the monetary system, it was important to remember that a large number of countries which were not represented in the negotiations would be fundamentally affected by the decisions taken, and it was to be hoped that the measures adopted would encourage the free movement of goods and would contribute to the development and stability of all countries without exception.

10. Since peace and good understanding in the African continent served the interests of the whole international community, other countries should avoid taking measures which might accentuate the differences of views among the African countries. Fortunately, the Organization of African Unity was a guarantee of the efforts being made towards the co-ordination and harmonization of the continent. In that connexion he said that, instead of systematically calling upon experts from the developed countries whose methods were not always adapted to the needs of the developing countries, the latter should seek to help each other and to derive mutual benefit from their experience.

11. It was to be hoped that the current session of the General Assembly would enable all countries to

become aware that their development and that of the community as a whole depended on active co-operation and an exchange of experiences and resources among all countries.

Mr. Rankin (Canada) took the Chair.

12. Mr. MAKEYEV (Union of Soviet Socialist Republics) observed that the world economic situation, in particular the economic situation of the developing countries, had not shown any significant change since the previous year. The general instability of the economy, inflation, and unemployment continued to have adverse effects on young States, to impede their progress and to counteract the efforts they were making to overcome the backwardness resulting from colonialism.

13. In drawing a picture of the world economic situation, it was important to distinguish between the two main categories of politico-economic systems: the capitalist system and the socialist system. The socialist system was based on a genuine equality of rights, on respect for the rights of all, and on community of interests. New forms of co-operation between the socialist countries helped to promote the application of progressive principles. Thus, the countries members of the Council for Mutual Economic Assistance (CMEA) had drawn up a joint co-operation and development programme. Contrary to what usually happened in such cases, there was nothing nationalistic about the programme. Its main purpose was to pool members' resources with a view to joint expansion, and international banks had been established to that end. Similarly, the purpose of co-operation had been to achieve joint planning of the CMEA countries' activities; five-year plans had been co-ordinated and the countries had exchanged experiences in management and planning. As the last session of the Council for Mutual Economic Assistance (CMEA) had shown, the programme had so far been successful. The gross national product had increased much more rapidly than in the capitalist countries, as had the volume of external trade.

14. The Council for Mutual Economic Assistance had been enlarged and Cuba formed part of it; further, Yugoslavia's participation had increased. That system of socio-economic integration was not a closed economic grouping. The CMEA countries had developed a programme in which all peace-loving States could participate and which encouraged co-operation in trade, technology and science on a mutually advantageous basis. In that respect, the CMEA countries unreservedly supported the interests of the developing countries; they were participating actively in preparations for a pan-European security conference which would help to improve their relations with the rest of Europe and with other countries also. They were firmly opposed to any form of discrimination in trade and advocated the application of most-favoured-nation treatment.

15. The Soviet people were during the current year celebrating the fiftieth anniversary of the foundation of the Soviet State. Evaluation of the ninth national

plan had shown that enormous progress had been made and that the targets set in 1971 had been attained and even exceeded. That success provided proof of the boundless possibilities offered by co-operation between peoples guided by the principles of socialism. Those results had been made possible by the moral and political unity of the Soviet people, based on true equality, and by fraternal co-operation in accordance with the socialist principle of the division of labour. Those joint efforts had made it possible to develop certain distant regions of the Soviet Union which had rapidly progressed from a stage of pitiable underdevelopment to a high level of production in all sectors. That example, which emphasized the value of co-operation by all, should be followed by the United Nations and by the developing countries in particular.

16. The principles of an equitable international division of labour should be given great importance by all States. Thus, the Soviet Union had supported the measures taken at UNCTAD to develop co-operation between capitalist and socialist countries. It was a matter for regret that, because of the artificial trade restrictions imposed by the capitalist countries, such co-operation was currently clearly inadequate. The Soviet Union was convinced that trade should be based on the most-favoured-nation principle.

17. The Soviet Union wished to encourage trade relations between the socialist countries and the advanced capitalist countries and with any economic groupings they might form. It hoped that eventually there would be no discrimination against socialist countries. It had always been ready to promote trade co-operation with all countries prepared to follow it along that path on an equal footing and on a basis of mutual advantage. In its relations with the developing countries in regard to trade and economic co-operation it would, as in the past, continue to apply measures consistent with its political structure, thereby helping to strengthen their independence and to ensure a fair division of labour. The planned Soviet economy provided a solid basis for co-operation with developing countries. That was proved by the fact that USSR trade with the developing countries had increased much more rapidly than had world trade as a whole. There had been a considerable increase in Soviet imports of tropical products, particularly in the past three years, and the trend was continuing. Whereas the USSR had maintained trade relations with 23 developing countries in 1960, the figure had grown to 54 in 1972, and 22 of those countries had concluded long-term agreements with it. Such a policy could not but promote the industrialization of those countries and reduce the effect of fluctuations on their economies. The Soviet Union continued to grant economic, scientific and technical assistance to the countries of Asia, Africa and Latin America. It facilitated their development by, *inter alia*, granting them favourable credit terms; the amount of financial assistance thus furnished had risen to 5,600 million roubles during the period 1963-1971. In the middle of the 1950s only two countries, India and Pakistan, had benefited from USSR scientific and technical assistance; now 44 countries were benefiting from it. The purpose of that assistance was to solve the main

problems of the developing countries, such as industrialization and the fight against inflation. The Soviet Union was endeavouring to facilitate the development of science and technology in the countries of the third world by accelerating the transfer of know-how, facilitating access to the latest technological discoveries, training national cadres and sharing the experience it had gained in economic planning.

18. The USSR understood the special problems of the least developed among the developing countries and of the land-locked countries, which would continue to receive its economic and technical assistance. It was not, by granting them assistance, trying to exert control over their economies, for to do so would be inconsistent with its principles; on the contrary, by acting in their interest it sometimes failed to satisfy its own needs. In that area, the Soviet Union was guided by the Declaration by the Socialist Countries as contained in document TD/154 drawn up on 26 April 1972 at the third session of UNCTAD, and it would continue to base itself on concrete measures and proposals in the future. In order to develop trade and economic co-operation, all parties must agree to work together. The developing countries must adopt a constructive attitude in order to strengthen their economic links with the USSR, which would grant them terms at least as good as those it granted to the capitalist countries.

19. It was useful to draw attention to some of the main characteristics of the economies of other parts of the world. The capitalist economy was continuing to develop in a disorderly and uneven manner. The recent crisis had crossed the Atlantic ocean and spread to Western Europe. The imbalance between the various currencies had become chronic. The inconsistencies existing between the various capitalist States could not be eliminated by integrating the systems they applied. As it worsened, the financial and monetary crisis had been reflected in reduced production in the capitalist countries and had had disastrous effects on world trade and on the currency situation of the developing countries. Furthermore, following the United Kingdom's decision to allow the prices of a large number of products from developing countries to float on the London market, those countries had suffered immense damage which it had not yet been possible to assess. Several Western countries had been obliged to take steps to protect themselves against devaluation of the dollar. Some had had to make heavy financial sacrifices in order to maintain the exchange rate of the dollar. The price of gold was twice the official figure. The Smithsonian Agreement of 18 December 1971, which had been supposed to open a new era in financial relations, had been broken. The Bretton Woods agreements were a dead letter. The currency fever currently afflicting the world showed that all efforts made to overcome the crisis were doomed to failure. That was not surprising, since the main causes of the crisis had not yet been eliminated. They lay at the very heart of the system of the capitalist countries which, instead of taking corrective action, had speeded up the arms race and increased their military spending in order to continue their aggressive activities in Indo-China and the Far East and to maintain bases on the

territory of other countries. It was to be feared that so long as they persisted in that attitude there would be further currency and financial crises with worldwide repercussions. That was why the USSR was opposed to maintenance of the pre-eminence of one or more currencies in international trade, and it disapproved of countries which sought to solve currency problems by acting behind the backs of the other nations of the world.

20. Flagrant social imbalances were also known to exist in the capitalist countries which, despite increasingly large military spending and the application of a policy of inflation, had not succeeded in curbing the rise in unemployment. Political leaders' statements on full employment and programmes guaranteeing equal opportunities for all had remained empty promises. In one such country, the number of unemployed, which had been 7 million in December 1970, had grown to 9 million by December 1971, i.e., an increase of 25 per cent. Inflation was like a cancer which gradually destroyed the economies of the countries of the world and nullified the salary increases obtained by workers engaged in the class struggle. The heavy burden it represented could not, however, rest indefinitely on their shoulders and the world was currently witnessing a decisive reaction which was becoming manifest in the form of an unprecedented increase in the number of strikes. In the previous year there had been 20 million unemployed in capitalist countries. Furthermore, the anti-militarist movements which had been formed there were becoming increasingly powerful.

21. The economic recession and the new financial and monetary crisis in the Western countries had also had catastrophic effects on the economies of the developing countries which, linked as they were to the capitalist system, found their progress impeded by the survival of feudal régimes, the lack of capital and specialized personnel, the technological gap and neo-colonialist policies. The economic systems of the developing countries, which were based on monoculture, conditioned the structure of their exports and exposed them inexorably to foreign market fluctuations. The extremely poor terms of trade on which they had to operate were continuing to deteriorate. Between 1961 and 1967 that deterioration of the situation had entailed losses of over \$17,000 million for the developing countries. The financial crisis, the consequences of the military and other measures taken by the United States and the United Kingdom and the monetary policy of the Common Market had only made the problem worse. For those reasons, the Soviet Union supported the developing countries that were asking compensation for the losses they had suffered. According to an UNCTAD estimate, the dollar crisis had caused them losses of over \$1,000 million and devaluation had increased their indebtedness, which currently totalled \$70,000 million. While the price of manufactures had increased, that of primary commodities had decreased, resulting in an annual loss of \$3,000 million for the developing countries.

22. The foreign companies established in the territory of those countries were continuing regardless to repat-

riate the profits they were making. The developing countries were thus condemned to pay an annual total of \$8,000 million in debt servicing, which amounted to more than one fifth of their export earnings. In spite of the acceleration of the pace of economic development, the gap between the developing and the industrialized countries was not lessening, but rather the contrary. It was therefore not surprising that a year and a half after the inauguration of the Second United Nations Development Decade the developing countries' hopes for fairer and more equitable treatment remained unfulfilled. It would, moreover, be erroneous to expect that the end of the financial and monetary crisis would provide a solution to all the problems they were facing. The Soviet Union considered that the only possible equitable solution would be to undertake a democratic reorganization of national social structures and to promote the development of international economic co-operation in the best interests of all concerned, taking into account the experience of the USSR and the other socialist countries in that field. The Soviet Union, which had helped many peoples to free themselves from the yoke of oppression, was opposed to all forms of colonialism and neo-colonialism and to any attempt to exert pressure, whether direct or indirect, on countries that were trying to develop in full independence and defend the natural resources in their possession. It was the duty of the United Nations to help the developing countries to mobilize their resources, strengthen their independence and improve their economic and trade situation. To that end, genuine co-operation should be established at all levels, particularly in regard to science and technology, health, industrial and agricultural production and the environment.

23. A detailed and objective analysis of the economic development of the various countries of the world should be made, and for that purpose a special document should be adopted which might take the form of a United Nations declaration on the development of co-operation, on a basis of equality in trade, science and technology. Such a decision should, however, find its expression not in words but in action. The improvement of co-operation should be reflected in a raising of the level of living and the acceleration of the social advancement of peoples throughout the world. It would also require the introduction of better techniques for the dissemination of scientific and technical information, in the interests of all countries. Every country should be reminded that it had the right to take whatever measures it chose to change the status of foreign interests established in its territory, to exercise supervision over their activities and to control the inflow and outflow of resources and capital. States should undertake also to observe a policy of neutrality in trade and economic matters. The proposed declaration would state the aims, tasks, form and principles of commercial, technical and economic co-operation among all States. Provisions would have to be adopted and applied whereby participating States would undertake to abstain from using blackmail and threats against the developing countries. The declaration would become a kind of norm to be respected in international relations for the purpose of promoting peaceful coex-

istence and strengthening the principle of non-intervention in the internal affairs of States, on the basis of mutual obligations and advantages. The course he had outlined would thus help to strengthen trust between peoples. His delegation was aware that the General Assembly had taken decisions and launched appeals to that effect, and it intended to submit to the Committee an actual text that might serve as a basis for the proposed declaration. The General Assembly had made provision in its agenda for consideration of the world's major economic problems. He hoped that the new trends emerging in the economic field would not run counter to the legitimate aspirations of peace-loving peoples. Any advance in the direction of co-operation and peace could not fail to produce favourable effects for all countries. With the support of its allies and friends, the Soviet Union would continue to strive for the development and fulfilment of all the peoples of the world.

24. For a better evaluation of the situation and a better understanding of the proposals he had made for the safeguarding of peace, reference might be made to the statement by Mr. Gromyko, Minister for Foreign Affairs of the USSR, in the General Assembly (2040th plenary meeting) on 26 September 1972 to the effect that the Soviet Union would strive to end United States intervention in Viet-Nam and other countries in Indo-China and to halt Israeli aggression against the Arab countries. He had proposed the conclusion of a long-term agreement on the Middle East, the organization of a European security conference, a halt to the arms race, the convening of a world conference on disarmament with the participation of all States and the drafting of an agreement banning nuclear tests. Such measures would unquestionably contribute to the improvement of technical and scientific co-operation among States.

25. In conclusion, his delegation urged that States should undertake to renounce force as a means of settling their international disputes and should pay heed to the ban on the use of nuclear weapons. They should be aware that by deciding on such action they would be making an important moral and political commitment which, if they held to it, would help to strengthen international security and create the necessary conditions for disarmament. States would then have a better opportunity to devote themselves to the exploitation of their resources, to speed their economic and social development and to raise the level of living of their peoples. His delegation was ready to participate in the consideration of any proposal which aimed at providing a solution to those problems.

26. Mr. DE RIVERO (Peru) recalled the role played by his country in the organization of the Second Ministerial Meeting of the Group of 77 held at Lima in November 1971, at the outset of the Second Development Decade. At the meeting, the countries of the third world had shown that they were capable of understanding the problems of international co-operation by granting special terms to the 25 poorest countries in the Group of 77. They had also shown great maturity by

stating their demands reasonably in the Declaration and Principles of the Action Programme of Lima.¹

27. Despite all their efforts, it appeared from the disappointing results of the third session of UNCTAD that their appeal had gone unheeded.

28. It had only been because of the cohesion, solidarity and efforts of the members of the Group of 77 that the third session of UNCTAD had acknowledged their right to participate in decision-making affecting the world economy, such as the reform of the international monetary system and the formulation of the principles to be observed in the forthcoming trade negotiations in GATT. The developing countries which were members of the IMF Committee of 20 must play not only a representative role but also an active one by stressing the special needs of the developing countries. It was for those reasons that the developing countries should continue to work within the Monetary Group of the Group of 77, established on the basis of a Peruvian proposal, to keep a watchful eye on the course of the discussions in IMF. The fourteenth meeting of the Special Committee on Latin American Co-ordination held at Santiago from 4-9 September 1972 had strengthened the action being taken by that Group in the matter of international monetary reform, in particular with a view to the establishment of a link between the new activities and international development aid. With regard to future trade negotiations within the framework of GATT, the most important concerns were to ensure that all developing countries participated and to enhance their bargaining power.

29. First, they should adhere to well-defined criteria in order to ensure observance of the principle of non-reciprocity in the concessions granted and to safeguard the advantages obtained or expected under the general system of preferences approved by UNCTAD.

30. Secondly, they could increase their bargaining power by devising formulas of co-ordination which would enable them to present a common front when seeking the most advantageous concessions for their development. That was why they should give up the practice of isolated and individual negotiation and instead should regroup according to the sectors they represented, the commodities they exported or the integrated economic entities they had formed.

31. The examination of monetary, trade and financial programmes should be undertaken in a co-ordinated way, bearing in mind the interdependent relationships existing between them, in the light of resolution 84 (III) adopted on 21 May 1972 at the third session of UNCTAD.

32. It was essential that the consultations begun between the Secretary-General of UNCTAD, on the one hand, and the Managing Director of IMF and the Director-General of GATT, on the other, should con-

¹ A/C.2/270 and Corr.1.

tinue; but it was equally important that the Governments should assist the co-ordination process by seeking the type of machinery most likely to enhance its effectiveness. That was the only way of ensuring that the final agreements would reflect the concessions obtained in monetary, trade and financial matters. Without such co-ordination, the special measures sought by the developing countries could well be overlooked, as the advanced countries might fail to see the need to regard them as essential objectives in their negotiations.

33. Two years had passed since the adoption of the International Development Strategy; yet the countries of the third world were a long way from enjoying the external conditions favourable to independent development. United Nations studies showed that in 1975—or half-way through the Second Development Decade—the trade and financial deficit of the developing world as a whole would probably amount to \$17,000-\$26,000 million; it seemed, therefore, that the developing countries were supplying the developed world with capital. However, the responsibility for that situation did not lie with States alone; a growing role in the world economy was being played by multinational enterprises. According to a preliminary study submitted to the third session of UNCTAD, they controlled between 20 and 30 per cent of world production and trade. There could be no doubt that such enterprises had helped to bring about the international monetary crisis by their investments in the developed countries, which had led to a United States balance-of-payments deficit and a plethora of Eurodollars in Europe. The United Nations should therefore examine the role of such new multinational companies in the world economy, as the Economic and Social Council had requested in resolution 1721 (LIII) of 28 July 1972. The study of such companies should be co-ordinated with the studies made by UNCTAD on foreign private investments in the developing countries.

34. In that connexion, his delegation believed that a new approach should be taken towards foreign investments, as was the case in the countries of the Andean Group, where investments were subject to temporal and spatial restrictions in order to prevent excessive exploitation of natural resources by foreign investors or their attempts to control the economy of the developing countries. It was regrettable that international organizations were refusing to examine the modalities of foreign investments on the pretext that that might create a climate of uncertainty which would discourage further investment; however, while the imperialists could thereby be certain of obtaining greater security for their investments in the developing countries than in the industrialized countries themselves, the economic and social development of the less advanced countries would probably be impaired. His delegation was not alone in holding that opinion, because studies by impartial economists clearly showed the overriding need to find formulas to facilitate the transfer of control of foreign investments to the indigenous population once the desired profits had been obtained. It would be desirable to intensify the studies and dialogues on that subject within the United Nations with a view

to removing some of the taboos and acquainting investors with the conditions set by each country and the developing countries with the various procedures pertaining to foreign investments.

35. Parallel with the imperatives of growth and accelerated development in the third world was the looming spectre of the destruction of the planet's ecological system. If the countries of the third world decided to model themselves on the economic and social pattern of the high-consumer societies, the risk of destruction would indeed be great; hence the problem of the human environment was beginning to have considerable political repercussions. It was in that context that the developing countries were endeavouring to establish a new economic and social system in which the industrial means of production would not belong to small groups but to the citizens as a whole. It was not so much a question of limiting industrialization as of organizing a fair distribution of social power and wealth. To achieve that end, the developing countries must be able to dispose freely of their natural resources and at the same time rely on external assistance for exploiting them. In that connexion, the establishment of a United Nations revolving fund for natural resources exploitation would be thoroughly commendable, provided that its statute emphasized the developing countries' permanent sovereignty over their natural resources.

36. In conclusion, he expressed the hope that the United Nations would view the problem of development in its cultural and philosophical perspective, bearing in mind the qualitative changes in society, instead of concentrating solely on the quantitative or even the statistical aspects of development.

37. Mr. ELIASHIV (Israel) said that the quality of the human environment in many countries, especially in the industrialized societies, constituted a serious problem; it should not, however, be permitted to minimize the need for increasing the rate of growth of the developing world, which had much to learn from the experience of the industrialized countries and should take steps to avoid the same pitfalls. In that connexion, he deplored the widening gap between the developed and the developing countries, stressing in particular the problem of unemployment, which continued to mount in the latter nations. Such tremendous potential human resources could have been utilized for the development of the less advanced countries if only the prerequisites of capital, technical know-how and scientific skills had been present. The Strategy for the Second Development Decade could only help such countries, especially the least developed, to go forward. It was therefore a matter of satisfaction that, as Mr. McNamara had announced, the World Bank had decided to place special emphasis on the poorest portion of the population in the developing countries. He suggested that the Horowitz Plan, namely the creation of a multilateral interest equalization fund, should be implemented on a pilot study basis for the least developed among the developing countries.

38. His delegation shared the opinion of the Secretary-General that problems such as the popula-

tion explosion, unemployment, poverty, deterioration of terms of trade, debt burden, and the maldistribution of wealth between the world of the affluent and the world of the poor should be solved in a global perspective by appealing to world solidarity. The Second Development Decade should be a decade of action and concrete results must emerge.

39. Believing that the world as a whole should be informed of the intolerable situation of the population of one part of the world, his delegation had proposed at the third session of UNCTAD that a national committee for international development co-operation should be established in each country, on the understanding that awareness itself was not an objective, but should lead to concrete action so that, for example, the developing countries might fully participate in the decision-making process in the monetary and trade fields and their level of exports to the more advanced countries might increase.

40. He drew attention to the need to increase the flow of capital to developing countries to enable them to meet commitments and achieve the results which they desired. His delegation had drawn up a proposal which would help developing countries to expand their trade and thus accelerate their economic growth; it would place that proposal before the Committee at the appropriate time.

41. Turning to the United Nations Conference on the Human Environment, he said that it was essential to find a means of ensuring the development of all countries, while preserving man's natural heritage; thus the industrialization of less advanced States could not be impeded on the grounds that it would increase the level of pollution. The manner in which nations carried out the recommendations of the Declaration on the Human Environment and the Action Plan would certainly determine the quality of life and the stability of future generations.

42. His delegation attached great importance to the application of science and technology to development and it was happy to endorse the relevant provisions of the International Development Strategy and the establishment in the Economic and Social Council of a Committee on Science and Technology for Development; furthermore, it supported the notion that international organizations and financing programmes, in particular UNDP and IBRD, should give priority to technical and financial assistance to facilitate the transfer of technology to developing countries. He drew attention to the example of Israel, where the application of modern technology had led to considerable increases in agricultural production and an annual growth of 10 per cent in the gross national product. Agriculture now supplied 85 per cent of the requirements of Israel's population, while the number of persons employed in that sector had decreased. The number of persons employed in industry now constituted 26 per cent of the total labour force, thus making possible a substantial increase in exports of manufactured goods. Israel stood ready to share its knowledge and experience with

other developing countries; since 1960 it had organized major international conferences on science and development which dealt with such problems as scientific research, rural planning, fiscal development, health services and education. The most recent conference, which had been devoted to urbanization in developing countries, had brought together representatives of 63 African, Asian and Latin American countries. The next conference would deal with problems of economic growth in developing countries with special reference to material and human resources. In addition, an important international conference on water pollution research had been held three months previously at Jerusalem. Israel considered that co-operation between countries was essential if the economic and social conditions in all countries were to be improved. It was in that spirit that it had sent experts to four continents and had welcomed foreign students to its shores. He looked forward with hope to the establishment of true international co-operation which would close the present gap between developed and developing countries.

43. In exercise of his right of reply to the allegation made by the representative of the Soviet Union, he announced that the embassy of North Yemen in Beirut had sent to Reuters a telegram signed by a former commanding officer in the army of South Yemen stating that Soviet and Iraqi pilots had taken part in attacks carried out over the week-end which had destroyed 90 per cent of the houses in the town of Qa'tabah. On Saturday Qa'tabah had fallen to the troops of South Yemen. A correspondent of a Lebanese newspaper had also reported from San'a', capital of the Yemen Arab Republic, that officials had confirmed that Soviet pilots had taken part in the air attack against towns in North Yemen.

44. Mr. LISSOV (Union of Soviet Socialist Republics), in exercise of his right of reply, said that he preferred to ignore the outrageous allegations made by the representative of Israel; they could not be taken seriously for they clearly amounted to nothing but vile slander. Everyone was familiar with the Soviet Union's Middle East policy and knew that its sole objective was to foster peace in that part of the world.

45. The CHAIRMAN said that he hoped that the members of the Committee would confine themselves to the economic items on the agenda.

46. Mr. ELIASHIV (Israel) said that he reserved his right of reply and, if necessary, would make another statement later.

47. The CHAIRMAN said that if there was no objection, he would take it that the members of the Committee agreed that the representatives of the ILO and FAO should take part in the general debate.

It was so decided.

The meeting rose at 5.35 p.m.