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PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW
INTERNATIONAL ECONOMIC ORDER

Letter dated 2 October 1974 from the Permanent Representative of
Algeria to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a message addressed to you by Houari Boumediène, President of the Revolutionary Council and President of the Council of Ministers of the Democratic and Popular Republic of Algeria.

I should be grateful if you would have this message circulated as a document of the General Assembly under agenda item 98.

(Signed) A. RAHAL
Permanent Representative
of Algeria

ANNEX

Message from His Excellency Mr. Houari Boumediène, President
of the Revolutionary Council and President of the Council of
Ministers of the Democratic and Popular Republic of Algeria
addressed to the Secretary-General

International relations are once more experiencing a sharp upsurge in tension caused by the uncomprehending attitude of certain great Powers with regard to the questions of raw materials and of development. At its special session last April, the United Nations General Assembly discussed these questions at length. On that occasion, we had the honour of presenting the Algerian viewpoint, namely that the problem of development is at the core of every current economic problem and that, for that very reason, it should receive the highest priority.

That is why, in our view, questions of energy, raw materials or even of world inflation are partial aspects of this problem, a problem which can be settled once and for all only by the establishment of genuine international co-operation. However, that kind of co-operation can really be established only when the international economic order ceases to be dominated by the developed countries. Consequently, in spite of the undeniable impact of the discussions within the international community and despite the plans for solutions and concrete action which it produced to assist the developing countries, it is distressing to note that the opposition of the great Powers has hampered the implementation of this programme. Some developed countries have gone so far as to refuse humanitarian assistance to the most impoverished of the third world countries, while others have made their assistance contribution contingent on the assistance provided by other countries, and particularly the oil-producing countries. One can only conjecture at the underlying motives for such conduct, which is intended to exert pressure on the member countries of the Organization of Petroleum Exporting Countries (OPEC), threatening to exacerbate the plight of the disadvantaged to the point of despair. When one sees that a human community needs assistance and one makes it known that one has the means of providing such assistance, how can one use the position taken by others as a pretext for finally denying that assistance whose provision should be viewed only in terms of the need to relieve the sufferings which afflict communities of human beings? In point of fact, this pressure through poverty, which is unprecedented in international relations, can be explained only in terms of the resentment felt in certain circles which, for centuries, have been accustomed to appropriating the riches of the peoples of the third world, at the fact that these peoples have taken irrevocable steps to end the exploitation to which they were subjected.

This means that, basically, most developed countries have failed to learn any lessons from the discussions which took place at the recent special session of the General Assembly and that they persist in believing that they can settle the problems now confronting mankind outside the framework of the United Nations and without reference to the principles set forth in the solemn declaration adopted at the end of the special session concerning the establishment of a new international economic order.

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It is therefore with a feeling of perplexity, mingled with some apprehension about the cause of peace and justice in the world, that we have taken note of various statements made recently by the leaders of major industrialized countries, particularly when addressing the United Nations General Assembly at its current session.

These statements, whose aggressiveness is a disagreeable reminder of the times we believed had gone for ever and which seems scarcely appropriate, to say the least, in an organization whose primary vocation is the maintenance of international peace and security based on co-operation and understanding between peoples, pose a dire threat to a portion of mankind, that living in the developing countries which are producers of basic raw materials, and particularly those which produce petroleum. Clearly these statements, which appear to have been prompted by the decisions taken recently by the member countries of OPEC to safeguard the purchasing power of their single export commodity, reflect the determination of certain countries to continue to appropriate the riches which belong to other peoples. For the first consequence of the widespread inflation due to the disruption of the economies of the industrialized countries was a decline in the real value of the export earnings of the developing countries.

Feeling, no doubt, that they were unable by their own means and with their own resources to curb the inflationary process which they helped to create and maintain over a long period, some industrialized countries are trying, once again, to attribute the problems which they are experiencing and which they have managed to extend to the rest of the world, exclusively to the price of the oil sold by a group of developing countries. It is hardly surprising, therefore, that the leaders of the industrialized countries should now try to lend credibility to the argument that the collapse of the world economy can only be avoided by imposing a freeze - which means a reduction - on the prices of the oil-producing countries. Yet, being conscious of their responsibilities to the international community and anxious to safeguard the chances of genuine co-operation with the industrialized countries, the member States of OPEC had decided, of their own free will, temporarily to freeze their prices for the sole purpose of enabling these countries better to control the mechanisms of their economies and to contain the phenomenon of inflation. Yet despite the freeze on oil prices during the first nine months of the current year, the inflationary trend in these countries has not only continued apace but has even assumed alarming proportions which have never been equalled in the past. This means, therefore, that the demonstration of goodwill on the part of the OPEC countries and the financial sacrifice they made in allowing the value of their oil to erode, have served no useful purpose. In the circumstances, they could not reasonably be expected to continue deliberately to sacrifice their entirely legitimate interests gratuitously and passively.

There is no escaping the fact that, if the freeze on oil prices has had no effect on the rate of inflation, it is because the true cause of this problem is to be found elsewhere. In actual fact, far from contributing to inflation, the oil-producing countries, like all countries producing raw materials, are the main victims of inflation. Therefore, the real cause of inflation must be sought in

the very foundations of the economic system of the developed countries. This system, which for centuries enabled the Western countries to build up and expand their economies, has its real roots in the permanent exploitation of the poorest by the richest and of the weakest by the strongest. One of the main features of this system is that it can only develop in a context of constant price rises which constitute the major source of the no less constant inflation of the profits made by capitalism. In the past, thanks to the added value it derived from the work of the labouring classes and the profits it derived from the raw materials of the peoples of the third world which it appropriated, the economic system of the developed countries was able to offset the effects of the endemic malaise resulting from this constant trend towards rising prices and resulting maximization of profits - a phenomenon which can be camouflaged by the use of the somewhat equivocal term "inflation". Nowadays, however, since the working class will no longer allow its rights to be impaired, thanks to its organization and to the fact that a growing number of third world countries, with the success of their economic emancipation movement, have won the sovereign right to set their own prices for their raw materials, the system of the developed countries is experiencing serious difficulties in its attempts to curb the inflation while letting profits continue to skyrocket.

Being no longer able to operate the levers formerly at their disposal, namely, exploitation of the working people and pillage of the wealth of the peoples of the third world, the Western countries now have to contend with their own contradictions. If they are really determined to control inflation and thus put an end to the disorder in their economy, they must deal directly with the true causes of the problem, namely the excess profits of their enterprises, their amortization policies, the high rate of return on their capital and the ruinous expenditure which is contributing nothing to the well-being of their peoples. But they are careful not to see in these causes the real factors of inflation because, in actual fact, these factors form the very pillars of their economic system. It is thus easy to see why they are so desperately seeking to recover their lost privileges even if it means having recourse - now that the time-worn devices for exploitation are no longer acceptable - to new and more subtle draining methods, such as the device, used on the pretext of fighting inflation, of considering that the prices of products of the industrialized countries are naturally entitled to soar while the prices of raw materials have an inescapable obligation to stagnate or take the downward path. The easing of prices which is supposed to be achieved as a result of anti-inflation plans is nothing more nor less than a combination of factors in which the freeze or drop in the prices of raw materials serves to camouflage the rise in profits and numerous margins going to the economic agents who work within the system of the developed countries. The use of devices of this kind explains the intensified pauperization of some, while the prosperity of others increases. In other words, it is as a result of the exploitation of the peoples of the third world that many developed countries have enjoyed and still enjoy a life style that is decidedly superior to that which they could have achieved through their real resources.

It is easy to see that, having no doubt counted on the indefinite freeze in oil prices and then finding their plans frustrated by the recent decisions of OPEC,

some major industrialized countries are launching a veritable offensive against the oil-exporting countries, making the utmost use of their economic and political power. In embarking on such an alarming process of confrontation they have no misgivings about dragging the rest of mankind to the brink of the precipice.

Just when the price policy of the industrialized countries as a whole, with regard to their own products, is geared, at the very most, to slightly moderating the upward trend without jeopardizing the actual principle of price rises, these countries are doing their utmost to freeze, if not lower, the prices of the primary commodities, and mainly of oil, which they import from the third world countries. It has now become obvious, therefore, that this policy of setting prices for the products exported by the developing countries is designed, not to effectively combat inflation but to attempt to perpetuate the practices of the past, whereby they gained possession, at a low cost, of the wealth of the third world. In the particular case of the producing countries belonging to OPEC, this attempt to dictate prices is simply an attempt to challenge, or to win back, by means of inflation, the legitimate advantages which the OPEC countries managed to gain in their struggle for the recognition of their rights over their own natural resources.

Such practices are indeed a sad reminder of the darker days of the colonial era in which, taking advantage of their dominant political position, the western Powers systematically exploited the wealth of the peoples of the third world. There is no doubt that they are still continuing to follow the same pattern which, since that time and under another guise, has characterized the pillage by the stronger of the natural resources of the weaker.

Indeed, it must be for the first time in history that we find a buyer dictating to the seller the price that he should charge for his products.

In the final analysis, this singular conception of trade relations whereby the industrialized countries seek arbitrarily to fix the price of oil exclusively in the light of their own objectives and their own selfish interests, ignoring the development needs and the priorities of producing countries, is simply a further manifestation of the imperialist design to perpetuate the machinery of colonial plunder.

Thus, just when the world is under the impression that it is passing through the final stages of colonial domination, at a time when it believes that it is witnessing the retreat of colonialism before the onslaughts of the emancipation movement of the peoples of the third world - at a time, in fact, when all mankind feels entitled to look forward to an era of peace and tranquillity based on the equality of its component peoples, we find a resurgence of imperialism, in its most implacable form, threatening to impose its law on the countries of the third world which produce raw materials.

Branding the recent steps taken by the OPEC countries with regard to prices as a political decision with no economic foundation, the spokesmen of certain Western countries claim that these steps constitute a threat so that they can carry out reprisals against the oil-exporting countries. One of the more significant

paradoxes which we find when considering the arguments that are being used to sow confusion in men's minds, is the attempt to ascribe a difference in nature between the way in which prices are set by the countries producing raw materials and the way in which those same prices are determined in the industrialized countries. In the case of the former, it is contended that the price is a result of a political decision, that is, the result of an arbitrary choice, whereas, in the case of the latter, it is merely the result of the operation of objective factors which are not influenced by any calculated demands. Indeed, by what logical process can one contend that the action of a western enterprise is governed by purely economic considerations when that enterprise determines its prices, sometimes on a global scale, in the light of the market situation, its production costs, the amortization of and return on its investments and the price of goods that could replace its own? On the other hand, the action taken by the oil-producing countries is considered to be inspired by purely political considerations, that is by subjective and arbitrary motives, although these countries are simply evaluating, in the light of their own interests, the same factors used by the Western companies to determine the price level for their products. If the decision is economic in the first case it must also be economic in the second case. If it is political when it is made by a seller of raw materials, why should it not be so when it emanates from the managers of a western enterprise? - unless we are to assume that the accumulation of resources must remain the exclusive privilege of the industrialized world and that the countries of the third world must compromise or sacrifice their future to enable this accumulation to be maintained and constantly to increase; although the lost time which these countries must make up, to ensure that their peoples enjoy the benefits of modern progress, will mean years of intense investment effort entailing the mobilization of considerable resources. Whatever view one may take of OPEC's decision it cannot, in the eyes of men of good faith, constitute a sufficiently valid ground for justifying the threats made against its members.

Indeed, there is every reason to fear that the campaign currently being waged against the OPEC countries is designed, by those who are looking for an opportunity to take their revenge against those who have broken free from their economic stranglehold, to elicit a pretext that will lend a semblance of justification to their aggression.

If, by some mischance, such a process were set in motion, it would inevitably result in the dislocation and collapse of the world economy while imperilling the very survival of all mankind.

It is hard to conceive of the possibility of such threats being made simultaneously with appeals for international co-operation. It is, in fact, impossible to aspire to such co-operation and, at the same time, employ the language of force and to interfere, or try to interfere, in the domestic affairs of other States with a view to forcing upon them solutions incompatible with their interests. True international co-operation lies not in the appropriation by the industrialized countries of the wealth of the third-world countries, but in a balance of interests on either side. Only thus can co-operation yield benefits for all peoples of the world.

The recent special session of the United Nations General Assembly laid emphasis precisely on the need to seek a solution to the problems now confronting mankind within the framework of genuine international co-operation. But if such co-operation is to be instituted and result in solutions acceptable to all, it must be open to all parties concerned, it must attach equal importance to everyone's priorities and it must ensure fair shares for all in the advantages of growth and progress, in accordance with the clearly understood needs and interests of the peoples of the world. One can therefore only remain sceptical about the effectiveness of restricted meetings, confined to a group of western Powers seeking to settle contemporary problems in their own way and in the light of their own interests, in the hope of subsequently imposing their solutions on the rest of the world. The same western Powers consider that the management of the world economy, which concerns all mankind, is their prerogative and are consequently intent on preserving the monopoly of power they secured for themselves in the past.

In reality, these meetings held on the pretext of co-ordination, are no more than conventicles for the purpose of devising a strategy that will enable these Powers to regain the economic advantages which they lost when the balance of contending forces was upset. For indeed it is in terms of a balance of forces and not merely in terms of economic competition that the problem of sharing world resources has always presented itself.

That is why, in our opinion, there is no framework outside the United Nations, and there are no guidelines other than those laid down by it, for solving the economic problems now confronting mankind.

Thus, if it is desired to take advantage of every opportunity for success in definitively solving the problem of development for the great majority of mankind and to prevent that problem from becoming one day a source of uncontrollable conflagration, the United Nations community has the duty, more than ever, to return to the implementation of the measures which were the subject of precise provisions in the Programme of Action adopted at the close of the last special session of the General Assembly. Those measures relate principally to the following:

- The recovery of their natural wealth by the countries of the third world, with a view to obtaining fair and remunerative prices for their products and ensuring independent sources for their development financing;
- The exploitation of that natural wealth by the promotion of in-depth industrialization;
- The mobilization of supplementary financial resources through aid from the rich and developed countries;
- The service of the developing countries' previously contracted debt to the industrialized countries or international financial institutions.

The effective and immediate implementation of the special programme is aimed at relieving the difficulties of the developing countries most severely affected by the economic crisis, bearing in mind the special problems of the least advanced and land-locked countries.

In that connexion, it should be noted that the OPEC countries, within the context of their solidarity and common destiny with the other countries of the third world, have already contributed to that work and are prepared to continue doing so. For this year alone, the amount of grants and credits they have furnished to other developing countries under bilateral and multilateral arrangements, expressed as a percentage of their gross national product, far exceeds any amount the industrialized countries were ever able to contribute in the past to the same developing countries.

In conclusion, Algeria reaffirms its profound conviction that the only road to safety lies in the establishment of genuine international co-operation, which implies the radical transformation of the present world economic structures and precludes any spirit of domination or exploitation and any idea of returning to the previous order. Only a transformation of established structures which follows the trend of history and is consistent with progress can ensure the harmonious settlement of the great economic problems of today and safeguard peace and justice in the world.

Houari BOUMEDIENE
President of the Revolutionary Council
President of the Council of Ministers
of the Democratic and Popular Republic
of Algeria
