

1521st meeting

Tuesday, 2 October 1973, at 3.15 p.m.

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

A/C.2/SR.1521

GENERAL DEBATE (continued)

1. Mr. HUTAGALUNG (Indonesia) thanked the Under-Secretary-General for Economic and Social Affairs for the full analysis he had made of the situation in his comprehensive introductory statement at the 1516th meeting, and said he joined him in hoping that the present *détente* would quickly open up new market opportunities for the products of the developing countries and produce additional economic and technical co-operation. However, he agreed with the Under-Secretary-General that, while the Committee could not remain indifferent to the present turbulent course of events, its major concern must be the review and appraisal of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)).

2. His delegation shared the Under-Secretary-General's views on the present world food shortage, worsened in 1973 by the terrible drought which had ravaged the African Sahel. Despite the repeated warnings of FAO, many countries had been unprepared to deal with the present situation. At the fifty-fifth session of the Economic and Social Council (1861st meeting), the Director-General of FAO had eloquently referred to the disappointing developments in the agricultural sector in 1972 and had made an appeal to the international community for prompt action with a view to setting up a minimum level of world food security. His delegation agreed with that initiative, which would enrich the concept of collective economic security and contribute to the economic and social stability of the developing world.

3. The food crisis had been one of the major concerns of the recent Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers from 5 to 9 September, which had adopted an economic declaration clearly pointing to the need to take, as a matter of urgency, the measures dictated by the situation; it had also recommended the convening of an emergency world food conference to study the prospects for world agricultural production and to set up a programme of practical short-term and long-term measures aimed at solving the problem. His delegation strongly supported the idea of convening such a conference in 1974.

4. It was true, as the Under-Secretary-General and the representative of Australia (1517th meeting) had noted, that world-wide inflation and the rise in commodity prices since mid-1972 had been to the advantage of the developing countries and had been more than enough to nullify the effect of depreciation of the dollar and the pound sterling and to offset the increase in the cost of industrial goods purchased by the developing countries. Indonesia was benefiting from the present situation. Its exports had improved notably over a period of almost two years and its monetary reserves had increased, after a decline in 1971. However, the poor harvests in 1973, which had necessitated imports

of food-stuffs at ever soaring prices, might nullify the gains obtained from the rise in commodity prices.

5. As the Under-Secretary-General had also noted, the commodity boom would probably not be of long duration, whereas high prices for capital goods were quite likely to continue. Although the world economy had expanded considerably since 1971, the gap, in terms of *per capita* income and trade, between the industrial and the developing countries continued to widen.

6. Any real improvement in the position of the developing countries would require structural changes in the international economic relationship in favour of those countries. The International Development Strategy was designed precisely to reduce the disparities between the developed and the developing countries. Yet, the over-all performance over the first two years of the Strategy indicated that its goal was still not yet in sight and that the concept of interdependence of nations, which underlay the Strategy, had not been translated into real action, despite the laudable efforts of some developed countries to achieve its proper implementation.

7. He believed that the question of international monetary reform was more urgent than the Under-Secretary-General thought, because of the additional liquidity which would be provided to the developing countries under the new system and which would facilitate their development process, as had been stressed by the Minister for Foreign Affairs of Indonesia at the 2135th plenary meeting. From that standpoint, his delegation considered the reform urgent, but it fully understood the reasons behind the decision of the IMF Committee of 20 for postponement.

8. The question of reform in international trade relations was closely related to the issue of monetary reform, because any reform of the international monetary system must be accompanied by a reordering of international trade. In that connexion, Indonesia attached particular importance to two provisions of the Tokyo Declaration, adopted on 14 September at the ministerial meeting of GATT. First, participation in the multilateral trade negotiations must be open to all countries; that would enable developing countries to secure their interests. Secondly, reciprocity must be suspended in the case of developing countries, which needed to have their trade, finance and development helped.

9. His delegation felt that the document on the review and appraisal of the International Development Strategy submitted at the fifty-fifth session of the Economic and Social Council (see resolution 1827 (LV), annex) was a good basis for negotiations. He agreed with the representative of Brazil that the members of the Second Committee should be able to reach a consensus to preserve the delicate balance of interests already arrived at in Geneva at the fifty-fifth session of the Economic and Social Council. With regard to the

permanent sovereignty of developing countries over their natural resources, he was of the view that the developed countries must aid the developing countries to explore their natural resources and must fully respect their right to utilize those resources as they thought best.

10. His delegation considered that the developing countries should receive an adequate share of any economic dividend resulting from disarmament. It also approved of the *World Plan of Action for the Application of Science and Technology to Development*,¹ which should enable appropriate steps to be taken to narrow the gap between the developed and the developing countries in the field of science and technology.

11. With regard to the United Nations revolving fund for natural resources exploration, his delegation was a sponsor of the draft resolution which was the basis of Economic and Social Council resolution 1762 (LIV). It believed that such a fund would be of great help to the developing countries in their efforts to explore and develop their natural resources as speedily as possible.

12. Against the background of the process of reordering the international economic and social relationship which was now under way, he believed that the activities of the Economic and Social Council and the operational organs of the United Nations should be strengthened. He welcomed the consensus reached in the Governing Council of UNDP on the establishment of a new set of criteria to be followed in calculating the indicative planning figures for 1977-1981. He hoped that a more dynamic growth in the over-all resources would permit an improvement in the indicative planning figure for each country. He also welcomed the results achieved by the United Nations Fund for Population Activities and by UNICEF. WPF had also been effective, but greater resources should be made available to it.

13. Finally, he noted with satisfaction that the Governing Council of UNEP which was established by General Assembly resolution 2997 (XXVII) had already achieved positive results at its first session, held at Geneva in June 1973.

14. Mr. NDUNG'U (Kenya) recalled that at the twenty-seventh session of the Assembly his delegation had introduced a resolution proposing that the general debate in the Second Committee should be done away with. Its views had not changed. The purpose of his intervention at the present stage was simply to make some concrete proposals on some of the issues appearing under agenda item 12 and not appearing elsewhere as separate items.

15. The first was the question of the establishment of a United Nations revolving fund for natural resources exploration. His delegation had participated in the discussions on that question since its inception in the Committee on Natural Resources, the Intergovernmental Working Group of that Committee, the Economic and Social Council and the General Assembly. It had been a sponsor of Economic and Social Council resolution 1762 (LIV). His delegation sincerely hoped that, at its twenty-eighth session, the General Assembly would endorse that resolution so as to enable the Secretary-General to take the necessary steps to establish the fund, which had been under discussion for

the past three years. Various Member States, especially the developing countries, had shown a keen interest in the establishment of such a fund, particularly because of its "self-help" feature which distinguished it from all the other funds whose proliferation had led some countries to express reservations.

16. Most delegations had endorsed such a fund in principle, and the Economic and Social Council, at its fifty-fourth session, had recommended its establishment to the General Assembly. Furthermore, after lengthy debate, it appeared that there was a consensus that the fund should be a trust fund placed in charge of the Secretary-General and administered on his behalf by the Administrator of UNDP. He hoped that that would not be a point of discussion at the current session of the General Assembly.

17. Closely related to the self-help principle was the need to maintain the revolving character of the fund. The developed countries would not be requested to contribute additional funds for the development projects in developing countries, but to provide initial capital on the understanding that the recipient countries undertook to make their own regular contributions to the fund until in the long run they were able to finance it in its entirety. That commitment on the part of the developing countries was in conformity with the proposals outlined in the International Development Strategy, which stipulated that the developing countries must play an effective role in the development of their own economies. With regard to repayment, he pointed out what the Economic and Social Council had decided at its fifty-fourth session, in its resolution 1762 (LIV), on the rate of repayment, the length of the repayment period and the total sum to be repaid.

18. In view of the difficulties which all delegations had had in committing themselves to any specific figures, he felt that that formulation would be the most appropriate for the General Assembly, since it took into account all the views of Member States, while leaving the technical details to the technologists. As not all representatives were experts in the subject, too much attention to details might lead to their adopting a decision which would not be economically feasible. On the other hand, UNDP should find the role assigned to it in the resolution acceptable, since it would enable it to co-operate fully with the Member States and the Secretary-General of the United Nations in the establishment of the fund.

19. He therefore favoured the approval of Economic and Social Council resolution 1762 (LIV), subject to the replacement of paragraph 2 by a new paragraph reading: "Requests the Secretary-General to take all necessary steps for the establishment of the fund by January 1974".

20. On the question of the application of modern science and technology to development, he recalled that at the fifty-fifth session of the Economic and Social Council his delegation had submitted amendments² to draft resolution II contained in the report of the Committee on Science and Technology for Development on its first session, providing for the creation of a new body to deal with science and technology as well as natural resources. His delegation had subsequently withdrawn the amendments but had given notice that it would reintroduce them at a later date. He believed that it

¹ United Nations publication, Sales No. E.71.II.A.18.

² E/AC.6/L.537.

would be beneficial to the United Nations to merge the Office for Science and Technology with the Resources and Transport Division so as to avoid overlapping and duplication. As the new body would be situated at Headquarters, the financial implications would be minimal and in the long run there would actually be a big saving for the United Nations. His delegation was currently holding consultations with interested delegations with a view to introducing a draft resolution on the matter during the current session of the General Assembly.

21. Another issue of concern to his delegation was the question of special measures to be taken in favour of the least developed among the developing countries. As long ago as the twenty-fifth session of the General Assembly, his delegation had proposed that the special measures in favour of the least developed countries should be established on the basis of a "sliding scale". Of 100 developing countries, 25 could be classified as least developed according to the list established by the Committee for Development Planning.³ The criteria used for classifying those countries were far from adequate. The *per capita* income of developing countries, including the least developed, ranged from \$60 to over \$3,000. By setting the upper limit for the group of least developed countries at \$100 *per capita*, the special measures would benefit countries with a *per capita* income varying from \$60 to \$100, but not those whose *per capita* income ranged from \$101 to \$3,000 and which represented 75 per cent of the total. In his view, criteria should be established to enable the latter group of countries, particularly the least developed among them, also to benefit from assistance and special measures corresponding to their level of development. His delegation was holding consultations with a number of interested delegations with a view to submitting a draft resolution on the matter at a later stage.

22. Mr. HALASZ (Hungary) said it was with good reason that the objectives of the Second United Nations Development Decade and the progress made towards achieving them were the focus of the Committee's attention. Most of the developing countries had been liberated from colonial oppression more than a decade previously, and three years of the Second Decade had already passed. The statements made by representatives of the developing countries showed that in most of them economic independence was not always sufficient, for economic growth was not lessening either the inequalities of development between countries or social injustices. Further, there was no increase in *per capita* agricultural output in the developing countries, which meant that the lives of millions of people were threatened by starvation and their ambitions were frustrated by undernourishment and mass unemployment.

23. Hungary knew those problems from experience, and its older generations still remembered the years prior to the Second World War when *per capita* national income had been hardly \$300 per annum. The situation then had been the same as could now be observed in a number of developing countries. After the war, Hungary had taken only a little more than 20 years to industrialize, achieve economic independence and ensure the material well-being of its people. That example should provide encouragement to the developing

countries, for it showed that the rapid implementation of the provisions of the Strategy could enable them to carry out a programme of industrialization and of social advancement and material well-being before the year 2000. That would require the fulfilment of the objectives of the Second Development Decade and, later, the achievement of a rate of economic growth such that *per capita* national income would increase by 5 to 6 per cent a year and *per capita* agricultural output by at least 3 per cent a year.

24. Hungary's experience demonstrated that the developing countries still had enormous unused reserves. However, the changes in international relations in 1972 and especially in 1973 gave reason to hope that, through a reduction of armaments, considerable material resources could be released and utilized for the solution of social problems in the developing countries. The rapid expansion of trade between the Soviet Union and the United States, to which the Under-Secretary-General for Economic and Social Affairs had referred in his introductory statement, would undoubtedly have a positive effect on development. The climate of *détente* would lead to a number of decisions on multilateral economic co-operation for the benefit of all. His delegation therefore welcomed the improvement in relations between countries with different social systems.

25. Reform of the international monetary system would also greatly benefit the developing countries by doing away with the financial uncertainty, inflationary trends and economic pressure to which they were subjected. The slowness with which international monetary reform was being effected was to be regretted.

26. The developing countries would considerably improve their economic position if they made better use of the stable markets available to them in the socialist countries, which had not suffered from inflation. Hungary was building economic relations based on equal rights with the developing countries and was striving to strengthen those ties in the field of production. The fruits of such co-operation with Hungary returned in full to the developing countries to be added to their national wealth. Similarly, Hungary's participation on a basis of equality in the economic development of the developing countries did not hurt but enhanced their sovereignty over their own natural resources. That example should encourage the developing countries to change relations which deprived them of profits and made them victims of economic pressure.

27. External economic relations were not an essential factor of economic development. Before the Second World War, Hungarian industry had been dependent on imported capital, and the rate of investment had been barely 7 per cent. Despite the influx of foreign capital, there had been no economic progress, industrial profits had been creamed off by foreign interests and the country had lived in a state of economic dependence. The reason why Hungary's economic problems could not be solved had been that its semi-feudal social system was obsolete. Hungary had begun to develop only when it had entered on the road to socialism. Through nationalization it had regained economic independence; in four years, the rate of investment had risen to 20 per cent, and from 1938 to 1973 the number of persons employed in industry had increased fourfold. Owing to that policy, everyone now had a job securing his subsistence.

³ See *Official Records of the Economic and Social Council, Fifty-first Session, Supplement No. 7*, para. 66.

28. Those social transformations had been accompanied by the introduction of economic planning, which had ensured rapid, balanced and steady economic development by releasing enormous reserves of resources. His delegation thought that economic planning could be put to good use in the developing countries to accelerate development, assure economic equilibrium, and consolidate their independence.

29. Similarly, in agriculture, after the reorganization of land holdings into socialist large farms, Hungary's production had risen by 30 per cent in seven years and the present level of production per hectare was close to that of the most advanced capitalist countries. Hungary's experience in the organization of production and in scientific and technological development was available to the developing countries; Hungary could also provide agricultural machinery, implements and chemicals. Furthermore, as it was poor in natural resources, Hungary constituted a secure and rapidly expanding market for the developing countries. They could also find a market there for their processed products, to which the capitalist markets were closed.

30. It would be beneficial for the developing countries to establish close economic ties with countries at the same stage of development, thereby releasing immense resources with which they could counteract the economic pressure of international monopolies; they would also be free to develop their own processing industries selectively, to establish an up-to-date pattern of co-operation in exports and production, and to train their own scientific specialists and keep them in their own countries.

31. The balanced income structure in Hungary was inconceivable in the capitalist countries; the same balance also existed between the socialist countries, because of the application of the principles of mutual assistance and equal rights between socialist countries. His delegation would like to see that process of balanced development taking place all over the world. Time was short, only a quarter of a century remained of the millennium, but that had to be sufficient for all countries to reach a stage of development satisfactory by present standards.

32. External trade relations played an important part in the development of the socialist countries. In 1973, Hungary's exports would increase by four times as much as the national income, and its imports from the developing countries would increase by more than 20 per cent. Hungary was pleased to have been admitted to GATT, because it hoped now to be able to have a larger share in the international division of labour. The members of GATT themselves recognized that the discriminatory barriers which still existed could not be maintained for long.

33. Hungary would spare no effort to implement the programme of the Second Decade. It knew that international economic co-operation was not a panacea, and shared the opinion of those who thought that the developing countries also should analyse their own weaknesses and not shift the blame to other countries. It would be a mistake, however, to put the capitalist and socialist countries on the same footing and, in matters of responsibility and solidarity, a distinction must be drawn between countries having different social systems.

34. Mr. DATCU (Romania) said that the profound changes that had come about in the most diverse fields of human activity showed that nowadays co-operation was no longer an option but a necessity for all States, regardless of their level of development. Reconciliation of the objective trend towards an internationalization of the forces of production with national interests was one of the essential factors in achieving a climate of understanding and co-operation in the world. At the same time, the progress made towards *détente* and the strengthening of international security was creating favourable conditions for a broad expansion of economic relations between States.

35. It must not be forgotten that new problems were being added every year to the list of problems for which no solution had yet been found. Consequently, Romania felt there was a need to pay greater attention to the problems of the developing countries and to increase the assistance given to them. The appraisal of the objectives and policies of the International Development Strategy to be made during the current session was particularly important, because it was a good opportunity to study ways and means of ensuring the full implementation of the Strategy.

36. It was becoming increasingly clear that world problems could only be resolved effectively if all States played an equal and direct part and if their legitimate interests were taken into account. His delegation hoped that the GATT negotiations and the negotiations concerning the reform of the international monetary system would help to remove the restrictions and obstacles which stood in the way of trade and which particularly affected the developing countries. The international division of labour was necessary, for it should enable each country to build a strong and independent economy, able to ensure more rapid development. That was why Romania attached particular importance to the charter of the economic rights and duties of States, in the preparation of which it was taking an active part. Likewise, the concept of collective economic security, which had been the subject of preliminary consideration by the Economic and Social Council in 1973, led to the adoption of a broad approach to the development problems of the present-day world; it stressed responsibility for the economic and social development of all peoples.

37. The United Nations must set in motion the machinery at its disposal to achieve all the aims which had been set. Efforts must also be made to rationalize and improve its institutional system, to use its resources effectively and to improve its methods of work.

38. Romania's participation in the Organization's activities was explained by its concern for economic and social progress and its increasing participation in world affairs, both material and spiritual. It was making a sustained effort to build a new socialist society, while being aware of the fact that despite the progress made over the past three decades, it was still a developing country which had to resolve the problems peculiar to States in that category. In order to reduce the gap separating it from the industrialized countries, it would maintain a high rate of economic growth in the years to come and would try to improve the structure of its industry. Romania was expanding trade and co-operation with all States, without distinction as to their political, economic and social systems, and was trying

to diversify its economic relations with all the socialist countries within CMEA. It was also co-operating widely with countries that had embarked on a course of independent development. It was on their side in their struggle to consolidate their economic and political independence and it supported the efforts made by those States to exercise effective sovereignty over their national riches. The co-operation agreements signed with a number of Latin American countries during the recent visit by the President of the State Council of the Socialist Republic of Romania were a living expression of that policy. Likewise, Romania's trade and economic and technical co-operation with the developed countries were generally developing in a positive manner in their mutual interest. Those relations would become more dynamic once they were established on a more equitable basis and once the restrictions which hindered their free development had been removed. It was to be hoped that the political will of the countries taking part in the European Conference on Security and Co-operation would be given concrete expression in expanded collaboration which would lead in turn to a development of all international economic relations.

39. The effects of science and technology on development had occupied an important place in the Organization's work for some years. Romania was one of the countries that had initiated and supported the Organization's work on the role of modern science and technology in development. The interest with which those problems had been tackled at the fifty-fifth session of the Economic and Social Council strengthened Romania's conviction that the current session of the General Assembly would enable Member States to reach a consensus on giving effect to the measures envisaged for stepping up the Organization's activities in the field of the application of science and technology to development. His delegation reiterated its desire to co-operate closely with other delegations for future progress towards co-operation in the important sphere in which it was so urgently needed—the application of science and technology to development. It also wished to define practical ways to make action by the international community for the economic and social progress of all peoples still more effective.

40. Mr. OSEI TUTU (Ghana) said that the various bodies with which the Second Committee was concerned had clearly made insufficient progress. Despite unflagging efforts by its secretariat, UNCTAD had hardly shown any tangible results. A few commodity agreements and the application of the generalized system of preferences were but a drop in the ocean of the aims of the Second Decade. That was largely due to the fact that the developed countries lacked the political will to give any real help to the less developed countries for the achievement of those aims. If the developed countries did not adopt a more realistic and more accommodating attitude towards the claims of the developing countries, there would be very little purpose in the continuing existence of the United Nations.

41. One way of improving the economies of developing countries was to help them to develop their export trade, which was mainly based on primary commodities. The intransigent attitude that some developed countries had adopted towards commodity agreements, particularly the International Cocoa Agreement

of 1972, was regrettable. Nevertheless, that Agreement had entered into force provisionally as envisaged and it was to be hoped that countries which had not yet deposited their instruments of ratification with the Secretary-General would do so before 31 March 1974.

42. Another obstacle to the economic progress of the developing countries was the problem of debt servicing. Quite a large proportion of the aid given by the developed countries to the developing countries came back to them in the form of high interest payments on loans to finance projects and of payments for the transfer of technology. As a result, many developing countries, including Ghana, still had a precarious external balance because of the maturing of short-term and medium-term credits, despite the increase in trade and the inflow of private capital in certain developing countries. The Second Committee would be unable to justify its existence if it was unable to find an equitable and lasting solution to the problem of debt servicing. His delegation supported the recommendations made to the Trade and Development Board by the Committee on Invisibles and Financing Relating to Trade in its resolution 5 (VI)⁴ to set up an intergovernmental group on the debt problems of developing countries. It was to be hoped that the developed countries that had opposed the recommendations would reconsider their position, because the establishment of such a group would make it possible to consider together the debt problems of all the developing countries and to work out conditions that would be acceptable to both debtor and donor countries.

43. As regards the question of the environment, UNEP was of interest to both the developed and the developing countries; his delegation supported the programme of work of the Governing Council, because it took account of the needs of the developing countries. Nevertheless, UNEP should consider, as early as possible, the question of helping the developing countries to train their own environmental specialists, since efforts made at the local level were undoubtedly the most effective ones. The opening of the headquarters of UNEP at Nairobi showed that the period of preparation was over and that the time had come for action.

44. In the light of the extensive social and economic problems in the world, his delegation welcomed the entry into force of the amendment to Article 61 of the Charter of the United Nations concerning the enlargement of the Economic and Social Council. It supported the concept of a minimum level of world food security and was prepared to participate in any suitable scheme aimed at translating the notion into a programme of action. It went without saying that it also supported the proposal for a world food conference and the establishment of a United Nations revolving fund for natural resources exploration. The United Nations activities in that area had to be co-ordinated along the lines recommended by the Council.

45. Paragraph 79 of the International Development Strategy stated that appropriate arrangements were necessary to keep under systematic scrutiny the progress towards achieving the goals and objectives of the Decade. At a time when the first review and appraisal was due, it was regrettable to note that the developed

⁴ See *Official Records of the Trade and Development Board, Thirteenth Session, Supplement No. 4.*

countries and the developing countries, far from reaching a consensus, had maintained rigid positions in the subsidiary bodies that had considered the question. It was to be hoped that the team spirit which had given birth to the Strategy would again prevail.

46. Mr. PEREZ DE CUELLAR (Peru) said that the results so far obtained seemed to indicate that the Second United Nations Development Decade was to some extent a failure; that was all the more disappointing since the current *détente* had offered hope of fruitful results. The developing countries had not achieved the growth objective laid down in the Strategy and some developed countries had not complied with the percentage laid down for external aid.

47. Any review or appraisal had to cover all the goals and objectives of the Strategy. Of course the developing countries were mainly responsible for their own development but their efforts had to be matched in the developed countries. Likewise, what was needed was an over-all concept of development aimed not only at economic growth but also at a fair distribution of wealth and the elimination of social and economic structures which hampered development and heightened the poverty of the majority.

48. Five years previously his Government had started a revolutionary process aimed at establishing a fairer and more just society. To that end, outmoded forms of ownership had had to be abolished in order to build a communal society with no exploiters and no exploited. Such changes implied some inevitable imbalances in the beginning but the Government had not abandoned its idea of over-all development. Although it followed the recommendations of the Strategy in that respect, it had earned the hostility of some developed countries which were unwilling to accept any change in the relations of dependence and domination between certain States and others.

49. It would be interesting to know to what extent development efforts were being hampered by an unfair international division of labour. If most developing countries had not achieved the growth objective of 6 per cent laid down in the Strategy, that was due to circumstances beyond the control of their Governments. The economy of those countries was still based mainly on the export of raw materials. It therefore depended on a great many external factors which made it particularly vulnerable without those countries being able to do anything in terms of planning other than take stop-gap measures.

50. The current *détente* came paradoxically at a time when "the cause of development had lost momentum" as the Committee for Development Planning had stated.⁵ New policies had to be adopted and new commitments entered into. One solution, recommended by the Conference of Heads of State or Government of Non-Aligned Countries at Algiers, would be to convene a special session of the General Assembly to examine particularly important economic questions with a view to giving new impetus to development and co-operation. The Conference at Algiers had shown that countries had to adopt common positions in order to prevent constant fluctuations in the prices of raw materials and to check the deterioration of the terms of exchange. It was not a matter of causing conflicts between

consumer and producer countries but of protecting the economy of the latter by establishing fair and reasonable criteria for fixing the prices of raw materials. Only by creating a kind of unity in negotiation could the bases be laid for economic stability, which was not provided by the current structure of international relations.

51. The problem of multinational companies was one of particular concern to his delegation. Such companies had a role to play in promoting development but they could also be harmful if they did not agree to accept rules for supervision of their activities and profits. The activities of those companies had to comply with national laws and national development programmes. His delegation advocated drawing up a code of conduct for multinational companies in order to prevent any harmful practices, interference in the internal affairs of States, violation of national laws, or quite simply any activities that might disturb the economic structure of the country.

52. One of the most positive contributions of the revitalized Economic and Social Council was the discussion, which had taken place at the fifty-fifth session, on collective economic security. In his country's view, that concept covered not only military defence but anything even remotely related to security and peace at all levels, including economic security. His Government had observed that measures taken in other countries sometimes had repercussions—which were not always favourable—on the Peruvian economy. It was to be hoped that the concept of economic security would cover all types of economic activity which might constitute a threat to international peace and security. The United Nations had to look into cases where force was used to gain economic advantages. It was to be hoped that the organizations of the United Nations system would take the necessary measures to create a level of economic security which would enable the poorest peoples to develop in freedom. Only in that way could the international community enter a new period of *détente*, namely *détente* in international economic relations.

53. Mr. FIGUEROA (Chile), speaking in exercise of the right of reply, deplored the fact that the USSR had seen fit at the previous meeting to discuss Chile's internal affairs. The current *détente* that the Soviet delegation was first to welcome benefited only the big Powers, and the third world hardly profited at all. Chile, on the periphery of that *détente*, had experienced intolerable interference in its internal affairs as a result of the *détente* sought by the big Powers. The representative of the Soviet Union complained that the advantages which his country sought could become a means of blackmail regarding its internal affairs. But he had, deplorably, used the tragic suicide of Allende, which Chile also regretted, to interfere in Chilean internal affairs. He claimed to support liberation movements struggling against imperialism. The movement that had taken over Chile precisely intended to liberate that country from Soviet influence.

54. Mr. MAKEYEV (Union of Soviet Socialist Republics) said that the argument put forward by the representative of Chile was scarcely convincing. It was regrettable that he claimed that the events in Chile were aimed at liberating that country from Soviet imperialism. His delegation categorically refuted that kind

⁵ See *Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 5*, para. 29.

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