



Chairman: Mr. Narciso G. REYES (Philippines).

**GENERAL STATEMENTS (continued)**

and

**AGENDA ITEM 12**

**Report of the Economic and Social Council [chapters III to VII, VIII (sections A to E), IX to XIV, XXI and XXII] (continued) (A/8403)**

1. Mr. TIEN (China) said that the Republic of China, as a developing country, appreciated the aspirations of other developing countries for accelerated socio-economic development and shared their concern over international monetary problems and trade barriers. For the information of the developing countries now formulating their development programmes for the Second United Nations Development Decade, he proceeded to describe certain policy measures his Government had adopted in the past to further the aims of the International Development Strategy. It was helping farmers through land reform, financial assistance, and educational and co-operative programmes. It was orienting his country's infrastructure and industrial development towards meeting the essential needs of the people before establishing more sophisticated and capital-intensive industries and was using foreign capital and techniques whenever necessary. It was shifting the emphasis in industrial production from import substitution to export promotion and was expanding the volume and composition of imports and exports so as to accelerate economic growth and increase employment. Fiscal and monetary measures had been adopted to curb inflation, stabilize foreign exchange rates and improve the investment climate. Free schooling had been extended and 98 per cent of school-age children were enrolled in schools. Public health and family-planning programmes had been implemented.

2. As a result of those measures, in 1970 the gross national product had been \$5,400 million and was increasing at an annual rate of 9.9 per cent. *Per capita* income had been \$292 and was rising at the rate of 6.5 per cent per year. Agricultural production was rising by 5.2 per cent per year, and 78 per cent of all farmers owned their land. Industrial production was advancing at the rate of 16 per cent per year and many new industries had been established. The wholesale price index had risen by 1.9 per cent per year during the 1960s and foreign-exchange rates had remained stable throughout the decade. In 1970 foreign trade had amounted to \$3,100 million and total investment from overseas had amounted to \$561 million by 1970.

3. While his Government welcomed foreign capital and technical skills needed to accelerate economic development, it did not allow any exploitation of labour or any economic activity contrary to the public interest. Another facet of economic activity was the sharing of experience and the co-ordination of efforts with friendly countries. Between January 1954 and March 1971 more than 6,000 experts and technicians and 40 technical missions had been sent abroad, and 39 seminars had been held in the Republic of China for 2,258 foreign experts and technicians.

4. However, he said that his country still had a long way to go to catch up with the present economically highly developed countries, and the Republic of China was still a developing country. In that connexion, his delegation would like to refer to UNCTAD resolution 21 (II), which established the basic principle of applying generalized non-reciprocal and non-discriminatory preferences in favour of all developing countries. (That resolution was referred to in paragraph (32) of the Strategy.) On 30 April 1969 the representative of the Republic of China had indicated to the second session of the UNCTAD Special Committee on Preferences that all developing countries, including those not members of the Group of 77, should be accorded equal treatment in the application of preferences without any discrimination. On 10 October 1970, during the second part of the fourth session of the UNCTAD Special Committee, the Chinese representative had taken note of the statement of the Group of 77 and had again requested equal treatment for the Republic of China as a developing country. Similar positions had been adopted on various occasions by the representatives of other countries.

5. At the initial stage of the implementation of the preferences, his delegation wished to draw the attention of the Second Committee to his country's consistent position on the problem, not only because it was a matter of principle but also because foreign trade had a very significant impact on its social and economic development. His delegation requested that its views on the application of preferences to the exports of all developing countries without discrimination and its claim for preferences for goods from the Republic of China should be duly recorded and brought to the attention of the relevant United Nations and other international organizations, such as UNCTAD and GATT, for appropriate action.

6. Mr. DIAW (Mali) said that he would try to save some of the Committee's valuable time by limiting his remarks at that stage to matters of general interest. His delegation agreed that the world monetary crisis deserved special attention and fully shared the fears expressed by previous speakers from developing countries whose economies would be affected by the increased cost of imports. It hoped that

any solution to the crisis would take account of the interest of developing countries.

7. Mali was a land-locked country, whose geographical situation did not facilitate economic development. Its trade was hampered by lack of access to the sea, and rail and road communications were extremely difficult. His Government had made great efforts to end his country's physical isolation by seeking co-operation with all countries, particularly neighbouring African States, and Mali had therefore become a member of various regional and subregional organizations.

8. Tourism was another significant factor in development, and his Government had welcomed General Assembly resolution 2529 (XXIV) concerning the establishment of an intergovernmental tourism organization. It believed that close co-operation between the United Nations and the World Tourism Organization would contribute towards building up the infrastructure needed to promote tourism in developing countries.

9. His delegation had been particularly struck by the reference in the introductory statement by the Under-Secretary-General for Economic and Social Affairs to the importance of geological surveys and believed that many developing countries possessed immense natural resources which, with the aid of modern technology and the assistance of the international community, could be detected and exploited. Similarly, the Committee on Natural Resources, established by Economic and Social Council resolution 1535 (XLIX) of 27 July 1970, should accelerate its activities so as to contribute to the new development efforts being made by the United Nations.

10. Mrs. NIKOI (Ghana) said that recent events had been a rude reminder that even first steps towards economic co-operation should be nurtured by constant vigilance if any meaningful progress in development was to be achieved. However, perhaps those events only illustrated that in an undisciplined and unjust economic system the economies of developing countries were subject to forces beyond their control.

11. The balance-of-payments problem which plagued most developing countries arose from a structural imbalance between domestic patterns of production and utilization of resources and from the fact that the export trade was dominated by an international commodity market subject to extreme fluctuations in prices. The commercial lobbies in consuming countries exercised a much greater power than the farmers who produced the commodities. About 60 per cent of the export earnings of Ghana were derived from cocoa whose export earnings had shown wide year-to-year fluctuations, which imparted an element of uncertainty to the implementation of any systematic plan of action. Since over 90 per cent of the export trade of developing countries derived from primary products or their semi-processed derivatives, the harmful consequences for developing countries of arbitrary decisions or forces over which they had no control were clear.

12. Between 1960 and 1968 Ghana's terms of trade had deteriorated seriously, and it was estimated that the deterioration had been responsible for 86 per cent of

Ghana's accumulated deficits on current account. Such a steep rate of deterioration was incompatible with a reasonable growth rate and Ghana was thus the victim of causes which arose, *inter alia*, from inflation in developed countries as well as from the unfair pricing system of international commodity markets.

13. Another problem was that of excessive indebtedness. A large number of the less developed among the developing countries appeared to be heading for major debt crises and a study by IBRD of 80 less developed countries had shown that their debt service obligations had increased more than twice as fast as their export earnings in 1970. There again, circumstances largely beyond their control had forced them to depend on resource transfers from the private sector of developed countries for the bulk of their financial resources for development, and the conditions under which foreign private capital flowed to developing countries and its impact on the balance-of-payments situation were almost invariably more advantageous to the capital-exporting country than the developing country.

14. With regard to the question of the realignment of currencies, her delegation believed that the developing countries should be involved from the very beginning in working out new arrangements since it was a question which would affect their terms of trade. The countries which would revalue their currencies were among the most important trading partners of the developing countries. Their goods would become correspondingly dearer and there would be no immediate compensation since by their very nature exports from the developing countries could not grow any faster.

15. Aid flows, commodity arrangements and compensatory financing schemes should be considered by developed and developing countries together. Her delegation was concerned with the action the United Nations could take to meet the urgent need for international co-operation in the negotiations concerning the current crisis and it hoped that the Committee would make an appeal in support of collective decision-making.

16. Her delegation was normally opposed to the indiscriminate creation of new institutions which merely duplicated the efforts of existing organs and wasted scarce material and human resources. However, it supported all the measures for the enlargement and strengthening of the Economic and Social Council and for the rationalization of its working methods so as to enable it to perform better the central and co-ordinating role in economic and social matters envisaged for it by the Charter.

17. Her delegation, as a member of the Preparatory Committee for the United Nations Conference on the Human Environment, had participated in the work of preparing for the Conference to be held at Stockholm in 1972. It considered that development must remain the basis of economic and social welfare, in pursuit of which appropriate pollution control measures could be adopted, and that the rehabilitation of the environment must be an essential part of measures aimed at achieving high development levels.

18. Mr. DELPRÉE-CRESPO (Guatemala) said his delegation believed that co-operation and goodwill on the part of

all peoples could bring solutions to mankind's critical economic and social problems. It therefore regretted the recent measures adopted by one of the great Powers, which had greatly disrupted the international monetary system and had adversely affected the economic development of the developing countries, which were in no way responsible for the world financial crisis. Reform of the international monetary system was indispensable and the developing countries should participate fully in such reform, so as to ensure that their problems would be given due weight. Another matter of concern was the smaller share of the developing countries in world trade. Measures were needed to change that situation, including the entry into force as soon as possible of the various national schemes of general preferences. Equally disturbing was the inflationary trend in the developed countries, which was adversely affecting the economies of the developing countries.

19. His delegation felt that the chief responsibility for evaluating and reviewing the International Development Strategy for the Second Development Decade belonged to UNCTAD. Co-ordinated efforts by all countries to achieve a fairer and more rational international division of labour were needed in order to solve the development problems of the third world.

20. Conscious of the fact that development must begin with national efforts, the new Government of Guatemala had launched a five-year plan aimed at improving the standard of living of its people, had continued the agrarian reform and had carried out other important programmes. It had also participated actively in regional integration. The Central American Common Market had already brought out an enormous increase in the trade of the area, and his country was making every effort to ensure that all its member countries benefited. On the occasion of the 150th anniversary of the political independence of the Central American Republics, his Government had proposed to the other Governments of the area a plan for a Central American community. A Central American parliament, composed of representatives of the legislative bodies of the various Republics, had already approved the draft Convention relating to the community, and had thus taken a very important step towards reuniting the Central American nation. Guatemala was also an enthusiastic participant in the integration efforts of Latin America as a whole. Integration was essential for progress, although his country recognized the need for the requisite measures to be taken to protect the economic interests of the less developed countries within their respective regional blocs.

21. While his delegation did not at that stage wish to discuss the criteria used by the Committee for Development Planning in selecting the 25 least developed countries, it wished to emphasize that outside the developing countries not included in the 25 there were enormous economic and social differences between developing countries which would need very careful consideration when the International Development Strategy for the Second Development Decade was reviewed. Guatemala had made important progress in diversifying its exports, a matter which was closely linked to integration. However, greater success in that field depended on better financial terms and fairer prices for its raw materials, so that its export earnings could be used to stimulate its nascent industry.

22. His country was concerned about the pollution of the environment, and followed with interest the preparations for the Stockholm Conference in 1972. It hoped that adequate measures could be found to protect the environment without imposing unnecessary restrictions that could adversely affect the fledgling industrial development of third world countries. In that connexion, efforts to control nuclear explosions were urgently needed. His delegation viewed with bitterness and sadness the astronomical sums being spent on armaments, which could better be used for the development of third world countries and the reduction of poverty, which existed both in the less developed and in the highly industrialized countries.

23. Mr. OSMAN (Sudan) expressed his delegation's appreciation for the very constructive statements made by the Under-Secretary-General for Economic and Social Affairs (1369th meeting) and the representative of the International Monetary Fund (1374th meeting). As further proof of what other representatives had said about the seriousness of the problem of poverty, he wished to draw attention to United Nations statistics showing that in the developing countries only half the children between the ages of 5 and 14 were in school, about 800 million people were illiterate, and 50 per cent of the labour force was under-employed or unemployed. Since mass poverty was a direct outcome of low productivity, the most effective economic policies in the developing countries were those which created employment opportunities and thereby increased productivity.

24. Among the chief causes of low productivity in the 1960s, as had been pointed out in the very useful World Economic Survey (E/5036 and Add.1-3), were the related problems of political instability and poor performance in the agricultural sector. His delegation believed that the political instability in some of the developing countries could be attributed in part to an inequitable distribution of wealth and the exploitative nature of foreign investment. The movement for political independence in the past 25 years had achieved a great deal of success and had had far-reaching repercussions, but political independence, as the representative of Cuba had pointed out (1378th meeting), very often amounted to no more than foreign rulers handing over power to a few nationals, so that the people were ruled by agents rather than by the master. The peoples of the developing countries, who had legitimate, though sometimes excessive, aspirations for a decent standard of living, realized that political freedom was worthless unless it was accompanied by economic freedom, and that national independence was deceptive without economic independence and the power to exploit their own natural resources. The peoples of the third world were therefore striving, sometimes successfully and sometimes with temporary failures, to prevent the wasteful utilization of their natural resources by exploitative foreign concerns. Perhaps that was what the neo-colonialists called "political instability".

25. After the expulsion of the European colonialists, the newly independent countries of Africa, Asia and Latin America had come together for the first time to find ways of co-operating at regional and subregional levels. That had led, for example, to the establishment of the Organization of African Unity. The peoples of all three continents, faced

by two powerful camps that were competing to dominate them, had united to form the non-aligned group of nations, which defended their right to free choice of the road to internal development and to sovereignty and territorial integrity, and which promoted their interests in the fields of trade and development assistance. The developing countries could not be criticized for having formed groups outside the United Nations. They strongly believed in the United Nations and, indeed, their efforts had provided much of the Organization's vitality and had led to the creation of UNCTAD and UNIDO and to such measures in operational activities as the merging of the Special Fund and the Technical Assistance Programme into UNDP.

26. Economic and social development in the developing countries, however, did not depend on those countries alone, no matter how wide their range of choice. That was why the International Development Strategy for the Second Development Decade had been adopted. All developing and developed countries considered the Strategy a worth-while programme for international co-operation and development, and his delegation sincerely hoped that, through the implementation of the Strategy, the struggle of the developing countries for economic independence would not cause as much strife as their struggle for political independence.

27. Unfortunately, the hopes that had been placed in the Second Development Decade were liable to be disappointed because of the current world financial crisis, which was the responsibility of the 10 developed countries that had assumed the role of custodians of the international monetary system. It was true that the Bretton Woods system was outdated, because it had not provided for safeguards against speculation or for methods of increasing international liquidity to match the ever-growing volume of world trade. Despite those inadequacies, however, a monetary crisis could have been avoided if the Group of 10 had been far-sighted enough to respond to earlier financial crises by reforming the system, instead of resorting to stop-gap measures. While many scholars had pointed out the urgency for reform and had shown that the dollar could no longer be the basis of the system because of the rising United States balance-of-payments deficit, others had unfortunately attempted to obscure the problem by minimizing the consequences of the deficit or quibbling over how the United States balance-of-payments was to be measured. The truth was that the system could no longer function satisfactorily; it had been dead for years, and the President of the United States had decided to bury it single-handedly. The important changes that had occurred in the world during the past 25 years had meant that a system geared primarily to the interests of the developed market-economy countries could no longer be acceptable.

28. A radical reform of the system was urgently needed in order to end the present state of uncertainty. While that was primarily the responsibility of the developed countries and particularly the Group of 10, it should also be guided by the principle of universality so that the developing countries would not become victimized bystanders. The new system should not be based on any single national currency or group of currencies; it should contain safeguards against speculation and have a built-in ability to create international liquidity adequate to the growing volume of world trade.

29. The measures announced by the President of the United States on 15 August 1971 had had very adverse effects on the international community. The reduction of aid to the developing countries constituted false economy and showed a lack of international responsibility on the part of the United States, which could readily have overcome its balance-of-payments difficulties by withdrawing completely and immediately from Viet-Nam, reducing its military presence in Europe and elsewhere, and ceasing to play the role of self-appointed world policemen. The measures might be effective in alleviating the balance-of-payments difficulties of the United States, but they cast grave doubt on the reliability of the United States as a great Power.

30. His delegation attached great importance to the forthcoming session of UNCTAD, and the Sudan would send a high-level delegation to attend the preparatory ministerial meeting of the Group of 77 in Lima. He wished to express his support for what the representative of Brazil had said (1378th meeting) about the solidarity of the developing countries in promoting their basically similar interests, and he had been heartened by the remarks of those representatives who had spoken on the question of identifying the least developed among the developing countries and the measures that should be taken to assist them. While a solution to the latter question had been unduly delayed mainly because of differences among the developing countries, those differences had never undermined the basic solidarity of the Group of 77. Some non-members of the Group needed to be reminded that solidarity did not necessarily mean unanimity.

31. His delegation fully supported Trade and Development Board resolution 84 (XI) calling for consideration of the international system of payments and transactions at the third session of UNCTAD. It believed that the trade and aid measures incorporated into the International Development Strategy should, where necessary, be reviewed in the light of the current monetary crisis and its resulting developments.

32. He congratulated the Secretariat for its excellent work in helping to prepare the report of the Economic and Social Council. While his delegation supported measures to strengthen the Council, including the recommendation to enlarge it, those measures should not be taken in a way that would adversely affect the prestige, autonomy or competence of UNCTAD and UNIDO. Indeed, his delegation would spare no effort to further strengthen those two important organs in their fields of competence.

33. Turning to the question of the mobilization of public opinion in support of the Second United Nations Development Decade, which was of great interest to his delegation, he wished to remind the Committee of the set of concepts proposed in a report<sup>1</sup>, which had been endorsed by the General Assembly, along with certain programmes and activities, in resolution 2567 (XXIV). His delegation believed that a progress report on what had happened so far would be timely. It formally requested that the Under-Secretary for Public Information or the Director of the Centre for Economic and Social Information, or both,

<sup>1</sup> Document A/AC.141/L.11 (mimeographed).



should be invited to address the Committee when it took up agenda item 45, so as to provide it with up-to-date information on what action had been taken in connexion with the envisaged activities, with paragraph 1 (d) of the resolution, which provided for United Nations system assistance to national information media, and with paragraph 3 of the resolution, relating to urgent consultations at the technical level with the specialized agencies and other organs of the United Nations family.

34. Mr. JOUEJATI (Syrian Arab Republic) said that the current session of the General Assembly was important on the one hand because of the efforts to implement the International Development Strategy, and on the other because of the economic and monetary crisis which endangered the success of those efforts.

35. The so-called monetary crisis, which in essence was both economic and political, threatened to undermine the principles of international trade, the financing of development programmes, and the economic and technical co-operation which the United Nations had made such great efforts to initiate and strengthen. The main cause of the crisis was the monopoly structure, which was motivated by concern for profit to the detriment of an equitable distribution of social benefits. The crisis had been unleashed by the growing balance-of-payments deficit of the world's greatest economic Power, a deficit caused mainly by vast budgetary allocations for wars conducted to ensure the exclusive domination of that Power and to prevent the socialist renaissance of peoples who had long suffered from the effects of colonialism.

36. The world at large, including the developing countries which were engaged in a bold effort to raise their standard of living and realize their economic potential, was expected to bear the cost of that policy, which had been imposed on the people of the United States in spite of the protests of legislators, the working population, far-sighted individuals and youth. The crisis therefore had extremely serious political implications. The various measures which had been adopted by the United States ostensibly to remedy the situation in fact only made it worse. The result was that the world's richest country had increased its indebtedness and had aggravated inflation without concern for repayment, whereas it should have been the first to respect the basic rules. Its external deficit had risen in the past year to the incredible sum of \$11,000 million, with no foreseeable possibility of stopping the rise, which, accompanied by marked internal inflation, had increasingly affected the world's economic situation. The remedy was not the return to protectionism which the United States had now embarked upon. Such a course would annul the achievements of the international community in the promotion of free trade, stabilization and co-operation. Nor did a solution lie in what was termed a more equitable sharing of the burden imposed by so-called defence needs, which would associate the international community in the war in Indo-China, the maintenance of aggressive military bases and unlimited support for aggression throughout the world.

37. The unhealthy world situation attacked the very foundations of the International Development Strategy. Unless there was agreement in principle to respect those foundations, the elaboration of effective measures and any

review and appraisal must remain at the level of theory. The sudden decision to impose a 10 per cent surcharge on the exports of developing countries had destroyed stability, and created uncertainty and mistrust on the part of the majority of the developing countries, which had perhaps been too optimistic in the past. Their task now was to find ways of predicting such events and of restoring the balance, so that peace, stability and the interests of the international community as a whole would prevail.

38. Syria was willing to bring to bear, in any such effort, its valuable experience in the completion of the Euphrates project, the exploitation of its petroleum resources and its agricultural and industrial expansion. In achieving those goals it had received valuable assistance from many countries, including the Soviet Union, France and the other Arab States. That example illustrated the advantages of co-operation based on the mutual respect and friendship which must prevail in international relations if there was to be any improvement in the present situation.

39. Dato' CHUA (Malaysia) said that the Committee should give priority at its current session to questions related to the implementation of the International Development Strategy for the Second United Nations Development Decade, as part of the international action for economic and social development which was so urgently required. While there was no substitute for individual national efforts to ensure the attainment of economic and social goals, external participation was equally important. His Government's second five-year plan made provision not only for external participation in the financing of development projects but also for much closer involvement in the form of direct investment.

40. The Strategy provided for definite commitments on the part of developed countries to transfer resources for development. In the past, many of the developing countries had found that their priorities did not always meet with the agreement of the developed countries which contributed towards their development efforts. Developed countries must show greater appreciation for the needs and requirements of the developing countries, which in their efforts to improve the quality of life and raise living standards in the shortest possible time, often had to restructure their societies simultaneously with efforts to provide them with better economic and social conditions. Economic and social programmes must not only be compatible with the necessary new institutions and values, but must ensure the successful establishment of those institutions and the acceptance of those values. That meant that often priorities had to be established which would otherwise appear inappropriate, and in that context more understanding on the part of developed countries was called for.

41. The recent disquieting developments in international economic relations, particularly the monetary instability and the consequent tendency towards protectionism, indicated more than ever the need for all nations to work together in implementing policies which would stimulate the establishment of a more favourable relationship between economic growth, monetary stability and trade liberalization. A firm commitment towards implementing the provisions of the Strategy would make a major contribution to achieving stability of the world economy.

The challenge facing the international community was not merely one of economic development, but involved the peace and stability, and indeed the survival, of mankind.

42. For the remainder of the Decade, efforts should be concentrated on practical steps for the rapid and sustained implementation of the provisions of the Strategy by the stipulated target dates. His delegation particularly wished to draw attention to the urgent situation in the sphere of trade and international financing. The disruption of the flow of development finance and the imposition of additional trade barriers against their exports had seriously jeopardized the development efforts of developing countries. As a developing country depending substantially on export earnings, Malaysia called for the immediate removal of the restrictions which had been imposed to redress a situation for which the developing countries were not responsible.

43. Mr. OCHIRBAL (Mongolia) said that economic and social development was an important problem for the United Nations and the world community as a whole. The instability of the current situation led to an intensification of the problems involved, while the living standards of people in many parts of the world remained pitifully low. Throughout most of Asia there had been very little change in real *per capita* income, and the situation was no better in many other parts of the developing world. The difficult economic situation of many developing countries, which was rooted in their colonial past, was affected not only by inflation, depression and protectionism in many of the developed capitalist countries, but had further deteriorated as a result of the monetary crisis in the world capitalist system and the growing trade-war among the Western developed economies.

44. His delegation endorsed the comments of the Under-Secretary-General for Economic and Social Affairs to the effect that concern at the recent upheaval in the international monetary system threatened to erode the value of the International Development Strategy. There were still many obstacles to ordered and rational development of international relations and of the institutions responsible for promoting and safeguarding them. It was against that background that the socialist countries, in their joint statement of 21 September 1970 concerning the second decade of development and social progress,<sup>2</sup> had pointed out that it was not enough merely to produce a simple list of quantitative indicators; the development strategy must contain an extensive programme of political, social and economic measures of a progressive nature which could be implemented at the national and international levels.

45. If economic backwardness, social injustice, hunger and poverty were to be overcome, countries had to rely primarily on their own human and material resources for the implementation of a wide range of progressive social and economic reforms, adjustment of fiscal policies, income distribution and the social structure to the demands of national economic development, and termination of the activities of foreign monopolistic capital, which in the long run disrupted harmonious development and interfered with established national priorities. Foreign monopolistic capital

gained further strength from the exploitation of the vast human and natural resources of many developing countries. It drew from those countries some 15 to 17 per cent of their national income; over the last decade United States monopolies alone had made a net profit of \$10,700 million from investments in developing countries. During the 1970s, the latter were expected to pay foreign monopolies twice as much for their "services" as they had done in the 1960s. At the same time, their external indebtedness in the form of loan and credit repayments was increasing, and might reach \$100,000 million during the 1970s.

46. The United Nations should make a serious effort to help the developing countries reverse that alarming trend by formulating measures to eliminate all remnants of colonialism and all forms and practices of neo-colonialism. It should safeguard the legitimate interests of the developing countries by taking specific measures to introduce new democratic and just principles into contemporary international economic relations. An improvement in the general climate of those relations, and the elimination of all obstacles and artificial barriers to their development, would serve the interests of all nations, and it was regrettable that many important decisions by the General Assembly and other United Nations organs remained unimplemented because of the unco-operative attitude of certain western Powers.

47. The efficiency of the United Nations in the matter of economic and social development did not depend on the establishment of new subsidiary organs, since that would result in overlapping and duplication, but on the more effective use of existing machinery. It was therefore essential to strengthen the effectiveness of the various organs dealing with economic and social matters, including the Economic and Social Council.

48. It was clear from the current international situation that the success of the Second Development Decade was closely related to important political factors such as international détente, stable world peace and concrete achievements in disarmament. The present economic instability and the international monetary crisis were widely acknowledged to have been caused by the policy of aggression of the Government of the United States in Indo-China and elsewhere.

49. Mongolia had once been one of the most underdeveloped countries of Asia, but since the People's Revolution 50 years earlier it had gone straight from a mediaeval to a socialist society, by-passing the intermediate stage of capitalism. The resulting changes in every sphere of its national life had produced a dynamic increase in economic development and social progress. Mongolia had become an agrarian-industrial State with a rapidly developing economy, which was becoming more and more industrially oriented. During the past decade over 130 large and small industrial units had gone into operation, and gross industrial output had increased 2.5 times, with an average annual growth rate of 9.8 per cent. Significant results had also been achieved in agriculture, with substantial increases in livestock and grain crops; Mongolia was now in a position to export food grain in good harvest years. The rapid growth in the economy was matched by vigorous progress

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

in science, culture, public education and health, with a resulting steady increase in living standards.

50. To achieve such advances, his country owed a great deal to the co-operation of the other Socialist countries, in particular the Soviet Union, and that co-operation continued. The targets of Mongolia's five-year plan for 1971-1975 would be fulfilled with the help of the other countries members of the Council for Mutual Economic Assistance, in particular under the comprehensive programme of co-operation and economic integration adopted at the twenty-fifth session of the Council, which gave special consideration to accelerating the growth rate and efficiency of the Mongolian economy through the implementation of

special economic measures on a bilateral and multilateral basis. Mongolia would receive financial and technical assistance and skilled labour for the construction and operation of new industrial enterprises, and would enjoy favourable terms for credits and loans. The programme also included important provisions relating to the transfer of technology, the development of science and training for Mongolian nationals. His delegation believed that developing countries could derive benefit from a study of the programme of the Council for Mutual Economic Assistance, which was very relevant to the whole question of international economic relations.

*The meeting rose at 12.45 p.m.*