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**President: Mr. Salim Ahmed SALIM**  
(United Republic of Tanzania)

## AGENDA ITEM 55

## Development and international economic co-operation:

## (a) Report of the Committee of the Whole Established under General Assembly Resolution 32/174

1. The PRESIDENT: I should like to propose that the list of speakers in the debate on the item now before us, the consideration of which we are beginning today, be closed tomorrow, Friday, 19 October, at 5 p.m. I take it that the Assembly agrees to this proposal.

*It was so decided.*

2. The PRESIDENT: In this connexion I should like also to inform the Assembly that, for the sake of orderly planning, I shall adhere to the recommendation of the Special Committee on the Rationalization of the Procedures and Organization of the General Assembly in paragraph 71 of annex VI to the rules of procedure, which states that representatives should be invited

“ . . . to speak in the order of their inscription on the list of speakers, on the understanding that those prevented from doing so should normally be moved to the end of the list, unless they have arranged to change places with other representatives.”

That recommendation was approved by the General Assembly in 1971 [resolution 2837 (XXVI)].

3. I urge those who wish to participate in the debate to place their names on the list of speakers as soon as possible.

4. I now call on the representative of Norway, Mr. Thorvald Stoltenberg, the Chairman of the Committee of the Whole Established under General Assembly Resolution 32/174, who will present the Committee's report.

5. Mr. STOLTENBERG (Norway): I have the honour of presenting to the General Assembly the report of the Committee of the Whole for the year 1979 [A/34/34]. The submission of the report gives us an occasion to assess the work of the Committee and to discuss the guidelines for its future activities.

6. I should like briefly to recall a few basic facts relating to the creation of the Committee of the Whole, not as an exercise in historical analysis—others will be better placed to undertake that—but because these facts have a direct bearing on the major issue confronting us, namely, how can we strengthen and revitalize the North-South dialogue? How can we give direction and purpose to the efforts to establish a more just and equitable economic order?

7. When the Paris Conference on International Economic Co-operation ended in the summer of 1977, there was a widespread feeling that, in spite of intensive work over nearly two years, very little had in reality been achieved. Various explanations for the limited results of the Paris Conference have been advanced. I shall not add yet another, but merely record that after that Conference, the need was felt to bring the North-South dialogue back to the United Nations. The idea of conducting the dialogue in a limited forum had not paid off, and had not proved to be a workable method of negotiation. As a consequence, the Committee of the Whole was established, securing for all United Nations Member States the right and opportunity to participate in these matters of vital importance to them. This fact should be kept in mind when the General Assembly considers the proposal for a new round of global negotiations.

8. The Committee of the Whole was established as a high-level political committee with the purpose of providing necessary impetus to the negotiations for a New International Economic Order. It was to deal in a comprehensive manner with the North-South problems until the 1980 special session of the General Assembly. The first year of its existence has been called unproductive. That may be true, particularly if the only measure of achievement is the number of texts produced. We must, however, recognize that the Committee of the Whole had been charged with a particularly difficult task and that it had to define its role and functioning within the United Nations system. The process of clarification which dominated the Committee's first year was ably and constructively guided by my predecessor as Chairman, Mr. Idriss Jazairy of Algeria. As a result not least of his efforts, agreement was reached on the interpretation of the mandate and the Committee could move into a new phase of negotiation, the first result of which was the text adopted in January entitled “Agreed conclusions on some aspects of the transfer of resources in real terms to developing countries” [A/34/34, part one, para. 13].

9. I think we may be justified in saying that the text on the transfer of resources, although not far-reaching in scope, represented a step forward. During the fifth session of UNCTAD, held in Manila in May and June 1979, monetary and financial issues regrettably became matters of major disagreement. The fact that it was possible to reach a consensus on the transfer of real resources was, however, in no small measure due to the

agreement reached at the January session of the Committee of the Whole.

10. Against this background I think it is a fair assessment to say that after one year of existence the Committee of the Whole is on the right track, moving into the centre of North-South discussions. As Chairman of the Committee, I have seen it as my primary task to reinforce and strengthen this trend. I have done my utmost to make the Committee function as a body which can attract political attention and exert political leadership. At the same time, I have tried to make it clear beyond any doubt that we are engaged in a common effort in which all parts of the United Nations system have a role to fulfil and in which co-operation and mutual support are of decisive importance. I believe that this notion of what the Committee of the Whole should be and what functions it should have is now well established.

11. I should like to make a few comments on the work of the Committee of the Whole in 1979. Two substantive sessions were held: one in March, devoted to the problems of food and agriculture; and one in September, which had a very extensive agenda covering, *inter alia*, the global economic situation, industrialization and the problems of the least-developed and other categories of developing countries.

12. Let me say at the outset that the members of the Committee, its Bureau, the Secretariat, and the various United Nations bodies and specialized agencies — such as the World Food Council, FAO, UNIDO and UNCTAD — contributed actively and constructively, not only to the work of the formal sessions, but to the preparations and the extensive consultations which preceded the sessions. I wish to emphasize that advance preparations and consultation, which take place between the formal sessions, have been indispensable elements in the work of the Committee and one of the major responsibilities of its Chairman. The fact that the sessions have been of short duration and that the Committee thus worked under severe pressure of time both in March and September serves to emphasize this point.

13. The second session held by the Committee in March on food and agriculture, was the first instance of a committee established by the General Assembly devoting a full session exclusively to these questions. That in itself is a fact of political significance to which I attach a great deal of importance. I do not wish to make an analysis of the conclusions which the Committee agreed to adopt. The text itself is, of course, included in the report of the Committee [*ibid.*, part two, para. 18]. However, I should like to stress the fact that the report has become useful as a point of reference for a number of important meetings and conferences such as various FAO meetings: the World Conference on Agrarian Reform and Rural Development, held in July, and, most recently, the session of the World Food Council held in Ottawa in September. Moreover, I think that it is fair to say that the March session on food and agriculture was instrumental in bringing the problem of hunger into the North-South dialogue with even greater urgency. It is obvious that what the Committee accomplished in March has already been of use in the international efforts to combat hunger and malnutrition. The success of these efforts is essential to our hopes for a more humane and just world order.

14. I would also submit that the outcome of the March

session contributed to a strengthening of the Committee's position. Certainly, reactions from Governments after the session and during the summer indicated an increased awareness of the Committee and its possibilities. I personally felt that this trend should be encouraged and, after consulting with the Bureau, I approached all the Governments of States members of the Committee with a view to securing representation at a high level at the September session. I was pleased to see that a number of high-level representatives came to that session from capitals. That is consonant with the intentions embodied in the mandate of the Committee and it is of decisive importance if the Committee is to function as it should on the political level.

15. As I have already mentioned, the September session had a particularly heavy agenda. Each item, in reality, deserved to be dealt with in the same manner as the problems of food and agriculture had been dealt with at the March session. The issue of central political importance in September became the proposal of the Group of 77, which called for global negotiations relating to economic co-operation for development [*ibid.*, part three, annex I]. All representatives are familiar with the proposal and its background. This proposal presents us with the possibility of a new departure in the North-South dialogue which may give fresh purpose and direction to the process of negotiations on global issues in the 1980s.

16. Some members may at the time have felt disappointment that the Committee was not able to deal fully and conclusively with the proposal. In view of the perspective and challenge of global negotiations, in my opinion it was hardly possible for the Committee to go into the details of the proposal in the time it had at its disposal. Nevertheless, the Committee embarked on serious and constructive discussions and decided to send the proposal on to the General Assembly, with the recommendation that it be treated as a matter of priority, with a view to reaching a decision. An important political process was thereby set in motion. That process has already been further advanced by the general debate in the plenary meetings of this Assembly and the debate on the item at the Second Committee, where many delegations have commented on the proposal. As far as I have been able to analyse these comments, they have been favourable to the idea contained in the proposal of the Group of 77 and have indicated a willingness to embark upon serious discussions and preparations in the Committee of the Whole. I consider it a vote of confidence for the Committee of the Whole that the sponsors of the proposal chose the Committee as the forum where the idea of global negotiations should be presented and where the preparations for them should take place. I welcome this confidence and would emphasize that, as an organ of the General Assembly and in view of the authority of the Assembly vis-à-vis all other bodies and forums within the United Nations system, the Committee is well placed to discharge the responsibilities envisaged for it.

17. At the September session of the Committee of the Whole, separate working groups were established for the purpose of negotiating texts on industrialization and on least-developed countries and other categories of developing countries. In both cases proposals had been presented by the Group of 77. As far as the textual negotiations on least-developed and other categories of developing country are concerned, I refer to the report of the Committee [*ibid.*, annexes IV-VII]. I should only

like to add a word of thanks to Mr. Guna-Kasem of Thailand, one of the Vice-Chairmen of the Committee of the Whole, who conducted those negotiations and brought them as far as was conceivably possible in the very limited time which his working group had at its disposal.

18. The negotiations on the text concerning industrialization were complicated involving, as they did, major problems in the area of change in the world economic structure. Furthermore, the negotiations were carried out in the light of the forthcoming Third General Conference of UNIDO in New Delhi; that is, the purpose of the negotiations was to a large extent to facilitate the work of that Conference.

19. The discussions in the working group covered a wide range of political and economic aspects relating to the industrialization of developing countries. The importance of an accelerated process of industrialization within the framework of the New International Economic Order and in accordance with the Lima Declaration and Plan of Action on Industrial Development Co-operation<sup>1</sup> was at the centre of the negotiations.

20. As you know the group did not reach agreement on a text. Both the complexity of the issues involved and the time constraints made it impossible to agree on real solutions, that is, solutions which would correspond to the political role envisaged for the Committee of the Whole.

21. At the end of the session I made the point that I felt it was not in our interest—and I meant the interest of all of us, developing and developed countries alike—to juggle with words in such a way that the world would get the impression that all was well, that progress had been made, and that agreement had been reached, when it was obvious that differences were very great indeed. I felt—and I believe the Committee agreed—that it would be better and more effective to recognize that we were far apart and to tell the world so. This would give Governments an opportunity to pin-point the problems, to review them seriously and, one may hope, to make new and more constructive departures. I felt that we would be better served by openly recognizing our real differences than by finding language to cover up the problems. I emphasized that it is the political impact of our work that we must constantly bear in mind.

22. I also promised to report to the General Assembly what in my view were the major areas of disagreement so that Governments might reconsider their positions.

23. The first point I should like to make, however, concerns the issue of redeployment of industry, an issue in which the working group made what, in my opinion, must be considered significant progress. The group worked out the basis for a definition of the concept of redeployment. I think it is important that this basis be preserved and that delegations do not retreat from the informal consensus reached in the working group.

24. As regards restructuring, most developed countries feel that this is an ongoing process, whereas developing countries maintain that much more vigorous action is needed.

25. In the field of trade, the developing countries asked for the elimination of protectionist measures and the reduction and elimination of tariff and non-tariff barriers. In the view of the developed countries, these demands were too far-reaching.

26. With respect to the UNIDO system of consultations, the differences of opinion related to whether these consultations should be established on a permanent basis, whether Government representatives should be included in all delegations and, finally, whether the system should allow for actual negotiations.

27. Finally, the developing countries felt it essential that the target for their share in world industrial production by the year 2000 be stipulated as being at least 25 per cent without the qualifications contained in the Lima Declaration. This was not accepted by the industrialized countries.

28. These then are some of the main areas of disagreement. I would appeal to capitals to take a fresh look at these problems so that the Third General Conference of UNIDO may be in a position to take positive new steps in this important field when it meets early next year.

29. Before I leave this topic I should like to pay a special tribute to Mr. Albornoz of Ecuador, who skilfully and patiently guided the working group on industrialization. I can assure him that his untiring efforts as Vice-Chairman, both in September and at previous sessions, have been greatly appreciated.

30. In less than a year the General Assembly will meet in special session to discuss and give a new direction to the efforts to establish a New International Economic Order. While I do not believe that the special session will provide final answers to our problems and needs, I am convinced that it is imperative that we make full use of that occasion to define in concrete terms our programme of work for the 1980s. We must not allow the situation to drift into disorder and chaos. We must seize the opportunity to move from general principles into an era of action and implementation.

31. The special session will have two major items on its agenda. The new international development strategy is one of these items. There is general agreement about the central importance of the new strategy for the strengthening of our co-operation for economic development during the next decade and beyond. I shall not, however, discuss questions concerning the strategy today since it is not a matter that has been before the Committee of the Whole.

32. The other major item for the special session is the new round of global negotiations relating to economic co-operation for development. As I have already mentioned, I believe that there is general support for the idea proposed by the Group of 77, and I would strongly urge that the General Assembly authorize and instruct the Committee of the Whole to take up the preparatory work for such negotiations as a matter of priority. In view of the complicated and wide-ranging nature of these preparations, I would recommend that the General Assembly include in the resolution it will adopt in this matter a clear provision ensuring that adequate facilities—staff, conference rooms, secretariat support and so forth—are placed at the disposal of the Commit-

<sup>1</sup> See document A/10112, chap. IV.

tee. Only if the Committee of the Whole can report on the basis of in-depth studies and preparations will the 1980 special session be in a position to make the final decisions concerning the launching of global negotiations.

33. We sometimes talk about the New International Economic Order as if it were a goal that would be achieved at some point in time. I do not believe that this is the case. In my opinion, the new order is on its way. It lies in the fact that the peoples of Latin America, Asia and Africa are on the map, not only politically, but also economically—and increasingly so. Our world is different from the world that was shaped in the 1940s and early 1950s. The rules made at that time will not work in the 1980s. Therefore, the choice is not whether to decide for or against the New International Economic Order. The choice we have is either to co-operate in bringing about the necessary changes or to sit by and let events take their own course. This is why we have to look actively—as, indeed, we have been doing—for areas of interdependence and common interest.

34. I believe that, when all is said and done, our common interests are stronger than the issues that apparently divide us. In this connexion I should like to mention two themes that to some may seem irreconcilable, but that to my mind serve to illustrate our common interest.

35. The first is the misconception that in the North-South negotiations what one party gains the other necessarily loses. I am not going to argue that negotiations are not a question of give and take. They are. But the dialogue in which we are engaged covers a wide range of economic realities, which require a global approach and global, in addition to sectoral, solutions. We must therefore not look at each item on the international economic agenda in isolation. Our object is to bring all parts of the world community into an integrated and growing international economy. In this endeavour, I am certain that there is something to be gained and a positive outcome for all.

36. The second theme that I should like to bring out concerns the availability of resources and the need for protection of our natural environment. I believe that there is general agreement that these factors must be given full consideration in relation to the efforts to establish a New International Economic Order. They may be considered limiting factors, but at the same time they certainly indicate areas of strong common interest. I believe that, with the resources actually and potentially available to mankind, these factors do not stand in the way of a new economic order. On the contrary, they emphasize the need for it.

37. We look to the United Nations to take the lead, and we must utilize the United Nations. But let me add a word of warning: we must not misuse the United Nations. Today, the calendar of meetings is such that it undermines our capacity to work effectively. Indeed all of us have a major responsibility to contribute to the setting of priorities so that we can make the most efficient use of this Organization.

38. I am convinced that our situation is such that we have the means and the opportunity to build an international society that is pluralistic in form but strongly united in its endeavour to secure for all its members peace, justice and well-being.

39. In conclusion, I should like—mentioning no names and forgetting none—to express my deep and sincere gratitude to all those who have worked so diligently and constructively with me in the Committee of the Whole. We have consolidated the position of our Committee. Only the future can measure the extent of our success or failure.

40. Mr. NARAYANAN (India): The persistent crisis in the world economy is a matter of profound and universal concern. Numerous statements both in the General Assembly and in the debate on the item in the Second Committee testify to the anxiety of all countries on this account. The developing countries are particularly affected, for they see clearly that the main burden of adjusting to unfavourable circumstances falls on them. There is indeed a feeling of frustration, even of helplessness, as problems continue to mount and international action to mitigate difficulties fails to take effective form.

41. For the last five years, since the sixth special session of the General Assembly, we have been engaged in wide-ranging negotiations among all States in order to give effective shape to the provisions of the New International Economic Order. Through this process we have been aiming at—and here I quote from the recent statement in the Second Committee of the Director-General for Development and International Economic Co-operation—

“... far-reaching modifications in the patterns of global production, consumption and trade, including a substantial enlargement of the share of the developing countries in world industry and trade in industrial products.”

The Director-General also referred to the aim, under the New International Economic Order, of enabling developing countries

“... to exercise full and effective control over the use of their natural resources, to give them a real say in international economic decision-making processes and to make those processes more effectual.”<sup>2</sup>

42. Given those aims, can anyone take satisfaction from what has been achieved? Time and again we have engaged in unfruitful debate both within the United Nations system and outside it. Yet the problems persist and are becoming more acute. If they are not to get out of hand, we have to address ourselves anew to finding effective ways and means of furthering our common interests. We all realize that there is interdependence of problems and issues, and that the concerns of any one group of countries cannot be met in isolation. Hence there is need for bold initiatives and fresh ways aimed at revitalizing international economic co-operation.

43. It is in response to this situation that the Group of 77 has come up with an important new proposal for a fresh round of global negotiations relating to international economic co-operation for development. Let me

<sup>2</sup> See document A/C.2/34/4, p. 2. This document contains the complete text of the statement which is published in summary form in the *Official Records of the General Assembly, Thirty-fourth Session, Second Committee, 4th meeting, paras. 20-34, and ibid., Second Committee, Sessional Fascicle, corrigendum.*

stress that this is a proposal from the highest level of the developing countries. It was adopted by the Sixth Conference of Heads of State or Government of Non-Aligned Countries at Havana last month [A/34/542, annex, sect. VI B, resolution No. 9]. Subsequently it was adopted by the Group of 77 in New York and presented to the Committee of the Whole, which convened shortly after the Havana Conference. At a later stage, the Ministers for Foreign Affairs of the Group of 77, who met in New York recently, reaffirmed their adherence to this proposal [see A/34/533 and Corr.1, annex]. In keeping with the high value that we place on this proposal, the Group of 77 has asked for the debate on the report of the Committee of the Whole, which specifically refers to the General Assembly for decision the proposal on global negotiations, to be debated in plenary meetings of the General Assembly, which is the highest forum of the Organization. By so doing we should like to emphasize our deep political commitment to the concept. We should like it to receive maximum attention in all quarters.

44. I have referred to the repeated failure of negotiations in the North-South dialogue. Let me make the point clearer by referring to some specific instances. We would recall that the Committee of the Whole was established by the General Assembly at its thirty-second session in order actively to further the negotiating process within the framework of the establishment of the New International Economic Order. It is a matter of deep regret that almost the entire first year of the life of the Committee was lost in procedural wrangles about how and to what extent it was able to take decisions. The ultimate agreement which emerged as a result of discussions in plenary meetings at the thirty-third session of the General Assembly enabled the Committee of the Whole to continue its functions, but at the cost of much of its effectiveness.

45. It is true that in its first two sessions this year the Committee of the Whole did succeed in reaching agreed conclusions on texts relating respectively to the transfer of resources from developed to developing countries and to agriculture. But it is also true that these agreements broke no fresh ground and consisted of little more than a restatement of existing agreements. At the third session of the Committee, which took place just before this session of the General Assembly, a similar unsatisfactory text on issues relating to industrialization was possibly within our grasp. We recognize the validity of the observation of the Chairman of the Committee that an agreement of this nature may not be worth obtaining. As Mr. Stoltenberg made clear in his final summary at the last meeting of the session, basic disagreements on questions as vital as those handled by the Committee of the Whole must be faced, and not brushed under the carpet through agreed texts that do not meet the main demands of the problem.

46. Parallel with those developments in the Committee of the Whole, results in important international conferences such as UNCTAD have been unsatisfactory. The recent fifth session of UNCTAD at Manila failed to provide agreement on an effective forum in which policies relating to trade, development, money and finance could be given the co-ordinated and continuous assessment and direction that they require. It is true that UNCTAD did succeed in achieving agreement on a

number of other issues.<sup>3</sup> But in the most substantial aspects, and particularly in respect of those elements that could have given real impetus to the North-South dialogue at its most challenging level, the Conference did not yield satisfactory results.

47. I have drawn attention to the lack of outcome from these important international meetings in order to emphasize that the existing mechanisms available to the international community are not adequate. If we are to revitalize the dialogue and to enlarge it, it will be necessary to find a new modality for doing so. That thought has been very much in the mind of the Group of 77 while proposing a new round of global negotiations.

48. Let me describe some of those features of the new global negotiations which need to be emphasized. We want to make it clear that this is not intended to be a repetition of the Conference on International Economic Co-operation which was held in Paris. The purpose of the global negotiations will be aimed at specific agreements. The broad fields to which the negotiations will be confined are indicated in the draft resolution we submitted before the Committee of the Whole [A/34/34, part three, annex I]. Within these fields it will be open to us in the course of the preparations in the Committee of the Whole to select specific issues of sufficient importance and those which have hitherto defeated solutions, and address ourselves to them with a view to reaching concrete agreements. Without such a specific approach there would be the risk of repeating the Paris experience of adopting too comprehensive an approach where the details can obscure the main thrust. Again, as our Group has made abundantly clear, we see the global negotiations being pursued within a strict time-frame. Here again, we have profited from past experience with the purpose of ensuring speedy and tangible results.

49. One of the most striking features of the proposal made by the Group of 77 relating to global negotiations is the enlargement of the issues under discussion. I refer in particular to the inclusion of the subject of energy. We have often noted the references to energy by developed countries which have frequently lamented the fact that this crucial subject does not ordinarily figure among the issues under discussion in various forums of the North-South dialogue. Developing countries have reached the conclusion that it would be appropriate to enlarge the scope of the dialogue by including this subject and we have made our proposal accordingly. It would be meaningless to seek to discuss the issue of energy in isolation. The close linkage of problems and the interdependence of issues precludes an approach which does not address itself to the totality of the issues. Energy itself is recognized to be not merely a question of prices or supply but one of the fundamental problems relating to an essential natural product. We fully expect that this aspect of the initiative of the Group of 77 will be received by our partners in the dialogue in the spirit in which it is intended. It is a deliberate attempt to seek solutions for a whole range of problems which are of increasing concern to all countries. It is our view that a simultaneous integrated approach to these problems is necessary and offers the best prospects of success.

<sup>3</sup> See *Proceedings of the United Nations Conference on Trade and Development, Fifth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.79.II.D.14).



50. Another aspect of the proposal of the Group of 77 to which I draw attention is the role that we seek to assign to the General Assembly in keeping with its elevated status. We would not wish the global negotiations to take place in any limited forum, for it is essential, in our view, that issues of such substance should be tackled within the United Nations system. No organ of the United Nations is more fitted than the General Assembly itself to give the necessary drive and to enable the exercise of political will without which no negotiation can succeed. Besides, the General Assembly embodies in itself the spirit of universality, which is of immense importance. It is sometimes argued that negotiations involving upward of 150 countries become unwieldy, and that better results might be achieved in a more restricted forum. Past experience does not confirm this view. We should also remember that even though the Group of 77 now consists of 120 members, it invariably negotiates from a single position and through a very limited number of spokesmen. Similarly, other groups coordinate their views and express them through a single spokesman, which makes for orderly debate and decision-making. Hence there need be no apprehension that the format of the global negotiations will be unsound. If we run into problems, it will be for other reasons.

51. Since the draft resolution of the Group of 77 was first introduced in the Committee of the Whole we have heard some doubts being voiced about the feasibility of linking these negotiations suitably with other ongoing negotiations, principally those relating to the international development strategy. Is there in fact any conflict? Let me say that the relationship between the new proposal and the negotiations for the strategy, and the relationship of each to the 1980 special session, have been most carefully considered by our Group. We have no doubt whatsoever that there is no contradiction at all between the different negotiations. In fact, we would expect them to be mutually reinforcing. We envisaged that in the first part of 1980, priority will be given to the negotiations for the strategy. This will require three sessions of the Preparatory Committee, and we would expect that by the time the special session is convened the strategy would be ready for adoption. We expect it to include a comprehensive set of goals and objectives and of policy measures, in keeping with its standing as a document embodying commitments of countries over a 10-year period. The global negotiations, on the other hand, will deal with major issues in the field of raw materials, energy, trade, development, money and finance. As mentioned earlier, it will be up to us to decide in the preparatory process on such specific aspects of these major issues as we would wish to concentrate on. We shall, of course, be dealing with questions of great magnitude and extent, but their amplitude, as well as the time-frame in which we tackle them, will be significantly different from, though not in contradiction to, those of the strategy. It is obvious, too, that not all the issues under discussion in the strategy will come up for consideration in the global negotiations.

52. The proposal made by the Group of 77 envisages that the preparatory committee for the global negotiations will be the Committee of the Whole. Despite our disappointments at the manner in which the Committee of the Whole has been obliged to discharge its functions since it was set up some two years ago, we feel that its mandate is sufficiently wide and flexible to enable it to

take on this task. The Committee will cease to exist in its present form at the special session next year, when its mandate will expire. It will be expected, however, to submit a report to the special session on its activities, and this should include an agreed blueprint for the global negotiations. For all its short-comings, the Committee remains a forum which attracts political support at a high level from all the capitals. We expect that it will meet as often as necessary, at the highest possible level, in the early part of 1980 so as to prepare adequately for the global negotiations. Our Group stresses the need for adequate and meticulous preparation if the global negotiations are to be launched successfully. We have to avoid the kind of procedural difficulties that arose at the Paris Conference. The preparations must also be addressed to the complex task of drawing up an agreed agenda, and also to clarifying all procedural issues.

53. I shall now turn briefly to some other aspects of the report of the Committee of the Whole. At its last session, the Committee had on its agenda consideration of special measures in favour of special categories of developing countries in addition to the agenda item devoted to industrialization. On neither of these agenda items was any agreement possible. Hence, in a formal sense the Committee of the Whole has brought some unfinished business to the attention of the General Assembly. There is a separate item on the agenda of the Second Committee devoted to questions of industrialization [item 57]. The Group of 77 intends to pursue under this item the issues which we discussed inconclusively at the September session of the Committee of the Whole. So far as the question of the special categories is concerned, our Group regrets that our proposals in the Committee of the Whole received little attention. We have repeatedly drawn attention to the very urgent needs of the disadvantaged categories of developing countries and urged international action to ensure special measures in favour of the less developed countries as well as specific action in favour of landlocked, island developing countries and most seriously affected countries. We believe it is important for the General Assembly to take cognizance of these problems. Accordingly, we shall be introducing proposals on these subjects.

54. So far as our proposal on the global negotiations is concerned, the main outline of it is already known to the General Assembly, for it forms part of the report of the Committee of the Whole. We reserve the right to submit our proposal afresh in the Assembly. It is not our intention, however, that the decision should be taken immediately. We realize that a matter of such significance should not be rushed and therefore we shall seek to enter into negotiations with our partners at an appropriate time, perhaps towards the middle of next month. On behalf of the Group of 77, I request the President of the General Assembly to provide the necessary facilities at the proper time. We feel strongly that this proposal, in view of its significance, ought to be considered and adopted in the Assembly itself.

55. In the course of the general debate in the plenary meetings and in the Second Committee, we have now heard many preliminary reactions to the proposal made by our Group. We are thankful to those who have been able to respond in a positive manner. From some quarters we have noticed hesitation and a questioning attitude. Questions at this stage will undoubtedly be

asked, for the subject has to be clarified further and reduced to operational form in a manner which we can all support. However, it is extremely important that the thirty-fourth session of the General Assembly should unequivocally endorse in principle the commitment of all nations to the global negotiations as described in the proposal of the Group of 77. This proposal is a serious attempt to tackle questions which are of immense concern to all nations, and, indeed, to all humanity. There is a great deal to be gained through a successful attempt, and there is nothing to be lost in a positive response in principle at this stage.

56. Indeed, if other countries wish to show political commitment to the North-South dialogue and to demonstrate that they are prepared to meet us half-way, then they must signify their willingness to participate in this round of global negotiations. I must also add that failure on their part to respond can only be seen as evidence of the lack of that political will without which, we all agree, there can be no future in the North-South dialogue or for the cherished goals of the New International Economic Order.

57. Mr. AKTAN (Turkey): Under this agenda item, we are to consider the report of the Committee of the Whole and modify, should the Assembly so desire, the mandate of the Committee in order to enable it to make the necessary preparations for launching a new round of global negotiations prior to the 1980 special session of the General Assembly. As the Minister of Foreign Affairs of Turkey, Mr. Okçün, made clear in his statement to the General Assembly [21st meeting], my country fully supports the proposal of the Group of 77 in this respect.

58. Our work in the Committee up to now can be defined as an endless process of assessment and reassessment of the well-known positions of the parties. Though limited, the progress achieved so far represents in the main verbal compromises, and the results achieved on a few tangible issues remain to be elaborated further or translated into practice. There has been no breakthrough in any particular area of development co-operation, nor was there general progress over the whole range of interrelated subjects towards the establishment of the New International Economic Order. Some crucial issues have been meticulously kept outside the sphere of the negotiating process.

59. The incorporation of energy into the dialogue represents a very important and promising step indeed. Nevertheless, we should bear in mind that the Conference on International Economic Co-operation had an advantage over the Committee, in addition to being the forum of limited representation favoured by some countries. At the Conference, the developed countries seemed determined to resist cross-issue linkages, and meaningful trade-offs were not allowed.

60. The inclusion of energy at this juncture will help to create new interrelationships in the dialogue. It will create a new intrabloc realignment that will bring some powerful countries to the fore and force them to assume new responsibilities commensurate with their power. In short, the dialogue will be revitalized through the re-established complementarity of issues, the reshuffling of issue linkages and the shift in the structure of negotiating parties.

61. We must bear in mind, however, that the incorporation of energy does not automatically ensure the success of the negotiations. Everything will depend upon our ability to speed up evolution without creating chaos, to determine the limits to the power with which the new instrument is to be endowed, and to act wisely in striking a just balance between the opportunities for collective self-reliance, on the one hand, and the possibilities of a break-through or across-the-board progress, on the other.

62. We will have to tackle these questions at the forthcoming meetings of the Committee and in the ensuing period, during the new round of global negotiations. I therefore deem it opportune at this stage to confine my remarks to the present status of the dialogue.

63. Those who have listened to the statements made in the Second Committee could conclude that there appeared for the first time a universal consensus that the international economic structures are in crisis, and that this crisis is of a structural, and not a cyclical, nature. As was to be expected, there were divergent views as how best to tackle the crisis. The developed countries which were loud in calling for a new and juster international economic order did so with their crisis-afflicted relations with developing countries uppermost in their minds. Nevertheless, they did not seem to view the New International Economic Order as a possible—indeed, the only—way out of the global crisis. They all emphasized the gradual and evolutionary nature of the New International Economic Order, seeming to imply that the urgent needs of the developing countries cannot be met through early progress towards a new order.

64. I should like to point to one pervasive misunderstanding in the dialogue. We have no illusions with regard to the evolutionary attainment of the long-term objective of the New International Economic Order, which is to create a new and balanced world structure in which the present income gap between developed and developing countries will have been substantially reduced by the end of this century. This aspect of the New International Economic Order should be carefully distinguished from the short-term and medium-term aims related to changes in the rules governing institutions. These changes should be of a structural character and it is hoped that they will result in significant increases in the transfer of resources to developing countries in an institutionalized and therefore a secure and sustained manner. Developing countries judge the attitude of the industrialized world by tangible progress towards the short-term and medium-term aims of the New International Economic Order.

65. Another well-known argument put forward to explain the slow and even insignificant progress towards the New International Economic Order is the prevailing and future inflation and slow growth, as well as the resultant unemployment in the developed world. It has been emphasized recurrently that only in conditions of global growth can the radical restructuring and adjustment required by the New International Economic Order be attempted.

66. Nevertheless, the present slow growth is the direct result of the lack of adjustment of economies to changing international conditions. There is no other way to

restore growth on a continuous basis than adjustment. This law is true for all open systems which are in constant interaction with their environment. Therefore, the will to adjust domestic structures first, and corresponding international structures secondly, equals the political will so glaringly lacking in the establishment of the New International Economic Order.

67. It is equally true that the process of interdependence has already reached deeper layers than we all realize and created mutual dependencies and consequent vulnerabilities. In these conditions, further adjustment will unavoidably bring about further dependencies and vulnerabilities, the prospect of which provokes in most of the developed countries strong defensive instincts, especially in an uncertain world environment. This dynamic leads some powerful countries with well-established domestic coping mechanisms to manipulate interdependence in order to reduce their vulnerabilities by simply exporting internal difficulties to less equipped members of the world community.

68. However, there are limits to efforts in this direction. Although developing countries are deeply vulnerable to the external environment because of their acute need for accelerated growth, developed countries face equally severe vulnerabilities which are bred by their wealth. On the other hand, no one knows exactly where his power ends and the other's begins, in as much as nations become involved in each other's welfare. As a result, in an interdependent world, no party can increase other parties' dependence without a corresponding increase in its own dependence.

69. Economically speaking, the increased debt burden of developing countries augments the dependence of these countries. The lack of structural adjustment in the industrialized countries does not facilitate repayment of these debts. The result could be possible massive defaults with potential destabilizing effects on the world financial system and on the shrinking markets of developing countries as well as a reduction of the counter-cyclical role of their economies in a stagnating world economy.

70. Seen from this perspective, the maintenance cost of the present system in a strictly economic sense is rapidly becoming unbearable even for its proponents. The cost of compliance with the system for developing countries long ago attained dramatic proportions because the existing system impedes their growth. No order with such a level of maintenance and compliance cost can survive. The question is not whether the system distributes benefits unevenly, but whether the long-term well-being of developed countries can safely rely on the preservation of the unjust structures against the vital growth interests of developing countries.

71. In the process of visible disintegration, the reward and incentive capacity of the existing order is declining, whereas capacity for sanction seems to increase. At present, the limited nature of transferable resources to developing countries creates powerful opportunities for political control for the holders of these resources. On the other hand, one may tend to limit these resources in order to maintain this ostensibly useful instrument of control in the short run. Nevertheless, this attitude could inevitably bring about prohibitive political maintenance costs out of proportion to expected gains. Developing countries may be forced in the process to

opt for extreme alternatives in order to survive. Would it not be hypocrisy to criticize later the excesses of extreme régimes created by extreme domestic elements given birth to by an international order which recognizes no margin of survival for the weak?

*Mr. Sinclair (Guyana), Vice-President, took the Chair.*

72. As we observe, since the beginning of the nineteenth century a new order has twice been established, each time by a country which has then acquired an unrivalled power in many spheres of international relations. We have also seen a country or a group of countries, having created their own power centres of considerable importance, challenge the structural power and secure some structural adjustments to their benefits. The fact that that country or group of countries possessed effective national leverages which, if employed, could cause appreciable damage played a crucial role in the bargaining process. Except for energy, which has not hitherto been put to use to promote international co-operation for development, developing countries, generally speaking, lack such conventional leverages that are effective in negotiations. This phenomenon explains why the present order was adapted to a certain extent to the intragroup relations in the North but grew totally irrelevant as to the North-South relations.

73. It is not surprising to see that the country which has established the present order plays the role of its guardian. The countries which are individually or collectively capable of gradually broadening the base of the present order are reluctant to do so not only because of the privileged position of the North vis-à-vis the South and the relatively successful adaptation of the features of the system to the North-North relations but also because they perceive considerable loss for themselves in any global restructuring effort. None the less, it is precisely those countries which will face grave losses if attempts at establishing the New International Economic Order fail and chaos prevails in international economic relations, because of their overwhelming dependence on natural resources and markets of developing countries.

74. For the first time in history, a group of underdeveloped countries, comprising the majority of mankind, aims at restructuring the world order through negotiations. In this endeavour, the importance of energy as a leverage has a relevance of a complementary character and does not radically change the nature of the process. In bargaining for a new order, developing countries are perhaps incapable of incurring substantial direct losses to the North. But the grave threat looming over the developed nations is the potential losses they will inflict upon themselves by evading or delaying the measures related to the new order. Therefore, we hope that we shall be able to perceive causal links between our erroneous actions and the resultant impulses of damages we receive in this highly interdependent world.

75. We are well aware that neither prospective analyses and studies nor enlightened political leadership in the developed countries can bring about a drastic change in the attitudes of their respective peoples towards the establishment of the New International Economic Order. Nor can we allow our hopes to hinge on ethical developments which are as a rule not a cause



but an outcome of structural change. Unfortunately, we are confronted with traditional difficulties inherent in efforts to achieve a new and higher order. Long-term interests implicit in a future order are muted and diffused in our minds. By contrast, tension between short-term political exigencies and longer-term political objectives is very real indeed, for benefits from a future order will accrue long after the costs occur.

76. We suspect that there is more to protectionism and resistance against adjustment than present economic difficulties. Interdependence has reached the very core of the politico-economic power structure in developed countries. This has given rise to a broader definition of the concept of security. The dynamic thus created for limiting interdependence in order to reduce vulnerability has ended by slowing down the adjustment process. This in turn has brought about a significant decline in the growth rates of those countries, while unemployment generated by technological development is constantly on the increase.

77. None the less, further delays in taking effective and comprehensive structural adjustment measures, as well as a reluctance to direct sufficient resources to developing countries in order to try to alleviate potential pressures additional to an already difficult adjustment, tend to create lasting adverse international conditions. These conditions may force developing countries, in the course of time, to adopt development models which could ultimately sever the link between the growth process and imports from developed market economies. Modern sectors of the developing periphery which are connected with, and dependent on, the centre will bear the brunt in that case, and their élites will face liquidation, thus paradoxically enhancing the negative power of developing countries in the negotiations. To think that one could at a later and more propitious time check or contain such a development—which is a cumulative process, hence almost irreversible beyond a certain point—could prove illusory. In the present bipolar political order, this development could have disruptive effects on the global equilibrium with tragic consequences.

78. In this bleak picture, the vital question is what to do now. The "basic needs approach" prescribed by the developed countries is to a great extent Utopian. We admit it has a very important humanitarian aspect related to the eradication of mass poverty. Yet it requires the mobilization of external and domestic resources much larger than those currently available for the development of traditional sectors of developing countries. To be successful, this approach necessitates not only radical domestic structural changes in the developing countries, but at the same time much more comprehensive alterations in the international set-up, with far-reaching implications for the structures of industrialized countries, as compared to what is required by the concept of a New International Economic Order. Paradoxically, the basic needs approach may eventually have to be adopted by the developing world if attempts fail to translate the precepts of the New International Economic Order into reality.

79. In the short term, however, the international community can aim at some more modest objectives, such as bringing protectionist practices to a definite halt, improving terms of trade for the exports of developing countries, substantially increasing resource transfers in

terms of aid, credits and balance-of-payments support, relieving the debt burden and so forth.

80. The sole structural power in the nineteenth century applied non-reciprocal trade liberalization to the rest of the world, including the advanced industrial countries of the time. Today the Western countries collectively should be in a position to afford the same liberalization for developing countries, only without resorting to graduation and differentiation, which can only delay necessary adjustment measures.

81. We have to keep in mind that all great undertakings on a global scale have been initiated with extraordinary foresight and boldness in an exceptionally difficult international economic environment. But above all we should not lose sight of the simple fact that difficulties are not solved by themselves.

82. Mr. CORRÊA da COSTA (Brazil): As a member of the Group of 77 since its inception, Brazil cannot but fully associate itself with the statement which, on behalf of the Group, our spokesman, the representative of India, addressed to this Assembly when it began consideration of this agenda item. We also fully associate ourselves with it because it encompasses views which Brazil truly shares.

83. We all seem to be in agreement that the world is plunged into the most serious economic crisis it has experienced since the Second World War. We do not seem to be in agreement, at least as yet, on how to face this crisis, a crisis which is not the product of any action or inaction on the part of the developing countries, but which has affected them so drastically and in such a disproportionate and dramatic manner. Although not at the root of the crisis, the developing countries are paying a price which they cannot afford and, in the interdependent era in which we live, in the end a high rate of interest will be demanded from the developed countries as well.

84. The Committee of the Whole, to whose report we are addressing ourselves at this stage, did not truly meet the challenge it was supposed to have faced. Granted, there have been conclusions agreed upon in certain areas, but so far the Committee has hardly played the role envisaged for it at its inception, namely that of one of the main political forums and focal-points for the continuation of the North-South dialogue, after the setback experienced by the limited approach of the Conference on International Economic Co-operation in Paris.

85. But because of their belief in the political role to which I have just referred, the Group of 77 has once again requested that the report of the Committee be taken up at the political level in plenary meetings of the General Assembly. Also because of this same belief, the Group of 77 proposed—and their proposal is before us all—a round of global negotiations relating to international economic co-operation for development.

86. I do not intend to enter here into the specifics of this proposal, for our spokesmen have done so ably. I should like only to add a couple of points.

87. Most of the recent international economic negotiations, and especially those related to economic co-

operation for development, have failed in one way or the other. The negotiations at the level of the Committee of the Whole are no exception. That is why the Group of 77 envisages the global negotiations it has proposed as a fresh approach, an endeavour which, being universal, will have the additional merit of introducing a political input which has clearly been missing. The argument has been heard that most of the areas considered in the global negotiations are dealt with in different forums, but the truth is that almost nothing has emerged from these forums that the developing countries—or, for that matter, any country—could term a very positive result or a significant break-through. We need results. We need practical measures. We no longer need analyses, evaluations, appraisals or tabulations—which we have already had by the dozen.

88. That is also why, I think, the spokesman of the Group of 77, when introducing the proposal for the global negotiations at the last session of the Committee of the Whole, stressed that the Group was proposing “*un cadre et une procédure*”. It had an open mind as to all the rest, once its basic idea had been accepted by this supreme body, the General Assembly.

89. Brazil has always believed, and continues to believe, in the role of the United Nations in promoting international co-operation for development. We deem it important, therefore, to press on with the multilateral negotiations now taking place. The proposal for a round of global negotiations does not aim at bringing those multilateral negotiations to a standstill, but rather at injecting fresh political impetus into them. At the same time, we firmly believe that the proliferation of new mechanisms, which by themselves produce no results, is to be avoided.

90. In recognizing that the economic crisis and the energy crisis that is part and parcel of it call for a new approach, we must be prepared to face up squarely to the crucial questions that have remained unanswered. It is in this way and taking this practical approach that Brazil views the global negotiations. Nobody wants a new Paris Conference, which, for reasons I do not have to enter into, did not fulfil the high hopes the President of France, Mr. Giscard d'Estaing, entertained when taking the initiative of convening it, or those which the international community—both the countries that participated in the Conference and those that did not—shared with him.

91. We envisage the round of global negotiations—which Brazil is confident the General Assembly will soon endorse so that preparations can be speedily started, both within the Group of 77 and in the context of the North-South dialogue, where it belongs—as a process that will revive the momentum of North-South negotiations, which has clearly been lost. And the Group of 77 has in mind a time-bound, simultaneous and integrated approach. However, it does not intend that all subjects, in all areas of negotiation suggested, should be dealt with, since if this were the intention the global negotiations would be doomed even before they are started.

92. We are also confident that, during this session, we will prove to be able to reach agreement on other areas of the work of the Committee of the Whole—those of industrialization, least developed countries and land-

locked developing countries—on which consensus has so far eluded us.

93. Let me conclude these brief remarks by paying my personal tribute and that of the Brazilian delegation to the Chairman of the Committee of the Whole and Under-Secretary of State of Norway, Mr. Stoltenberg, for the forceful manner in which he has led the Committee. That forcefulness is a feature of his personality that we welcome. In renewing our confidence in him we trust that his skills and leadership will continue to serve this cause dear to us all—namely, that of international economic co-operation for development.

94. Mr. BEDJAOUI (Algeria) (*interpretation from French*): Nearly one year ago to the day, our Assembly was holding plenary meetings to study the report of the Committee of the Whole Established under General Assembly Resolution 32/174. That consideration by the highest organ of our Organization was fully warranted as a result of the grave situation stemming from the deadlock in the Committee during 1978, a deadlock due to the refusal of certain developed countries to embark on genuine negotiations there and to endorse the results of those negotiations by official decisions. The General Assembly, on that occasion, overcame that situation by clarifying the Committee's mandate. The resolution which it adopted [*resolution 33/2*] underscored, moreover, the need for the Committee to achieve genuine progress on the issues submitted to it. The Assembly was thereby clearly indicating that the solution to so-called “procedural” problems should not be an end in itself.

95. Our Assembly has now decided to give priority consideration once more, in its plenary meetings, to the report of the Committee of the Whole. This decision is fully warranted. The work of the Committee and the efforts of the major conferences held in 1979 did not produce the results hoped for by the majority of the international community. On the contrary, they only confirmed the present crisis into which the so-called North-South dialogue has now been plunged.

96. In fact, in spite of the tireless efforts, the authority and steadfastness of the Chairman of the Committee of the Whole, Mr. Stoltenberg, to whom we should like at the outset to extend our heartfelt thanks, it must be acknowledged that the results of the Committee's work have been particularly disappointing. Great hopes had been placed in that Committee, born, as members know, of the disenchantment felt as a result of the slow pace of international negotiations to translate the principles of the new international economic order into a genuine commitment. But that Committee was only able to confirm decisions already reached concerning the transfer of resources, on the one hand, and food problems, on the other.

97. The work of the Committee at its third session held a month ago, is even more indicative of the present state of the North-South dialogue, since no decision was reached on measures to be adopted for special categories of developing countries, except in regard to industrialization problems.

98. In fact, this last session has given us the clear impression that the divergencies existing between developed and developing countries have become more

marked, judging from the attempts of certain developed countries to challenge already established decisions and concepts, such as the category of most seriously affected countries and world industrial restructuring.

99. Conclusive evidence of this can be found if we study the results of the multilateral trade negotiations. These took on the appearance of trilateral negotiations, leaving the developing countries on the side-lines. Moreover, the basic principles of differential and more favourable treatment and of non-reciprocity, principles that were to underlie measures on behalf of those countries, were not strictly respected.

100. The same applies to IMF, some of whose decisions leave only ratified unilateral measures taken by the developed countries, such as those concerning floating exchange rates, the demonetization of gold and increases in the price of gold. While adjustments by IMF—made inevitable by the difficult economic situation—have recently been made and can be considered positive and sizeable, they cannot radically alter the position of the developing countries within the framework of that organization.

101. Failures in the two forums we have just mentioned are compounded by the mediocre results of the fifth session of UNCTAD, which is in a sense the last resort for problems of trade and development. For example, it is significant to note that no agreement was reached on agenda item 8 for that session, although the theme was restructuring, while the proposals made by the Group of 77 in that framework really amounted to nothing more than procedural proposals. As members know, they were proposals to establish machinery for consultation between developing countries and developed countries regarding the short-term policies of the developed countries and to request the Secretary-General to conduct a study on the rules and principles that should govern international trade. It is true that a special programme for the least developed countries was adopted. Of course, we are pleased about that. But we must stress that that programme may not be implemented in the near future because the developed countries have expressed reservations on its financial aspects, which are, none the less, its basic element. The same situation occurred in the Committee of the Whole, in which the developed countries refused to accept the principle of doubling official development assistance for the least developed countries by 1982.

102. Here in the United Nations, the Preparatory Committee for the New International Development Strategy—in spite of the adoption by consensus of resolution 33/193, which established the framework and scope of the future strategy—is after a year of debate still stumbling over conceptual differences, so that no progress has been achieved in the preparation of a basic text.

103. As if to exorcise the ills befalling the North-South dialogue today, stress has been placed on the positive results of the recent United Nations Conference on Science and Technology for Development. But we must acknowledge that that Conference unfortunately did not accomplish any significant break-through in implementing the new international economic order.

104. In fact, the developed countries increasingly resorted to delaying tactics and their usual specious

arguments in order to oppose the proposals of the Group of 77 on certain fundamental questions such as the transfer and development of science and technology, the role of transnational corporations and changes needed in the existing system—for example, the declassifying of technological information—in order to promote co-operation among developing countries. Therefore, to avoid total failure, the Conference, like other international gatherings, adopted provisions that are basically institutional in nature—the establishment of an intergovernmental group of the whole and the creation of an interim fund—the usefulness and effectiveness of which will have to be assessed in the light of the contributions that are made in the future.

105. This brief description of international economic negotiations that took place in 1979 illustrates the impasse now facing the international community at a time when the problems of the developing countries are becoming increasingly serious.

106. In order to justify their inertia the developed countries allude to the present crisis in the world economy, which they often attribute solely to increases in the prices of petroleum. As in Manila, they imply that decisive action for development should not be expected of them until the question of energy is also a subject of negotiations.

107. The crisis in the present economic order, far from having been overcome, as some hoped a little while ago, is now deep and serious and will have unforeseeable consequences if no remedy is found.

108. But the facts clearly demonstrate that the constant deterioration of the world economic situation results from the persistence of the developed countries in adopting short-term policies that are ludicrously ill-adapted to objective reality and to needed basic changes in international economic relations and in the international division of labour and production.

109. Those policies have aggravated structural imbalances, thus making inflationary tension, monetary disturbances and disorder in international trade a permanent feature.

110. While the value of the main reserve currencies fluctuates unforeseeably from one day to the next, and while double-digit inflation and the broadening of protectionism are becoming constants in the major economies, should we be startled at the uncertainty in the present international economic climate?

111. None the less, we should stress that these disorders, which have worsened the already precarious situation of the developing countries, have, on the contrary, benefited the developed countries, as can be seen in the relatively considerable economic growth rate recorded by those countries in recent years in spite of the crisis. This can be seen more clearly if we recall that those countries have achieved higher growth rates from 1950 to 1970 because those rates were related to the reconstruction of their economies following the destruction caused by the Second World War.

<sup>4</sup> See *Report of the United Nations Conference on Science and Technology for Development, Vienna, 20-31 August 1979* (United Nations publication, Sales No. E.79.I.21 and corrigenda).

112. Such a situation cannot continue, because the breaking-point of the international economic system which is now in force is becoming increasingly clear with the worsening of the world economic imbalance and the transfer of an undue share of the burden of that crisis to the countries of the third world.

113. The developing countries have, in fact, reached a threshold which makes it impossible for them to continue to play the role of mortgagees of the economic crisis, a role which they have played up to the present at a very high cost. The constant deterioration in their terms of trade, the crushing burden of their foreign debt servicing and the erosion of the real value of their income from exports and their currency reserves affect their capacity to import from the developed countries.

114. The upheavals thus affecting the economies of the developing countries not only have disturbed the political and social situation of those countries, but also increasingly threatens the stability and prosperity of the developed countries themselves.

115. That alone should suffice to prove that the international economic situation depends to a great extent on the conduct and the actions of the developed countries, given the weight of their economies and the exclusive control which they exercise on monetary and trade levers.

116. It is paradoxical that, in spite of the failure of their traditional economic policies, the developed countries still see the recovery of the world economy in terms of a simple reordering of a system which actually is the cause of the present world economic crisis, the creation and worsening of the state of under-development, and therefore the worsening of poverty in the world.

117. In these circumstances, can it come as a surprise that the North-South dialogue has often been used, not in order to set in train real negotiations on all international economic problems, but rather to perpetuate the existing order? Indeed the developed countries do not yet seem to accept the need, in the interest of all, to depart from their constant endeavours to defend their vested privileges in the framework of international economic structures which have proven to be anachronistic, unjust, ineffective and even dangerous for everyone, including even their traditional beneficiaries, the developed countries.

118. Is it not then in this context that we should place attempts to conceal the true problems by stressing the interdependence, basic needs, differentiation and deglobalization of world development problems?

119. If we were to follow that logic, we would confuse the consequences and the causes of a situation which is still characterized by relations of exploitation, inequality and dependence.

120. It is therefore mistaken and tendentious to continue a futile attempt to attribute the present economic crisis to changes in the price of oil and to envisage improvements in the economic outlook only from the standpoint of a solution to the problem of energy alone.

121. It is clear that this approach is tantamount to demanding of those who have but reacted to events,

hardly of their own making, in order to limit—and that very partially—the consequences of those events for their own economies that they relinquish, without any *quid pro quo*, the only trump card they possess with which to advance their development and the transformation of economic relations between the developed and the developing countries.

122. It is precisely those who showed little concern about the impact of their economic decisions on the third world who are today stressing that the developing oil-exporting countries are not taking sufficient account of the impact of their decisions on the world economy.

123. To approach the energy issue from that standpoint would be a serious mistake. It would mean completely disregarding the responsible spirit shown by the members of the Organization of Petroleum Exporting Countries with respect to both supplies and prices. Concerning supplies, it should be emphasized that the financial surpluses of certain producer-countries, which some hasten to point to, are above all the reflection of the production level imposed on them to meet the needs of the world economy. If they close the faucet, they are accused, and if they reduce their exports, they are accused. With respect to prices, it seems to have been forgotten that they were frozen for an 18-month period without any notable improvements in the world economic crisis, and that the weighted average in prices merely reflects the price in real terms of 1973 and barely reaches 50 per cent of the cost of alternative sources of energy.

124. If the fact that there is a risk that energy may be a constraint on long-term world economic development is accepted, all the implications must be drawn from that immediately to prevent the misery which is looming before us.

125. In this connexion, the solution to this problem lies above all in appropriate decision-making by the developed countries. It is clear that we cannot continue to follow present trends where more than 80 per cent of the oil produced is consumed by the industrialized countries and in which rare hydrocarbon resources are often squandered and used for the production of goods which could be produced with the help of other energy sources that are available in abundance in those developed countries.

126. These countries should take effective measures to reduce their consumption and to preserve their non-renewable resources. This assumes deep changes in their production and consumption patterns and in the way in which they allocate and use resources. In other words, growth schemes based on the exploitation and abuse of resources to the detriment of developing countries should be reconsidered and replaced by increased development for the benefit of all the peoples of the world.

127. Having stated this, we should like to declare once again that the members of the Organization of Petroleum Exporting Countries are always ready to negotiate with the industrialized countries on energy questions as long as these negotiations also include—I stress the word “also”—the questions of greatest concern to the developing countries as a whole.

128. This is neither a delaying tactic nor a theoretical

position of principle, as is demonstrated by the proposal formally submitted by the Group of 77 in the Committee of the Whole that global negotiations should be undertaken on energy, raw materials, monetary and financial problems and development, a proposal which commands the full support of the developing countries, whether or not they are petroleum exporters.

129. At this session, the General Assembly must reach a decision on this proposal and this is the main objective of the present debate. This will make it possible for us to move on to a new stage where dialogue, if it is to be fruitful, must take full account of the principles of justice, mutual interest and international co-operation.

130. From our experiences in the last few years, we can clearly see that it is impossible to guarantee the stability and balance needed for the harmonious economic development of the world unless we deal with the global question of the restructuring of international economic relations.

131. In this context, negotiations must be seen in a global way and that the component questions of raw materials, energy, trade, development, currency and finances must be given simultaneous consideration so that progress can be achieved in all areas.

132. It is in this way, and in this way alone, that the dialogue can attain its genuine significance, which is to find lasting and positive solutions to international economic problems by working together.

133. A certain number of questions have been raised by the industrialized countries concerning the scope, the agenda, the organization and the goals of these global negotiations. The draft resolution itself [A/34/34, *part three, annex I*] already provides some answers to those questions. But it is clear that the answer to most of them can only be found if we work together in the context of the preparatory work which we are proposing to undertake in the Committee of the Whole.

134. In his report on the work of the Organization, the Secretary-General, Mr. Kurt Waldheim, very properly stressed: "In the face of obviously pressing economic needs, such slow progress in negotiations is unacceptable" [see A/34/1, *sect. V*]. He concluded that a new impetus had to be given to the North-South dialogue, and this is precisely the intent of the proposal made by the developing countries.

135. Of course, we also agree with the Secretary-General in stressing that only genuine political will to reach agreements will make it possible to give that impetus. That will has always existed in the countries of the South. It remains for the developed countries to develop that same political will by accepting during this session the principle of embarking on the global negotiations which we are proposing, and then by resolutely seeking solutions that take into account the principles of justice, equity and mutual interest. It is clear that, at a time when the reshaping of international economic relations is becoming a vital need, the concept of mutual interest cannot be reduced to a simple equation between guaranteed supplies of raw materials in exchange for the transfer of resources, the more so as the transfers are "voluntary", and therefore uncertain.

136. The decision which the General Assembly is being

called upon to take at the present time is a decision of principle, a political decision. It is a matter of seeing whether the international community will react in a united way in the face of the meagre results of the North-South dialogue and, taking into account the critical situation of the world economy, begin negotiations on all the vital sectors in order to produce a coherent set of solutions which can benefit each of its members; or whether the international community, by refusing to shoulder its responsibilities, will stand by powerless while the present situation deteriorates, thus exacerbating national egotisms and thereby aggravating the dangers which are already visible on the horizon.

137. As we stressed during the general debate at this session, proposals for global negotiations are not tantamount to creating an additional forum. The proliferation of forums is actually very often nothing but the manifestation of certain powerlessness, or at least of a lack of the political will to act effectively together in the face of events that affect us all.

138. While it does not involve creating a new standing body, the proposal of the Group of 77 does on the other hand imply a new spirit. The success of those negotiations will depend on the resolve of each Member State to make its contribution to the solution of shared problems in the framework of the need—a need recognized by all—to establish a New International Economic Order.

139. Mr. KRAVETS (Ukrainian Soviet Socialist Republic) (*interpretation from Russian*): In connexion with the discussion in the plenary meetings of the thirty-fourth session of the General Assembly of the question of the report of the Committee of the Whole Established under General Assembly Resolution 32/174, it is my honour to speak on behalf of the delegations of the Byelorussian Soviet Socialist Republic, the People's Republic of Bulgaria, the Hungarian People's Republic, the German Democratic Republic, the Mongolian People's Republic, the Polish People's Republic, the Union of Soviet Socialist Republics, the Czechoslovak Socialist Republic and the Ukrainian Soviet Socialist Republic, and to make the following statement. The socialist countries viewed with understanding the proposal of the Group of 77 to discuss in plenary meetings of this thirty-fourth session of the General Assembly the current state of affairs with regard to the restructuring of international economic relations on a just and equitable basis, since the socialist countries share the dissatisfaction of the developing countries with regard to the absence of real progress in this sphere, as reflected in the results of the work of the Committee of the Whole and other economic bodies of the United Nations in 1979.

140. The outcome of two years of work of the Committee of the Whole has confirmed the correctness of the position taken by the delegations of the socialist countries when the decision was made to set up that Committee. The discussion of a considerable number of complex problems which were referred to it from other forums has not led to substantial progress towards a solution. Broadly speaking, all that the participants succeeded in accomplishing was the confirmation of positions and agreements which had previously been adopted. All this, of course, undermines the very idea of setting up such an organ, the third session of which—as is well known—ended in fact in failure.

141. The futility of the efforts which have been made



for many years for the establishment of a new international economic order and the absence of substantial progress in the negotiations which were held in 1979 in a number of important international economic forums on the most relevant economic problems in the world today result from the fact that the monopolistic circles of the developed capitalist countries have stubbornly impeded the radical restructuring of international economic relations and the establishment of a New International Economic Order by pursuing their neo-colonialist policy which is designed to prolong and intensify the exploitation of the developing countries and to oppose the elimination from economic relations among States of inequity, discrimination, *diktat* and other manifestations of colonialism and neo-colonialism, and vestiges of the "cold war". They are doing their utmost to preserve the prevailing system of international division of labour, in which the developing countries are assigned the role of a raw material appendage of the West. To an ever-increasing extent, they are resolving their economic problems at the expense of the developing countries and are shifting on to them the burden of their difficulties using, for that purpose, the current inequitable mechanisms for trade, economic, currency and financial relations.

142. The socialist countries have frequently drawn attention in various United Nations bodies, including the Committee of the Whole, to the fact that the genuine restructuring of international economic relations on a just basis can be achieved only if all States Members of the United Nations proceed to put into effect the progressive provisions of the Declaration on the Establishment of a New International Economic Order [*resolution 3201 (S-VI)*] and the Charter of Economic Rights and Duties of States [*resolution 3281 (XXIX)*]*—*as the socialist countries have long been doing in their relations with the developing countries.

143. In the statement made on 29 September 1979 by the Ministers for Foreign Affairs of the Group of 77 [*A/34/533 and Corr.1, annex*], it is quite correctly emphasized that colonialism, imperialism, neo-colonialism, interference in the internal affairs of States, *apartheid*, racism, racial discrimination and all the other forms of foreign aggression, such as occupation, domination, hegemony, expansionism and exploitation, continue to be the main obstacles to the economic liberation of the developing countries. We whole-heartedly agree with the appeal of the Ministers for Foreign Affairs of the Group of 77 that all members of the international community urgently take the boldest and most concrete measures in order to put an end to these shameful phenomena.

144. The socialist countries also share the determination of the Heads of State or Government of the Non-Aligned Countries, expressed at the Havana Conference,

" . . . to oppose attempts by many economic and financial institutions controlled by certain developed market economy countries to impose measures designed to limit national sovereignty and block the fundamental rights of peoples to develop along economic and political lines freely chosen by themselves." [*See A/34/542, annex, sect. IV, para. 15.*]

145. The outcome of the struggle for the restructuring of international economic relations on an equitable and

democratic basis will, in the last analysis, depend on the extent to which it proves possible to break the resistance of international monopolistic circles and on the extent to which developing countries themselves follow the progressive recommendations contained in the Declaration on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States—in particular, in respect of the need to guarantee genuine sovereignty over their natural resources, the need for the implementation of effective controls over foreign capital, including controls over transnational corporations, and the carrying out of progressive socio-economic reforms and measures with a view to the full mobilization of domestic resources.

146. As far as the United Nations is concerned, the solution to the problem of restructuring international economic relations, as has been repeatedly emphasized by the socialist countries, should be sought not by setting up new bodies but rather through the more purposeful and effective use of the existing duly constituted bodies—particularly the Second Committee and the Economic and Social Council—bodies which have sufficient power and experience to consider and resolve all the most important problems of current international economic relations. The formation of new United Nations organs in this sphere merely generates illusions as to the existence of radical steps towards the restructuring of international economic relations whereas in fact such an unjustified proliferation of organs leads to an undue diffusion of effort and makes more difficult the solution of the main task, which is that of compelling the opposing forces to show political will and to proceed to carry out the progressive provisions of the Declaration on the Establishment of the New International Economic Order and the Charter of Economic Rights and Duties of States.

147. Taking into account the opinion of the developing countries to the effect that the holding of "global negotiations" within the framework of the United Nations will be useful and that their purpose is the promotion of the restructuring of international economic relations on an equitable, just and democratic basis, the delegations of the socialist countries on whose behalf I am speaking do not object to the proposal for the preparation and holding of such negotiations. However, we should like to emphasize yet again that the issue here should not be reduced to the title of negotiations, which are in fact being conducted in various economic organs of the United Nations. Fundamental significance here attaches to the substance of the political position of the principal participants, and particularly those from the developed capitalist countries.

148. We are deeply convinced that the successful outcome of any future negotiations connected with the formation of a new system of international economic relations can be guaranteed only if they are based on the progressive provisions of the Charter of Economic Rights and Duties of States and the Declaration on the Establishment of a New International Economic Order, and if they are conducted in a manner that takes fully into account such global factors with a decisive influence on international and economic relations as the need for further international détente, the strengthening of international peace and security, the halting of the arms race and the adoption of effective measures in the sphere of genuine disarmament that would release considerable additional resources for the purposes of

development, *inter alia*, of the developing countries. Progress in the solution of these questions will to a very large extent determine the solution of other global problems.

149. On this basis, the socialist countries intend to continue to participate actively in the work on the restructuring of international economic relations and the establishment of a New International Economic Order.

150. The socialist countries will continue to carry out consistently one of the main tasks involved in their participation in the work of the economic organs of the United Nations, which is the provision of political support to the progressive provisions of the programme advanced by the developing countries for the restructuring of international economic relations on an equitable basis.

151. At the fourth and fifth sessions of UNCTAD and in other economic organs of the United Nations, the socialist countries have jointly introduced a concrete programme designed to bring about a further expansion and enhancement of equitable international economic co-operation with all countries, including the developing countries. They are doing a great deal to ensure that the proposals and principles contained therein will be translated into concrete agreements and arrangements with interested countries on a bilateral basis.

152. The socialist countries have provided and are prepared, to the extent of their capacities, to continue to provide assistance both on a bilateral and on a multilateral basis to interested developing countries in their efforts to solve the problems of economic and social development and the attainment of economic independence, and to develop with them mutually profitable trade and economic and scientific and technological relations in such forms as are in keeping with their social and economic structure and as have proved their merit in practice and won recognition from the developing countries themselves.

153. Mr. AN Zhiyuan (China) (*translation from Chinese*): The Chinese delegation listened attentively to the report made by Mr. Stoltenberg, the Chairman of the Committee of the Whole, and we also listened to the statement made by Mr. Narayanan of India. We should like now to make some observations on the work of the Committee.

154. Two years will soon have elapsed since the thirty-second session of the General Assembly decided to establish the Committee of the Whole. In the past two years the work of the Committee has encountered many difficulties and twists and turns. Despite great efforts made by the developing countries and some other countries, very little progress has been achieved in the work of the Committee on many substantive issues. In a certain sense, what was experienced by the Committee could be regarded as a microcosm and a symbol of the North-South dialogue as a whole.

155. At the thirty-second session of the General Assembly, faced with stagnation in the North-South dialogue, and in order to implement in earnest the resolutions of the sixth and seventh special sessions of

the General Assembly, the developing countries proposed the establishment of the Committee of the Whole as an international organ, with a view to overcoming the difficulties in the various negotiations relating to the establishment of a new international economic order.

156. During the first year after its establishment, due to serious divergences of opinion on the question of the mandate of the Committee, it was not possible to conduct negotiations on substantive issues. It was not until the thirty-third session of the General Assembly, after the developing countries had waged an indomitable struggle and thwarted attempts at turning the Committee into a debating organ or merely a preparatory organ for the special session in 1980, that it was clearly stipulated that the Committee is a negotiating organ having the right to adopt decisions for taking action. In this way, as from this year, under the guidance of Mr. Stoltenberg, the Committee carried out serious negotiations on a series of concrete questions such as the transfer of resources. The fact that the Committee moved from the debate of procedural questions into negotiations on substantive issues should be described as an advance.

157. During these three sessions which took place this year, the Group of 77 put forward a series of working documents concerning the transfer of resources, food and agriculture, and industrial development, embodying the just propositions and reasonable demands of the developing countries on many important questions relating to the establishment of a new international economic order. The representatives of the developing countries stressed that negotiations in the Committee of the Whole should not simply duplicate the decisions already made in other organs, but should make new and substantive progress. This, after all, is only natural and right. However, a small number of economically powerful countries, particularly the super-Powers, first tried to obstruct the Committee's negotiations, and then after negotiations began they stubbornly persisted in their erroneous positions, sometimes even retrogressing from agreements already reached in other organs, resulting in failure to achieve a substantive break-through in negotiations. Even though the Committee of the Whole reached a "consensus" on the questions of transfer of resources, food and agriculture, the developing countries are most dissatisfied with the results. Negotiations conducted at the third session of the Committee of the Whole, which just ended concerning the question of industrial development, broke down completely. And negotiations on the special and urgent problems of the least developed countries, developing land-locked countries and the most seriously affected countries did not achieve much progress either. This cannot but arouse the disappointment of the developing countries at the work of the Committee of the Whole. The Chinese delegation, like the delegations of the developing countries, regrets that the Committee was unable to accomplish its prescribed task.

158. Notwithstanding the lack of substantial progress in the Committee of the Whole, we have seen clearly in the course of the Committee's work that the developing countries have persisted in their principled position of opposing imperialist and particularly super-Power exploitation, plunder and monopoly, firmly upheld the basic direction of the establishment of a new international economic order of the sixth special session of the General Assembly, have identified the focus and

substance of divergence of views on some important economic questions, and have done useful work for the future solution of these problems. We also noticed that some developed countries actively participated in the work of the Committee. During the negotiations, they consulted with the developing countries on an equal footing and manifested a fairly reasonable attitude on some questions. We welcome the position adopted by these countries.

*Mr. Salim (United Republic of Tanzania) resumed the Chair.*

159. I wish to talk about the attitude of the super-Power, which styles itself the "natural ally" of the developing countries with respect to the Committee. From the very beginning, this super-Power ignored the urgent demands of the developing countries and opposed the establishment of the Committee of the Whole. After the establishment of the Committee, it tried its utmost to limit and denigrate the role of the Committee and opposed negotiations on substantive issues. In the course of negotiations at three sessions this year, regardless of which question was being discussed, it always tried to thrust into the relevant documents its old wares such as sham "disarmament" and sham "détente", in order to divert the meeting from its proper direction and prolong the negotiations. During the negotiations on industrial development which just concluded last month, it went as far as arbitrarily finding fault with the 25 per cent target set by the Lima Declaration and spreading feelings of doubt; these attempts met with the stern repudiation of the developing countries. This super-Power also tried to impose a rather strange sort of logic on others: whenever the work of the Committee met with setbacks, it would ramble on and on claiming this to be proof of the "correctness" of its position of opposing the Committee. Everyone knows that the Committee of the Whole is an important international organ established at the initiative of the developing countries designed to contribute to the

realization of a new international economic order. The negative attitude of this super-Power towards the Committee fully reveals its true nature of obstructing the establishment of a new international economic order and of giving sham support to the developing countries.

160. At the third session of the Committee of the Whole, the developing countries put forward a proposal for global negotiations. We consider this to be an important and constructive proposal at a time when the North-South dialogue is at an impasse. We have always held that an active dialogue between the developed and the developing countries on the basis of respect for independence, sovereignty and genuine equality, to explore and adopt effective measures for narrowing the gap between rich and poor countries and establishing new international relations which are just, reasonable and based on equality and mutual benefit, is the correct approach to the solution of present international economic problems. We support negotiations on important questions relating to international economic relations within the United Nations framework. We have noticed that some developed countries have already responded to this proposal. We hope that more developed countries will show their good faith and strive towards the establishment of a new international economic order together with the developing countries. The Chinese delegation will actively participate in the work of the Committee and make its contribution to the preparatory work for a new round of global negotiations.

161. Before concluding my statement, I should like to express my thanks to the Chairman of the Committee of the Whole, Mr. Stoltenberg, and wish him success in making a new contribution to the promotion of a positive dialogue and co-operation between the developed and the developing countries.

*The meeting rose at 6.10 p.m.*