

United Nations
GENERAL
ASSEMBLY

SEVENTH SPECIAL SESSION

Official Records



2329th
PLENARY MEETING

Tuesday, 2 September 1975,
at 3 p.m.

NEW YORK

CONTENTS

	<i>Page</i>
Agenda item 7: Development and international economic co-operation (continued)	1

President: Mr. Abdelaziz BOUTEFLIKA (Algeria).

AGENDA ITEM 7

Development and international economic co-operation
(continued)

1. Mr. ORTIZ DE ROZAS (Argentina) (*interpretation from Spanish*): Argentina considers the seventh special session of the General Assembly to be a milestone in the process of strengthening and consolidating the new international economic order, the foundations of which are to be found in the Declaration and the Programme of Action adopted by the sixth special session [*resolutions 3201 (S-VI) and 3202 (S-VI)*] and in the Charter of Economic Rights and Duties of States [*resolution 3281 (XXIX)*].

2. We are convinced that the arrival of a new era is a fact no longer open to question. This new era implies substantive modifications in the structure of economic relations among States because the logic of events has superseded rhetorical debates on the new international economic order.

3. It is obvious that profound changes have occurred. The state of affairs prevailing even just a short while ago has changed and this process of adjustment to the unavoidable realities of the times will continue.

4. The issue now is clearly to establish the rules of the game that will control its functioning through a process of negotiation characterized by an understanding of different aspirations and a will to achieve mutually satisfactory solutions.

5. It is fitting to hope that this spirit of co-operation will leave no room for attempts to label as questions of semantics the reaffirmation of principles of equity and sovereign equality which is the basis of the position of the developing countries.

6. In the Preparatory Committee for this important session the Argentine delegation submitted that the seventh special session of the General Assembly would not have accomplished its task if it did not achieve concrete results

which would as far as possible put into practice the principles contained in the documents to which I referred earlier. In repeating this belief we do not wish to hide our concern that the developed countries participating in preliminary consultations said that they were not in a position to withdraw or attenuate the reservations expressed when the resolutions were adopted.

7. This initial frustration is fully justified when one realizes that the measures which the developing world deems imperative are of a structural nature and give rise to the greatest apprehension in the very States which, because of their potential, are the key to the effectiveness of these measures.

8. It is quite all right to speak of interdependence as long as no false interpretation is given to the term. We take it in a positive sense as it implies acknowledgement of the end of the dependence of peripheral States and gives them the right to participate fully in world decision-making processes. The term may become deceptive if those States are to be penalized by being made to bear a burden beyond their real capacity as they begin to exercise their rights.

9. We hold that the concept of interdependence implies a concerted effort of international co-operation, with each member of the system bearing a responsibility commensurate with its relative capability. Therefore there can be no doubt whatsoever that the highly developed countries must bear the greatest responsibility in the establishment and operation of the new international economic order.

10. Unavoidable also, if this joint creative action is to be effective, is broad recognition and urgent implementation of differentiated and more favourable treatment for developing countries by means of agreements reached in each branch of international economic activity: in trade, in the monetary and financial sphere and in any other area in which it is feasible and appropriate.

11. Equity among such obviously unequal parties can only be achieved by giving the weaker preferential treatment, enabling them to build their own future and to become vigorous members of the organized international community. In other words, there will be no effective interdependence without a concerted correction of the rules of the game, which now only aggravate structural disequilibrium, which in itself has a negative effect on the developing countries.

12. Argentina has participated actively in drafting the position paper put before this Assembly by the developing countries [*A/10003/Add.1, annex I*] so that decisions may be found which, with a frank spirit of negotiation and

co-operation, will give a strong stimulus to the establishment of a new international economic order.

13. My delegation believes that the five sectors falling under the substantive issues are of high priority to developing countries as a whole and therefore to Argentina as well. However, we are duty-bound to point out a few questions on which agreement is urgently necessary.

14. The first of these is commodities. My delegation favours the implementation of an integrated programme which would encompass the broadest possible percentage of the export revenue of developing countries. My delegation is also ready to discuss the machinery to implement this plan as it appears in the position paper of the Group of 77 as well as its essential features. With regard to the latter, we believe that four aspects must be taken into account: access, supply, price stability and increasing raw material processing in developing countries.

15. Because it has been the object of conflicting interpretation in preliminary consultations, we should like to clarify the fact that when we refer to price stability we are giving it a dynamic meaning; prices remain linked to monetary fluctuations and to fluctuations in other sectors of production or trade.

16. The Argentine Government trusts that quite soon the political decisions required in the global context of the integrated programme will be taken. Until then, we believe that the important role to be played by commodity agreements in the achievement of the four aims I mentioned earlier should not be disregarded.

17. Also, with regard to trade, this Assembly should solemnly reaffirm the full implementation of the principle of *status quo* with regard to imports originating in developing countries. It should also agree on machinery and criteria to attenuate the negative impact which possible deviations from such a practice would cause in the already affected external sector of the economy of those countries.

18. The Argentine Government has always attributed to questions connected to agriculture and food the same importance which the international community now grants them. It fully endorses the relevant section in the position paper of the third world, particularly the affirmation that the solution of this problem lies principally in a rapid increase in food production in developing countries.

19. In the realization of this aim two points of the strategy are essential: widespread and regular access to commercial markets, and augmented assistance to developing countries, taking into account, in the latter regard, the relative potential capacity for rapid expansion of agricultural production in many of them. This criterion should also be used to orient investments of the International Fund for Agricultural Development so that there may be a rapid increase in the participation of developing countries in the world food supply.

20. We believe that this approach also necessitates a practical arrangement with regard to food reserve targets, which would include a sizeable increase in the participation of exporting developing countries and international finan-

cial support to meet additional expenditure for expanding the infrastructure.

21. Argentina has participated in machinery for food aid and will continue to do so by means of the appropriate agreement, which is at present being renewed in accordance with the procedures prescribed in our national constitution. We should simply like to repeat that this aid should be channelled in accordance with specific international standards and controls, which could prevent dumping and protect markets from undue fluctuations.

22. We have decided to refrain from repeating here all the features of the position of the third-world countries. I shall conclude my comments on the specific points imminently to be negotiated, with two additional points.

23. My first comment relates to the urgently required international examination of the problem of the external debt. The principal donor and receiving countries should be included in this examination, so that means and criteria can be agreed on to alleviate the burden imposed upon the developing countries. This burden seriously affects their reserves as well as their importing capacity, and therefore the entire development process with which we are dealing.

24. My second comment is that I should like to express the satisfaction of my Government at seeing the encouraging trend towards increased co-operation in the field of industrial development. Argentina, because of its relatively high degree of development, is able to play a growing role in the world reorganization of industrial activities, as agreed on at the Second General Conference of the United Nations Industrial Development Organization [UNIDO].¹

25. The Argentine Government has resolved to promote the consolidation of the new international economic order by means of structural changes, the essential features of which I have briefly mentioned. An associated element in this objective is the importance of strengthening the role of the central organs of the system—the General Assembly and the Economic and Social Council—in devising policies and co-ordinating the action of other organs.

26. My delegation believes that the efforts being made in this regard are constructive and will participate in them. My delegation believes that the report of the group of high-level experts appointed by the Secretary-General² contains well-balanced proposals which should be exhaustively analyzed. To accomplish this task we believe that this Assembly should decide to establish a group or committee made up of government representatives with a clear mandate.

27. I should like to conclude by expressing our trust that this time we, the nations represented here, will be united in our decisions.

¹ Held at Lima from 12 to 26 March 1975.

² *A New United Nations Structure for Global Economic Co-operation: Report of the Group of Experts on the Structure of the United Nations System* (United Nations publication, Sales No. E.75.II.A.7).

28. Serious existing economic and social imbalances are the result of the selfish pursuit of individual interests. Facts unequivocally demonstrate that from now on it will be increasingly impossible for anyone to continue to benefit from such behaviour.

29. This is no time to fail to face up to responsibility, nor should we reopen confrontation. The times, today, require that together we face the crucial problems demanding immediate solution.

30. If, by a clear recognition of the fact that what is necessary is a more equitable distribution of wealth among States, and within States among men, in the spirit of dialogue, compromise and solidarity, we are able to reach important agreements, then this session of the Assembly will indeed be truly special, because it will represent an historic landmark in the strengthening of peace, prosperity and co-operation among peoples.

31. Mr. LI (China) (*translation from Chinese*): Since the last special session of the United Nations General Assembly, the international situation has undergone great changes increasingly favourable to the people of all countries. The anti-colonialist, anti-imperialist and anti-hegemonic struggle of the people of all countries, the third-world countries in particular, is broadening and deepening in the political and economic spheres. It is of great significance that we are meeting here at this juncture in the seventh special session of the Assembly to discuss the problems of development and international economic co-operation. We warmly greet the convocation of the seventh special session and hope that, on the basis of the triumphant achievements of the sixth special session, it will make a positive contribution to the independent development by the developing countries of their national economies, and to the struggle against foreign exploitation, plunder and control and for the establishment of a new international economic order.

32. The lawful rights in the United Nations of the Royal Government of National Union of Cambodia—the representative of the heroic Cambodian people—have at last been restored. This is a victory for the Cambodian people and for all oppressed nations and oppressed peoples. It once again proves that no one can stem the tide of history. We extend our warmest congratulations and welcome to the delegation of the Royal Government of National Union of Cambodia that has come to attend this session.

33. It must be pointed out here that the Democratic Republic of Viet-Nam and the Republic of South Viet-Nam are fully qualified, under the provisions of the United Nations Charter, to become Members of the United Nations. Yet, during the recent discussions in the Security Council on their applications, a super-Power arbitrarily vetoed their admission in disregard of the wishes of the great majority of states. This is most deplorable. This extremely unjust state of affairs should be promptly rectified.

34. The current international situation is characterized by great disorder under heaven, but the situation is nevertheless excellent. All the basic contradictions in the world are sharpening. The factors for both revolution and war are increasing. On the one hand, the third world is rapidly

awakening and has become the main force in the anti-imperialist revolutionary struggles of the people of the world. Countries want independence, nations want liberation, and the people want revolution. This great current of history is surging forward irresistibly. The splendid historic victories of the Cambodian and Viet-namese peoples and the tremendous progress of the struggle of the people in southern Africa for national liberation are all convincing illustrations of this trend.

35. On the other hand, the rivalry between the super-Powers for world hegemony is becoming ever more acute and is extending to every corner of the world. Europe is the focus of their contention. Although they have lauded "détente", "peace" and "security" to the skies and ostensibly concluded agreements of one sort or another, these are nothing but empty, deceptive verbiage. Actually they are intensifying their contention, aggravating tensions and speeding up their arms expansion and war preparations, thus causing greater tension in Europe and other parts of the world. The intensifying contention between the super-Powers is bound to lead to war some day. This is independent of man's will. As things stand now, there is no "irreversible process of détente" at all, but instead there is a growing danger of a new world war. The people of all countries must get prepared. However, whether war gives rise to revolution or revolution prevents war, in the end it is the increasingly awakening people of the world in their hundreds of millions, and not the one or two super-Powers, that determine the destiny of mankind. In any case, the future of the world is bright.

36. At present, the capitalist world is in the grip of the most serious post-war economic crisis. Under these circumstances, the super-Powers are stepping up arms expansion and war preparations, intensifying their scramble for spheres of influence, selfishly and unscrupulously shifting the economic crisis on to the numerous third-world countries and even on to the second-world countries in an endeavour to reinforce their exploitation and control of these countries. This profound crisis is sharpening the struggle in the international arena between exploitation and control on the one hand and resistance to exploitation and control on the other. It is stimulating a new upsurge in the revolutionary struggles of the people of all countries, particularly in the anti-imperialist and anti-hegemonic struggle of the third world. This is another eloquent proof that the old international economic order built on colonialism, imperialism and hegemonism is declining, rotting and doomed to extinction.

37. Since the sixth special session of the General Assembly, the third-world countries and peoples have carried on a massive struggle against imperialist, and particularly super-Power exploitation, plunder, control and shifting of economic crisis, a struggle against the moribund old order and for the establishment of a new international economic order, and they are winning great victories. Firmly defending their sovereignty over their national resources, many third-world countries have taken resolute measures to tighten their control and supervision of transnational corporations and have systematically nationalized foreign monopoly enterprises which manipulate their economic life-lines. In firm defiance of super-Power threats, the oil-exporting countries of the third world have de-

fended and developed the successes of their united struggle and are fighting in unity and in mutual support with other developing countries. Following the example set by the oil struggle, a number of new associations of raw-material producers have been formed and are growing stronger in struggle. The various producers' associations of third-world countries are playing an ever greater role in the struggle to defend their economic rights and interests and combat super-Power monopoly and exploitation.

38. At the same time, economic co-operation among developing countries is greatly expanding. The recent establishment, in Lagos in May, of the Economic Community of West African States gives expression to the common aspirations of the African people to develop the national economy through self-reliance, unity and mutual help and combat imperialist exploitation and plunder. From Africa to the Caribbean, from Latin America to South-East Asia, developing countries are speedily promoting, consolidating and strengthening regional economic co-operation in one form or another.

39. The Conference of Developing Countries on Raw Materials, held at Dakar last February, advanced a series of reasonable and important propositions relating to the third world's anti-imperialist and anti-hegemonic struggle in the economic sphere and fully demonstrated the militant solidarity of the third-world countries. It solemnly declared that "any measures of aggression, economic or otherwise, directed against any particular developing country . . . shall meet with a united response from all the developing countries".³ The Conference of Ministers of Foreign Affairs of Non-Aligned Countries which was held in Lima in August and many other international conferences of third-world countries have all played a positive and important role in forging closer unity, heightening morale and co-ordinating efforts in their common fight against imperialism and hegemonism.

40. The struggle of the third-world countries and peoples has dealt a heavy blow at the wild ambition of the super-Powers to seek world hegemony and has given a powerful impetus to the steady advance of world history. Now, it is evident to everyone that the third-world countries and peoples have stood up. The days are gone forever when the super-Powers could wilfully rule the fate of small, weak and poor nations.

41. There is a growing struggle on the part of the countries of the second world, which lies between the super-Powers and the third world, to free themselves from the control, threats, bullying, exploitation and the shifting of economic crisis by one or the other super-Power. More and more second-world countries favour dialogue with the third-world countries and are making efforts to establish co-operation with them. This positive attitude is to be welcomed. As is pointed out by many developing countries, such dialogue and co-operation, if they are to proceed successfully, must be based on the principles of mutual respect for independence and sovereignty and of equality and mutual benefit. Contacts and exchanges of this nature are beneficial to both sides and have favourable prospects.

The struggle of the second-world countries against super-Power control and exploitation and their tendency to establish ties with third-world countries are also exerting an important influence on the development of the international situation.

42. Facts show that the super-Powers have become increasingly isolated and are beset with troubles both at home and abroad. In spite of all their efforts to sow discord, make trouble and carry out sabotage, they can in no way extricate themselves from their predicament. The third-world peoples will steadily see through and frustrate super-Power schemes and gradually attain their fighting goal of establishing a new international economic order and developing their national economy independently, so long as they strengthen their unity, unite with all the countries subjected to super-Power bullying, control and exploitation, fear neither duress nor intimidation, refuse to be duped, dare to struggle and persist in struggle.

43. The problem of development we now face is an important one which has a bearing on the endeavours of the numerous developing countries having an aggregate population of nearly 2.8 billion to lift themselves from poverty and backwardness and to develop their national economy independently. The people of Asian, African and Latin American countries are industrious and talented, and these countries cover vast territories and abound in natural resources. After independence, it is their eager desire to develop the national economy and build up their countries, and they have made arduous efforts towards this end. But why has this legitimate desire of theirs remained unfulfilled, and why are they still poor and backward? The developing countries have come to realize more and more clearly in the course of struggle that the oppression and exploitation imposed by imperialism, colonialism, neo-colonialism and hegemonism are the root-cause of their poverty and backwardness and constitute the greatest obstacle to the development of their national economy. At present, the problem of development is in essence a problem of combating imperialist and particularly super-Power control, plunder and exploitation, thoroughly destroying the old international economic relations built thereon, establishing a new international economic order and clearing away the numerous obstacles on the road to the independent development of their national economy.

44. At the same time, we must take note of the fact that the two super-Powers are the biggest international exploiters and oppressors today and that they would be the source of a new world war. To prepare for war, they are intensifying their scramble for sources of energy and raw materials, places of strategic importance, outlets for their investment and markets for their commodities, establishing and expanding their spheres of influence all over the world and stepping up their plunder and control of the third world. Therefore, the sustained struggle of the third-world countries against super-Power plunder and control and for the establishment of a new international economic order is not only essential to the development of their own national economy, but also important for combating the arms expansion and war preparations of the super-Powers, for preventing them from launching a war of aggression, and for defending world peace.

³ See document E/AC.62/6, p. 32.

45. One super-Power tries stubbornly to preserve the old order and opposes the establishment of a new order so as to maintain its hegemonic position and vested interests in the international economic field. It loudly asserts that "the present international economic system has served the world well". But the truth is that it is exactly this system which enables the super-Powers to exploit the developing countries and amass great fortunes. And it is exactly under this system that the sovereignty of developing countries is encroached upon, their resources are ravaged, their people are exploited and the gap between the rich and the poor countries is being widened. Is it not clear whom the system "has served well"? To oppose the associations of raw-material exporting countries of the third world, this super-Power also advocates "automatic adjustment through the free market". This is sheer fallacy. What predominates in international markets today is the monopoly exercised by imperialism and its transnational corporations, so how can there be any so-called "automatic adjustment through the free market"? In essence, this argument is calculated to preserve that super-Power's "freedom" to control and exploit the third world and keep the developing countries forever in the plight of being controlled and plundered.

46. The other super-Power, which claims to be a "socialist" country, is energetically pushing its policy of plunder and exploitation on a global scale. In what it describes as its own "family", this super-Power resorts to high-handed measures to enforce what it calls "economic integration" and "international ownership", depriving other member countries of their sovereign rights and ruthlessly exploiting and plundering them. Moreover, under the sign of "non-discrimination", it tries hard to contend with the other super-Power in the economic field for spheres of influence in Europe. Above all, it should be pointed out that this super-Power is energetically pushing neo-colonialism in the third world under the cloak of a "natural ally" of the developing countries. In the name of "aid", it practises usury, outrageously dumps outmoded equipment and loots the raw materials and other industrial and agricultural products of the developing countries. It even uses "aid" as an opportunity for securing various special privileges and obtaining strategic bases. What is even more vicious, it takes advantage of others' difficulties to press for the repayment of debts. It buys cheap and sells dear, reaping fabulous profits through speculative transactions. It sets up "joint-stock enterprises" for the export of capital. Selling munitions on an ever bigger scale, it has become a super-merchant of death. This fully shows that this super-Power in the guise of a "friend" is more greedy, insidious and unscrupulous than old-line imperialism.

47. In recent years, this super-Power has been particularly active in selling to the third world the idea of an "international division of labour". Lauding the neo-colonialism it enforces in its own "family" as a model of such a "division of labour", it calls on the third-world countries to join in "gradually" and "by stages". What is this "international division of labour"? To put it bluntly, its aim is to bring the many third-world countries under its social-imperialist system of exploitation and to subject them to its wilful manipulation, extortion and exploitation.

48. As a cover-up for its pursuit of hegemonism, this super-Power has vociferously preached such fallacies as

"development depends on détente" and "funds saved from disarmament can be used to aid developing countries". Its so-called "détente" is actually a camouflage for more intense contention, and its so-called "disarmament" is actually the constant intensification of its arms expansion and war preparations with the wealth extorted from the developing countries. Its aim is none other than to hoodwink the people of the third world and induce them to give up their struggle against imperialism and hegemonism and for the establishment of a new international economic order and to pin their hopes for developing their national economy on the super-Power hoax of "disarmament" and "détente". This hoax is calculated to divert the attention of the people and lead astray the just struggle of the third world. The doings of this super-Power fully reveal the fact that it is double-faced and hypocritical. It professes to support the establishment of a new international economic order, but is actually engaged in obstruction and sabotage and fishes in troubled waters. It is socialism in words and imperialism in deeds.

49. What calls for special attention is that this super-Power, taking advantage of its rival's decline and loss of initiative, is stepping up its aggression, infiltration and expansion in the third world and actively extending its social-imperialist system of exploitation. It stretches its tentacles everywhere and tries to squeeze its way in wherever possible. It is becoming more and more evident that in quite a number of places, no sooner has one imperialism been compelled to withdraw than the other imperialism under the banner of "socialism" seizes the opportunity to squeeze its way in. In the current struggle against colonialism, imperialism and hegemonism, we developing countries must especially guard against the danger of "letting the tiger in through the back door" while "repulsing the wolf through the front gate".

50. We developing countries have become keenly aware from our own experience that independence and self-reliance are the fundamental principles for developing the national economy, shaking off poverty and backwardness and attaining complete political and economic independence.

51. To be independent and self-reliant, the developing countries must first of all smash the heavy fetters imposed on them and free themselves from imperialist and particularly super-Power exploitation and control; at the same time they must eliminate the imperialist, colonialist and neo-colonialist forces at home so as to create the necessary conditions for the development of the national economy.

52. By self-reliance, we mean that a country should mainly rely on the strength and wisdom of its own people, control its own economic life-lines, make full use of its own resources, work hard, increase production, practise economy and develop its national economy step by step and in a planned way. Each country should make a distinction between different circumstances and determine its own way of practising self-reliance in the light of its specific conditions. Many developing countries have followed the road of self-reliance in conformity with their own characteristics and conditions and, after making sustained efforts and overcoming all sorts of difficulties, they have achieved gratifying successes in developing their national

industry and agriculture, striving for self-sufficiency in food-grains, developing communications and transport and training their own scientific, technical and managerial personnel. Facts show that it is entirely feasible for the developing countries to develop their national economies independently and self-reliantly.

53. We have learned from our own experience that in the course of developing the national economy independently and self-reliantly, it is essential to handle correctly the relationship between agriculture, light industry and heavy industry. In the light of its own conditions, China has formulated a general policy of taking agriculture as the foundation and industry as the leading factor in developing the national economy and it has made its national economic plans according to this order of priorities: agriculture, light industry and heavy industry. Priority is given to the development of agriculture to solve the people's food problem, to supply industry with raw materials, to open up a market and to accumulate funds for it. It must be stressed that, if a country is not basically sufficient in food-grains but has to rely on imports, it may be taken by the neck at any time and find itself in a very passive and dangerous position. In developing industry, we have adopted the policy of putting emphasis on small enterprises and combining small, medium and big enterprises; we have based ourselves on domestic needs and capabilities, relied on our own resources, built up our industries starting from scratch and expanded them step by step.

54. Self-reliance in no way implies "self-seclusion" or the rejection of external assistance; it means relying mainly on one's own efforts while taking external assistance as something auxiliary. Experience has shown that in the development of the national economy it is both beneficial and necessary for countries to carry on economic and technical exchanges on the principles of mutual respect for State sovereignty, equality and mutual benefit and the exchange of needed goods, thus making up for each other's deficiencies and learning from each other.

55. Mutual assistance and economic co-operation among developing countries are especially important. We are all developing countries, and we understand best each other's difficulties and needs, so we should support and help each other. Such co-operation is based on genuine equality and has broad prospects.

56. It should be pointed out that the third-world countries' self-reliant development of their national economies by no means implies that the developed countries may shirk the responsibilities they should discharge. To destroy the old international economic order and establish a new one, the developing countries demand that the developed countries should make and honour explicit commitments in such matters as international trade, finance and currency, shipping, the transfer of technology and aid. These demands are entirely justifiable.

57. China is a developing socialist country. We Chinese people shared the same historical experience as the peoples of other developing countries, and are now facing together with them the same historical task of combating imperialism and hegemonism and building our countries. We have

always stood together with the other third-world countries and peoples, sharing each other's weal and woe. We resolutely support the third-world countries in their struggle to transform the present extremely inequitable international economic relations, to establish a new international economic order and to combat imperialist and particularly super-Power exploitation, plunder, control and shifting of economic crisis. We energetically support the just positions and reasonable proposals of the third-world countries regarding international trade, finance and currency, industrialization, science and technology and other matters.

58. We hold that economic as well as political relations between States should be based on the Five Principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. All countries, big or small, rich or poor, should be equal. International economic affairs should be jointly administered by all countries of the world, instead of being monopolized by the one or two super-Powers.

59. We are of the view that the affairs of each country should be managed by its own people. The developing countries and their people have the full right to defend their political and economic independence, protect their national resources and develop their national economy independently and self-reliantly. We support the right of the developing countries to bring all foreign capital, and particularly transnational corporations, under their control, supervision and management, up to and including nationalization.

60. We maintain that international trade should be based on equality, mutual benefit and the exchange of needed goods. We support the developing countries in establishing various associations of raw-material-exporting countries for a united struggle against exploitation and monopoly. We support them in intensifying and extending their struggle in the field of raw materials trade by such means as the integrated programme for commodities.⁴ We support their demand for a fair and equitable link between the prices of their export commodities and those of their commodities imported from the developed countries and for the indexation of prices. We support their reasonable demands to improve trade terms for their raw materials, primary products, semi-manufactured and manufactured goods, expand their markets, fix equitable and favourable prices and increase their export earnings.

61. We maintain that major issues concerning international monetary affairs and the question of reforming the international monetary system should be settled jointly by all countries through consultation on an equal footing. We support the demand of the developing countries for the right to take a full and effective part in decision-making on monetary affairs, and we are resolutely against the practice of a few big countries, and particularly the super-Powers, of making unilateral decisions in disregard of the interests of the numerous developing countries. In reforming the international monetary system, the interests of the develop-

⁴ See *Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 4 (b)*, document TD/B.498.

ing countries should be taken into full consideration and such reform should be conducive to the development of their national economies.

62. We hold that economic aid to the developing countries must strictly respect the sovereignty of the recipient countries and must not be accompanied by any political or military conditions and any demands for any special privileges. Such economic aid must be aimed at helping the recipient countries to develop their national economy independently and self-reliantly and not at reducing them to dependence. Loans to developing countries should be interest-free or low-interest. Delayed interest payment and amortization, or even the reduction and cancellation of debts, should be allowed in case of necessity. It is absolutely impermissible to take advantage of others' difficulties to press for the repayment of debts or to practise extortion. We are opposed to infiltration and control under the guise of aid.

63. We hold that technology transferred to the developing countries must be practical, efficacious, economical and convenient for use. All reasonable restrictions and obstacles imposed by developed countries on the transfer of technology to developing countries must be removed. The experts and other personnel dispatched to the recipient countries have the duty to pass on technical know-how to the people there conscientiously and unreservedly and to respect the laws and national customs of the countries concerned. They must not demand privileges and special amenities, let alone engage in illegal activities.

64. We hold that the fundamental way for the developing countries to achieve self-sufficiency in food-grains is to develop agriculture and increase food production independently and self-reliantly. Furthermore, the solution of the food problem in the developing countries must be closely linked with the struggle against colonialism, imperialism and hegemonism and with the current struggle for the establishment of a new international economic order. We are opposed to the super-Power practice of monopolizing the grain trade and using it as a means for interference and for the control and plunder of other countries. We are opposed to the super-Power practice of selfishly stirring up troubles to upset the international grain market, thereby creating difficulties for developing countries.

65. We hold that it is entirely proper and reasonable for the developing countries to demand a restructuring of the economic sectors of the United Nations system to meet the needs of establishing a new international economic order. We support this demand. The economic sectors of the United Nations should be restructured through consultations and serious discussions on an equal footing so that the numerous developing countries may enjoy full rights therein. Manipulation by the one or two super-Powers must be ended.

66. The Declaration and the Programme of Action adopted by the United Nations General Assembly at its sixth special session have laid down a series of correct principles for the establishment of a new international economic order. Our task now is to continue to uphold and conscientiously implement these principles. We believe that so long as the third world countries close their ranks, unite

with all the forces that can be united and wage a common struggle, they will certainly win new and greater victories in the struggle to destroy the old international economic relations, establish a new international economic order, safeguard their independence and sovereignty and develop their national economy. The Chinese delegation is ready to join others in the efforts for the achievement of positive results at this session.

67. Mr. KIMURA (Japan):⁵ Mr. President, on behalf of the Japanese delegation I should like to extend our heartfelt congratulations to you on your assumption of the high office of President of the seventh special session of the General Assembly. I wish also to express our sincere hope that, guided by your eminent and impartial leadership, this session of the General Assembly will accomplish fruitful and concrete results. My delegation pledges its unstinted co-operation to you in the discharge of your great and important responsibilities.

68. In view of the present world economic situation, and in particular the growing need for creative readjustment of the economic relationship between the developed and the developing countries, it is most opportune that we meet at this time at this special session of the General Assembly to discuss some of the fundamentals of development and international economic co-operation.

69. The world economy is stagnant, suffering from international monetary instability, aggravation of world-wide inflation and unprecedented uncertainties in both the price and the supply of energy, raw materials and food. It is creating increasing hardship for many countries, regardless of whether they are developed or developing. At this juncture our urgent task is to recognize the importance of increased interdependence among ourselves and to search together, in the spirit of dialogue and co-operation, for new ways to restore stability and achieve a common prosperity in the future. If we fail, or if we take a single basic false step, the current situation could easily deteriorate, leading to a further contraction of world economic activities, a slow-down in economic development and, eventually, serious social disorder throughout the world. We are, so to speak, standing at a critical watershed. What these crucial times require of us, above all, is a cool and objective appraisal of the current realities of the world economic condition and a firm determination to work together for the restoration of stability and progress in the world economy. I believe we must not only consider how we can cope with urgent current problems but also how we can explore together, in candid face-to-face exchanges, what we all must recognize as the long-term and ultimate interests of the world economic community as a whole.

70. All the world's peoples are observing this special session of the General Assembly with great interest and high expectations. We should exert all possible efforts so that this session can make constructive contributions to the settlement of the world's present economic and social difficulties. At the same time, we know, the present special session is only one step in what must be a continuing effort, and we should not entertain excessive expectations for this

⁵ Mr. Kimura spoke in Japanese. The English version of his statement was supplied by the delegation.

session. Rather, let us acknowledge at this session our firm intention to march slowly but steadily on the path towards the world's hopes and shared prosperity.

71. Unfortunately, we could not obtain agreement on some important issues at the sixth special session of the General Assembly in May last year. Nevertheless it was significant that the special session was held. You, Mr. President, as chairman of the delegation of Algeria, which had taken the initiative in convening that session, reflected the same judgement in your closing remarks,⁶ to the effect that the way had been paved for dialogue. At this special session we should all exert our best efforts to reach, in a concrete and constructive manner, a practical and genuine consensus on basic principles and alternative measures which will lead us steadily towards solutions of those fundamental problems which confront us today.

72. The Preparatory Committee held three meetings under the chairmanship of Mr. Bennani of Morocco. At the same time informal and vigorous consultations have taken place. I should like to express my heartfelt appreciation of the initiatives and contributions of the developing countries in the course of those meetings.

73. I should like now to express the views of my Government on each issue before the General Assembly [*see 2326th meeting, para. 149*] in the hope that these observations will help the General Assembly reach a practical and genuine consensus in the course of this special session.

74. I should like to begin with international trade. Japan strongly supports the stable expansion of world trade. The free-trade system under which the world has operated over the last 30 years has not only sustained the expansion of trade and world economic growth but has also contributed substantially to the development of the developing countries. I am convinced that our task is to continue to make the best use of the merits of a free-trading system—indeed, to improve and strengthen free trade—and thus to ensure that the development efforts of the developing countries will bear more fruit. I consider it essential therefore that, within the context of such improvements and strengthening, we also consider certain special measures, for study in international forums, concerning trade between the developed and developing countries, taking into consideration the different stages of economic development.

75. With regard to trade in raw materials and commodities, the exporting producer countries and the importing consumer countries should intensify their efforts to develop a constructive dialogue, bearing in mind the gap between the developed and the developing countries. Japan welcomes the recent steady progress in preparations for initiating international consultations in the field of primary commodities, energy and development. Needless to say, further efforts are required from all countries concerned to sustain and expand these dialogues. My country is firmly determined to co-operate to this end.

76. Concerning trade in primary commodities, both access by consumer countries to the supplies of exporting producer countries and access by exporting countries to the markets of consumer countries should be guaranteed on a multilateral basis. Furthermore, it is important to stabilize prices of primary commodities within a certain reasonable range which is fair and remunerative. Japan is ready to discuss in international forums various measures of this kind which will accommodate the distinctive characteristics of each primary commodity.

77. Also on the question of stabilizing the export earnings of developing countries, Japan intends to take part in the deliberations for the purpose of improving a compensatory scheme for export earnings on a global basis and with regard to specific primary commodities.

78. In connexion with the trade in primary commodities, the World Bank and regional development banks should improve, from a long-term point of view, their financial support for strengthening the infrastructure of production, for expanding processing facilities and for diversifying the export industries of the developing countries.

79. Japan is prepared to take a broader and more positive approach in studying various concrete measures and to make the best possible efforts for an international consensus, possibly at the fourth session of the United Nations Conference on Trade and Development [*UNCTAD*].

80. In the multilateral trade negotiations, Japan's policy is to seek further reductions in tariff rates and further liberalization of other trade barriers in the spirit of the Tokyo Declaration of the General Agreement on Tariffs and Trade.⁷ In this respect, we are determined to give as much consideration as possible to various requests of the developing countries. Japan will continue to exert its efforts to improve its generalized scheme of preferences.

81. I should now like to express our views on development assistance and international monetary reform.

82. We understand the circumstances in which the developing countries have advanced the idea of an automatic mechanism of development assistance. The question has arisen of whether the targets of 1 per cent of gross national product for total development assistance and 0.7 per cent for official development assistance can actually be reached by traditional methods. However, ideas currently being proposed for the introduction of an automatic mechanism for reaching these aid targets will entail various difficult problems and require careful consideration. None the less, Japan is prepared to participate actively in studies of how existing aid formulas can be improved. Particularly at the time when the developing countries are encountering great difficulties in economic management, we consider it necessary that donor countries and international aid organizations give special consideration to them.

⁶ See *Official Records of the General Assembly, Sixth Special Session, Plenary Meetings*, 2230th meeting.

⁷ Declaration of 14 September 1973 approved by the Ministerial Meeting of the Contracting Parties to the General Agreement on Tariffs and Trade held in Tokyo.

83. Japan will assuredly continue all efforts to improve its development assistance with a view to attaining the targets set forth in the International Development Strategy for the Second United Nations Development Decade [*resolution 2626 (XXV)*]. Japan will also make serious efforts to improve the terms and conditions of its aid, taking account of the 1972 recommendation of the Development Assistance Committee of the Organization for Economic Co-operation and Development. To this end, we are determined to make the utmost effort to increase our grant aid and more concessional loans.

84. Furthermore, Japan is fully aware of the seriousness of the accumulating debts of developing countries. We will, on a case-by-case basis and in co-operation with other donor countries, continue to take such debt-relief measures as rescheduling and refinancing.

85. I should also like to emphasize that, while we should elaborate our aid policy in response to the diversified requirements of the developing countries, we must also be concerned with enhancing the end-effectiveness of our aid. This means, *inter alia*, an organic integration of the self-help efforts of the recipient countries with the efforts of the donor countries and aid-giving organizations.

86. Japan is an active participant in efforts at international monetary reform, since we recognize that a new international monetary system where stability is neatly in harmony with flexibility is indispensable to the orderly development of the world economic community. Japan believes that due consideration should be given to the interests of the developing countries in this field and that effective and responsible participation by the developing countries in the operation of a reformed international monetary system should be considered.

87. Japan is well aware of the vital strategic role which science and technology play in the economic development of developing countries. We have taken active part in the UNCTAD deliberations on a code of conduct for the transfer of technology. My delegation is gratified that the developed countries, including my own, have recently submitted constructive proposals for a draft code, and we anticipate further progress in our discussions on this matter. The role that private enterprises could play in the transfer of technology is enormous. In order to ensure the fullest co-operation of the private sector and the achievement of an effective code, it would be more appropriate to adopt guidelines by which the determination of the governmental and private parties concerned to effect the transfer of technology would be confirmed, rather than to formulate legally binding rules.

88. In addition, efforts for the development, transfer and adaptation of technology to meet the specific needs of each developing country will be required in the scientific and technological fields. The Government of Japan, for its own part, is resolved to co-operate actively with developing countries in assisting technological development and its application in such public sectors as communications, transportation, construction and agriculture.

89. We also recognize that there may be cases where developing countries face difficulties in introducing tech-

nologies because of the lack of sufficient information. To cope with such difficulties it is important to improve the access of developing countries to technical information by utilizing, for the time being, the facilities of the existing forums which have a pool of information on patents. My Government is prepared to take part in deliberations leading to the establishment of a new system for providing licensing opportunities in the World Intellectual Property Organization.

90. Japan wholeheartedly supports the strenuous efforts of developing countries being made as a result of their recognition of the great importance of industrialization. Although we abstained when the Lima Declaration and Plan of Action on Industrial Development and Co-operation [*A/10112, chap. IV*] were put to a vote *in toto* at the Second General Conference of UNIDO, we are sincere in our determination to implement all the provisions we accepted. In the implementation of industrialization, it is necessary to formulate production policy to meet the demand for industrial products in both domestic and foreign markets. I should also like to stress in the light of our own national experience, that industrialization requires, above all, the creation of effective demand in the domestic market. This in turn requires, as a matter of the utmost strategic importance, that reforms in agricultural land, wage and tax systems be carried out simultaneously. It is generally recognized that light industries producing basic consumer goods cannot grow in the absence of a substantial and growing domestic market and that without the development of light industries, the growth of heavy and chemical industries which yield capital goods would be greatly hampered.

91. I believe it would be most useful to conduct consultations, on the basis of the shared experience of many industrialized countries, for the purpose of identifying strategies for industrialization which would be most suitable to actual conditions in the countries concerned. This would be a constructive step towards the promotion of financial and technical co-operation for the implementation of specific industrialization strategies.

92. I should like to turn to the food problem, which is one of the most critical problems of development and international economic co-operation.

93. The expansion of food production in the developing countries themselves is the shortest road to the solution of this important problem of food, though it may seem at first sight a roundabout way. To this end, I believe, efforts should be concentrated on two main objectives: strengthening the basic structure for agricultural production and consolidating the supporting economic and social infrastructure. The first objective requires effective utilization of land by means of the development of irrigation, drainage and crop diversification. The second objective requires comprehensive measures to improve the conditions of rural society as a whole, including the development of distribution and credit systems with respect to both inputs and outputs and the rationalization of rural institutional arrangements, including land use.

94. In carrying out such comprehensive strategies, there should be the utmost responsive international co-operation

on a scale corresponding to the self-help efforts of the countries concerned. Japan, for its part, is actively co-operating in the scheme for a centre for integrated rural development for Asia, which the Food and Agriculture Organization of the United Nations [FAO] is now promoting. We recognize the need to develop a formula for over-all agricultural and rural development which will embrace the requirements and potential of the small farmer. I sincerely hope this scheme will contribute to the solution of the problems which now stand in the way of agricultural production, while at the same time consolidating the economic and social infrastructure, which is the background for a productive agricultural sector.

95. Japan recognizes that the effectiveness of the United Nations in its economic and social activities is as important as its effectiveness in its other basic mission, the maintenance of peace and security. However, in view of the growing requests for United Nations support of economic and social activities, I believe it is time to take a fresh look at the existing United Nations system, and to consider readjustments which may involve the integration or abolition of some of its functions, and certain improvements in its procedures. It is important, in my view, for Member Governments to proceed carefully but steadily in our considerations for restructuring the United Nations system, taking into account the various proposals contained in the report of the high level group of Experts on the Structure of the United Nations System. Japan is ready to participate in, and contribute positively to, these deliberations.

96. We fully realize that restructuring on this scale is no easy task to accomplish. However, I am persuaded that it is possible to reduce the duplication of responsibilities among United Nations bodies, while at the same time adopting step by step those urgently needed reforms which the Members can accept without controversy. The attempt is worth the effort, since the hypertrophy of United Nations organs threatens their mobility and the effective co-ordination of the system.

97. I have tried to express as concretely as possible our views on the six basic aspects of development and international economic co-operation. I feel acutely our shared responsibility to achieve a practical and genuine consensus in this special session of the General Assembly, in order that we may use this opportunity creatively to readjust our future international economic relations, and to tackle the north-south problem.

98. Finally, I should like to point out that, although there may be differences in our respective approaches to these problems, both the developed and developing countries seek a common goal: this is a stable and expanding world economy and the promotion of development.

99. When so many peoples in developing countries are suffering from poverty, we must move steadily and quickly to eliminate the income gaps among nations. To this end, we must devise ways to co-operate with each other for our common purpose, which includes overcoming the challenge of world poverty.

100. The peoples of the world are beginning to understand our growing interdependence, especially in the face of our

economic and social difficulties of recent years. In the light of our increased interdependence, we cannot hope to solve this basic north-south problem by resorting to a mechanical and arbitrary redistribution of wealth. Satisfactory solutions can only be found by promoting the prosperity of the world economy as a whole. In this process, the developed and developing countries should co-operate with each other, seeking a consensus on practical strategies which will speed the development of the developing countries. I sincerely hope that the present special session of the General Assembly will bear very productive fruit for the advancement and prosperity of the world economy and the promotion of development, and I appeal to all delegations to work hard together in this forum for the attainment of the common goal of mankind.

101. Mr. MALIK (Indonesia): Mr. President, the great satisfaction I feel at being able to participate in this seventh special session of the General Assembly is matched by my pleasure at seeing you presiding over our deliberations today. For it is indeed appropriate that a distinguished representative of Algeria and an exponent of the non-aligned third world should be at the helm of our proceedings at this session, ever since the historic Fourth Conference of Heads of State or Government of Non-Aligned Countries in Algiers in 1973, followed by the sixth special session initiated by President Boumediène, started the irreversible process towards the building of a new economic order in the world.

102. Since then, the intensity of activities generated by the sixth special session has pulsed throughout the United Nations system. In a series of important international conferences, the world community has discussed and formulated guidelines for solutions to a number of crucial problems such as food, population, international trade and industrial development, and has done so with the realization of a new economic order constantly in mind. Now we are once more assembled, in the words of Assembly resolution 3172 (XXVIII), to

“consider new concepts and options with a view to promoting effectively the solution of world economic problems, in particular those of developing countries, and assist in the evolution of a system of world economic relations based on the equality and common interests of all countries”.

103. This special session, therefore, is another landmark in our search for an integral solution to the various aspects of the world economic problems with which we are faced. The importance of the seventh special session, moreover, lies in the fact that we are meeting today at a convergence of several decisive trends in world developments.

104. The steadily widening chasm between the rich and the poor, nationally and internationally and in terms of both wealth and power, has been irrefutably established as a trend which derives from a basic structural imbalance in the relationships between and within States. Unless halted and drastically reversed, this development may well prove to be the most potent source of world conflict in the decade to come.

105. The increasing interdependence of nations and of problems is another fundamental trend of our time,

manifesting itself in many ways and in different forms but having an all-encompassing effect on international relations. Dislocations, crises and conflicts occurring in one part of the world are shown to affect the lives of people in other parts of the globe as well. National decisions or policies taken in one particular context inevitably cause transnational repercussions affecting the conditions and policies of other nations and regions in a variety of different contexts. Interdependence was brought home even more forcefully with the emergence of such global problems as dwindling resources and soaring populations, scarcities in food and energy and ecological limitations to agricultural and industrial development. It has resulted in a growing awareness of common vulnerability and in the recognition that the problems now confronting the world can no longer be resolved or avoided by any single nation or group of nations acting on its own.

106. Lastly, intertwined with the other trends a growing convergence can be noted between demands for social justice as part of a universal assertion of basic human rights and economic imperatives imposed by such global problems as international poverty, mass unemployment and severe income imbalances.

107. It is under the combined pressure of these trends that the present international economic system, conceived 30 years ago at the end of the Second World War, has shown itself increasingly incapable of providing solutions or even of functioning properly. The signs of its incapacity are there for everyone to see: in the breakdown of the international monetary system, in the inflation, recession, unemployment and economic stagnation that have swept through the world in a series of convulsive crises. And, while the present system has served some advanced countries well in the past, it has from the outset harmed the interests of the developing nations. The main reason for this is simply that since their inception the mechanisms and institutions of the present system were designed to further the interests of the industrially advanced countries while most of the countries of the present third world were still chained in the political and economic dependency relationships of colonialism and imperialism.

108. I say this not in accusation of any one country or group of countries, nor in angry rhetoric, but as a sober statement of fact. For, while I believe that this is not the time for rhetoric, it will certainly serve us well to speak plainly and to assess realistically and dispassionately what is at stake in our present deliberations.

109. It is clear that at this and future sessions on the subject of international economic relations and problems we are not concerned with a temporary breakdown or stagnation in the machinery of world economic development, one that may be overcome by patchwork solutions partially or sectorally applied. What we are concerned with is a structural crisis of the system that will require integral and institutional reform and reconstruction. Thus the basic proposition is that the fundamental distortions and imbalances inherent in the present system which have resulted in a denial of justice and opportunities to the developing countries of the third world should be corrected through deliberate and well-directed action. Such action should be aimed at the establishment of a new international economic

order based on equity, sovereign equality, interdependence, common interest and co-operation among all States irrespective of their economic and social systems. Unless this basic proposition is accepted by all in good faith and without rancour or mutual recriminations we shall continue to be bogged down in futile contention.

110. To move towards a new international economic system will obviously require the reorganization of the institutional framework as well as structural reforms in the policy management within that system. This, in essence, will imply the redistribution of power in the processes and institutions of international economic decision-making.

111. It will also require new ethics and new forms of international co-operation based on a concept of common responsibility and an awareness of common interests. For only in this way will it be possible for a new global partnership for development to materialize, based on the realization that a new, more stable and harmonious order is just as much in the interest of the rich as of the poor countries and that our future interdependence may well turn out to be an interdependence for common survival.

112. In the end, such a new international system must be able to bring greater equity and equality in international relations, sufficiency in economic production, greater efficiency in decision-making and greater justice in social development. At the same time, it must be able to achieve all this while not in any way impeding the accelerated development of the developing countries and the narrowing of the gap between rich and poor countries.

113. Indonesia is fully aware of the enormity of the task involved in trying to attain these objectives. My delegation's approach, therefore, is one of sincere realism, devoid of undue rigidity or prejudice in its positions. We do not believe that success can only be achieved through a radical dismantling of the existing order, but neither do we believe that even the most powerful among the affluent nations can for long maintain or afford a stubborn reliance on past privileged positions and a persistent denial of justice to the majority of mankind.

114. Hence, common sense dictates that all of us pursue the path of constructive dialogue and co-operation rather than that of futile and self-destructive confrontation.

115. In this context we welcome the growing understanding and sympathy evinced by a number of developed countries towards the implications of interdependence which have prompted them to work in a constructive spirit towards new economic relations with developing countries on the basis of greater equity and equality. On the other hand, we urge those developed countries which continue to take a negative or hesitant attitude towards the demands for a new economic order to reconsider their position, as further procrastination will only result in the prolongation of the failures of the present system.

116. My delegation also realizes that we cannot hope to finalize our task in a week or a month or even a year. Thus we do not consider this current session as a single event but as part of a continuing process. Nevertheless, my delegation deems it of utmost importance that at this session we at

least start the process of serious negotiations leading to concrete decisions in certain specific areas, such as international trade and commodities, the transfer of real resources, industrial development and investments, food and agriculture, science and technology and the restructuring of the United Nations system.

117. In dealing with these areas, the Assembly could, in our view, also agree to indicate which organs or bodies within the United Nations system should be designated to undertake the necessary follow-up action, and if possible within specific time-tables.

118. In this connexion the Group of 77 developing countries, at its recent meetings in Geneva and New York, has proposed a number of areas and issues of concrete potentiality for fruitful negotiations. These proposals by the Group of 77 have been submitted to the present special session in its position paper [*A/10003/Add.1, annex I*] for use as a basis for our deliberations.

119. The Indonesian delegation wishes to express its full support for these proposals. We hope, however, that decisions to be taken at this special session will not be confined to the mere planning of further negotiations or to the achievement of agreements in principle only. On the contrary, we should do our utmost to arrive at decisions offering concrete solutions to each of the problem areas contained in the list of the Group of 77.

120. For far too long have we been indulging ourselves in inconclusive debates as to the lines along which the new economic order is to be established. Meanwhile, concrete measures in implementation of principles already agreed upon quite some time ago have yet to take shape. My delegation wishes to voice a strong appeal, therefore, that this session should not be diverted into a new round of endless debates on theoretical concepts but should rather be directed towards concrete negotiations and decisions.

121. With this goal in mind, allow me to elaborate briefly on some aspects of the problems detailed in the position paper of the Group of 77, which, within the above framework, deserve priority because of their pressing nature.

122. Among the urgent problems being faced by almost all countries of the world, commodity trade can perhaps be classified as the most urgent for developing and developed countries alike.

123. The instability of commodity prices and of the earnings of primary-producing countries is a matter of legitimate and serious concern to the entire international community, and effective solutions must be found as quickly as possible. A possible approach to a solution could be one that is reflected in the proposals on an integrated commodity programme put forward by the Secretary-General of UNCTAD. The prospects of such an approach seem to be promising now that consumer countries increasingly realize the great importance of security in raw-materials supplies.

124. Another approach might involve price-stabilization schemes through the use of buffer stocks operating within

agreed floor and ceiling prices which could provide the basis for price indexation and for more rational investment decisions. Also, the formula of an automatic right of compensation in the export earnings of developing countries associated with the Lomé Convention,⁸ more or less analogous to the guaranteed minimum income schemes in the developed countries, could serve as a model for wider application.

125. The demands of the developing countries for better access to the markets of the developed countries is, we believe, reasonable as well as realistic. It is quite paradoxical to observe developed countries investing large amounts of money and effort in helping the developing countries to produce goods while at the same time, through protectionist tariff and non-tariff barriers, denying them the opportunity to sell these goods in the markets of the developed countries. I am referring here to primary commodities and raw materials as well as manufactured and semi-manufactured goods.

126. Indonesia also holds the view that there is need for greater intervention by Governments in international economic relations, particularly in the commodity field, and especially vis-à-vis transnational corporations. Such intervention appears valid also in the protection of scarce national resources.

127. The crucial importance of trade should also be seen in the light of its role as a means to achieve the aim of over-all national development. Accordingly, it should be considered as a vehicle to promote production that is to be realized in a planned way. Therefore, facilities in the trade field should be of a contractual, permanent nature and should not be confined to unilateral commitments. The experience of developing countries in building up their bargaining power in trade through producers' associations could be helpful in developing bargaining power in other fields as a means of changing the rules of the game. Stronger bargaining power, far from posing dangers to certain interests, would only result in greater equity in international relations.

128. With regard to the questions of the transfer of real resources for financing the development of developing countries and international monetary reforms, which are being handled particularly in the IMF-IBRD Joint Ministerial Committee on the Transfer of Real Resources to the Developing Countries, or the Development Committee as it is now known, the Indonesian delegation is greatly encouraged by the promising new developments which have taken place at the meeting in Paris in June and at the current meeting in Washington. The new resources created by the establishment of the "third window" have made a significant contribution to new thinking on the question of increasing the flow of financial resources to developing countries, particularly those countries with low *per capita* incomes. This may perhaps be a small beginning, but it certainly constitutes an important new departure. Possibilities for a further increase of the present targets of the "third window" deserve our serious consideration.

⁸ ACP-EEC Convention of Lomé, signed at Lomé on 28 February 1975. Text subsequently circulated as document A/AC.176/7.

129. In the broad area of transfer of resources, it might further be worth while to explore the need for measures to promote the flow of private foreign investments in accordance with the development requirements of the developing countries, while taking into account the role of transnational corporations and the principle of the permanent sovereignty of nations over their natural resources.

130. With regard to the aid targets of the International Development Strategy for the Second United Nations Development Decade, it is Indonesia's firm belief that these targets should be raised or at least maintained. They should be unambiguously accepted by all countries and implemented in good faith. I stress this point because such implementation would enhance solidarity among nations and provide proof of the existence of real political will on the part of Governments of the developed countries.

131. On industrial development, I should like to refer to the Second General Conference of UNIDO held in Lima earlier this year, which adopted the Lima Declaration and Plan of Action on Industrial Development and Co-operation. The Lima Declaration, to which Indonesia is a party, has not limited itself to merely identifying problems and setting targets; solutions and methods of achieving them are also clearly indicated. Although the factors necessary to their achievement are numerous and may as yet prove difficult to control, none the less at least the general effort is in that direction and the goodwill of the developed countries will be given an opportunity to manifest itself.

132. At a more concrete level, the redeployment of world industrial activity, for example, is an important element to be considered. It is clear that the decisions to be taken in this context no longer merely require the analysis of technical and economic elements but will involve strategic decisions as well. I have no doubt that these decisions, if made judiciously, will lead to the reinforcement of the interdependence of nations.

133. When we speak of redeployment of industry it should be made clear that there is no question of closing down factories in order to transfer them to developing countries. Redeployment can only relate to new production possibilities to be created, preferably in those countries. I am also convinced that the extension of such a process in favour of a more rational redistribution of the world's production potential will facilitate the review of the existing ratios within the structure of prices for manufactured goods between the raw material and the value added.

134. On the question of food and agricultural development, as has been repeatedly stressed in various forums, the basic solution to the world food problem lies in the acceleration of food production, particularly in the developing countries. My delegation would like to reiterate its support for the recommendations of the World Food Conference,⁹ but in this context notes with dismay that the first session of the World Food Council was concluded with no satisfactory results.

135. Bearing in mind the seriousness of the world food situation, it seems necessary therefore that acceleration of food production in the developing countries be carried out without further delay. For this purpose, it is essential that

the volume of assistance to the developing countries be increased substantially.

136. The current special session should, in our view, give a new political impetus to the rapid implementation of the recommendations of the World Food Conference.

137. I should now like to touch briefly on the question of restructuring the machinery of the United Nations system. While highly appreciating the proposals of the Group of Experts on the Structure of the United Nations System, the Indonesian delegation feels that we should not at this stage permit our attention to be unduly diverted to institutional matters; the more so as some of the pertinent recommendations are rather complex, and would need a number of years for their realization. Obviously, the current special session will have to take certain decisions to start the process of structural reform of the United Nations system in the economic and social fields, so as to enable it to respond more adequately to the requirements for the establishment of the new international economic order. In agreeing to set up an intergovernmental committee for that purpose, the Indonesian delegation holds the view that institutional restructuring should be confined to those areas where it is necessary. We must first identify the priority areas from which we can start our work, the areas where reform is urgently needed and is also feasible. Once started, it must attain the desired effects. In this connexion, I wish to stress the importance of fully respecting the autonomous judgements to be taken by the legislative authorities of the specialized agencies and other multilateral forums in their respective sectoral fields, if we are to make concrete progress in each sector.

138. The regional decentralization of the activities of the United Nations system is also important. Even global questions, in many cases, can best be settled through a regional approach, taking into account the characteristics of each region. Therefore, the regional economic commissions should be given increased roles in planning and implementing policies as well as in executing regional and subregional projects.

139. In this regard, my delegation holds the view that the efforts undertaken by subregional groupings such as The Association of South-East Asian Nations, comprising Thailand, Malaysia, the Philippines, Singapore and Indonesia, should be strengthened by the entire United Nations system. These ideas are in conformity with the spirit of the Declaration and Programme of Action on the Establishment of a New International Economic Order, namely, that the primary responsibility of development rests with the developing countries themselves and that the growing interdependence and collective action of nations are a manifestation of an inescapable and promising reality.

140. Yesterday, we listened carefully to the statement made by the representative of the United States [*2327th meeting*], who presented us with his Government's views and answers to many of the relevant problems before us. We appreciate the comprehensive and concrete manner in which the United States has addressed itself to the issues.

141. While we reserve the right to give our more detailed comments at the proper time, we should like at this time to

reiterate that the demand of the developing countries for a new international economic order is a just and reasonable demand endorsed by the overwhelming majority of mankind at the sixth special session. Thus, to try to put the onus on the developing countries for what the Secretary of State described as "mounting confrontations", by alluding to embargoes, cartels, and the like, is, in our opinion, neither a correct nor a helpful approach to our deliberations.

142. We also could not fail to note the peculiar perception the Secretary of State of the United States still holds of the role of the non-aligned group of nations in international affairs and the role of members of the Organization of Petroleum Exporting Countries [OPEC], as part of the third world, in the present world economic constellation.

143. As a member of OPEC, Indonesia has on many occasions before stated the case of that Organization in trying to effect justifiable adjustments in the price of oil and in the real income of its members in a market hitherto controlled and manipulated by the major consumer countries. Other eminent speakers before me at this session have already elaborated on this subject, and I shall not repeat the same arguments here.

144. As to the alleged "alignment" of the non-aligned countries, I can simply say that the only alignment known and embraced by the non-aligned countries is with peace, independence, justice and equality for all nations.

145. In calling for the fundamental reform of present international economic institutions and processes, Indonesia is not trying to avoid the essential premise that the primary responsibility for the national development of a country rests with that country itself. To that end, Indonesia is determined to exert the full potential of its

own people and resources and to develop such policies as will enable it to attain its goal of a just and prosperous society. In this task, Indonesia does not expect other nations to take over the burden of its own responsibility and any assistance extended to it, while gratefully welcomed, remains a supporting component in accelerating its development, tailored to its own national needs and priorities.

146. It is clear, however, that in a world of increasing interdependence, conditions in the international environment can exercise a negative influence on the development efforts of a nation. When such negative external influences derive from structural imbalances in the international system, which inherently discriminate against its national interests and purposes, the demand for fundamental change constitutes a legitimate claim and not an excuse to shift the blame for lack of internal progress to international conditions. In essence, this is the basic proposition underlying the demands of the third world.

147. Indonesia strongly believes in the possibility that a major restructuring of the present international order can take place through peaceful, sincere and constructive dialogue among all nations, based on the realization of a common destiny. For the rich nations have just as vital a stake in the construction of a new international economic order capable of providing greater peace, sufficiency and rationality as have the developing nations of the world. The alternative can only be an accelerated slide into global confrontation, of an intensity and bitterness surpassing anything we have experienced before.

148. The success or failure of our deliberations here, will thus be just as much a measure of our vision of the future as of our capacity to learn from the lessons of the past.

The meeting rose at 5.50 p.m.