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President: Mr. Abdelaziz BOUTEFLIKA (Algeria).

AGENDA ITEM 7

**Development and international economic co-operation
(continued)**

1. Mr. AL-SAFFAR (Bahrain): Mr. President, I wish to begin by expressing the gratification of the Government of the State of Bahrain at your election to preside over this session devoted to development and international co-operation. We are looking forward with hope to a successful session under your wise leadership.

2. It is my great hope that our meetings will be fruitful and produce great results commensurate with our aspirations to create an atmosphere of permanent stability and co-operation in our world for the good of man and his greater welfare.

3. Economic problems, from which no nation is immune, can be a bond which brings diverse countries into constructive co-operation, or a wedge which drives them farther apart in destructive rivalries and antagonistic policies based upon excessive economic nationalism. The fact that we are meeting here today in this hall is a cause for optimism and the hope that co-operation among Member States in dealing with current serious economic problems will ultimately prevail and will lead to helpful solutions.

4. Before the path of truly effective economic co-operation can be followed, however, it will be necessary to clear away the smoke-screens which obscure the way. One of these is the false notion, widely publicized in the Western press, that it is somehow the oil-producing countries that have victimized the developed nations through the higher prices charged for their oil since 1973. Such a biased and distorted view, which fails to recognize the extent to which nations producing primary commodities have for years been the victims of exploitation by large multinational firms linked together by cartel arrangements, can only fan antagonism against those countries which are the targets of the erroneous propaganda.

5. It must not be forgotten that the inflation problem in the industrialized countries had become a matter of serious concern some years prior to 1973. This inflationary trend stemmed from a number of domestic factors, including a

too-rapid increase in wage rates, a demand for durable consumer goods that had grown so large it could not continue to be fed by the required primary raw materials without substantial increase in their prices, and a lack of monetary restraint which permitted increases in the money supplies of developed countries to proceed at substantially greater rates than increases in real productivity. Furthermore, let us not forget that reliable estimates by Western countries have shown that the impact of increases in oil prices on the price levels of developed Western countries has been only about 1.5 per cent.

6. With the world inflation problem put into proper perspective, the developed and developing countries can more readily join together in working towards practical and reasonable solutions to a number of current and pressing international economic problems of mutual concern. I shall refer briefly to a few of these.

7. Let me begin with the need for reform of the international monetary system. Both the International Monetary Fund [IMF] and the International Bank for Reconstruction and Development [IBRD] were brilliant conceptions for dealing with immediate post-Second-World-War international financial problems. IMF was an effective substitute for the former gold standard as a mechanism for providing the stability of exchange rates needed for maximizing international trade and capital flows. In the case of IMF, when the sharply increasing international financial pressures from 1958 onward were not sufficiently eased by the introduction of the mechanism of special drawing rights and the widening of the range of permitted variation from the IMF par of exchange, a number of developed countries resorted to exchange-rate floats or limited floats. This practice makes the smooth recycling of petro-reserves more difficult, for the oil-producing nations need to have confidence that the value of their foreign investments will not be eroded by declining exchange rates or formal exchange-rate depreciations. Imaginative new arrangements are needed to solve the problem of ensuring international exchange-rate stability under present world circumstances. A substantial broadening of the special drawing rights mechanism may be an appropriate means for solving this problem as well as for providing additional amounts of international exchange for developing countries whose development is being seriously retarded by shortage of foreign exchange.

8. IBRD represented an important first step towards helping on a co-operative international basis the damaged economies of the developing countries of the world. This institution has made significant attempts to expand its financial assistance to developing countries since it became operational. The establishment of such adjunctive institu-

tions as the International Finance Corporation and the International Development Association, as well as the opening of the "third window", have been helpful in increasing the flow of multilateral development assistance. It would seem particularly important at this time to open the "third window" considerably wider, so that those developing countries which are appropriately aided through this credit channel may be better served.

9. Another pressing international economic problem is that of trade restrictions. While it is easy for countries to subscribe to the philosophy of free trade, it is much more difficult for them to translate this philosophy into practice.

10. Important progress has been made in easing trade restrictions through the various rounds of negotiations held since the Second World War, but the need remains for substantial further movement towards removing trade barriers. The objective of making trade restrictions more limited and fairer in their impact should be pursued vigorously.

11. In the area of technology there is a need for more effective sharing of knowledge concerning productive techniques in agriculture, fish extraction and processing, and industry. Such sharing would speed the economic growth of developing countries. We believe that the developed countries should facilitate the access of developing countries to technologies. This would undoubtedly help developing countries to accelerate their development. Therefore the transfer and diffusion of technology should be given urgent priority.

12. We urge all Member States to take the necessary steps in order to make possible the implementation of the Lima Declaration and Plan of Action on Industrial Development and Co-operation adopted by the Second General Conference of the United Nations Industrial Development Organization [UNIDO] in Lima in March 1975 [see A/10112, chap. IV].

13. The world is today facing a great shortage of food production. Famine is striking many regions of the developing countries, where thousands of human beings perish every day. Urgent and necessary changes in the pattern of world food production and trade should be introduced in order to speed up and increase food production in the developing countries.

14. A major problem still confronting developing countries which are suppliers of raw materials to the developed nations is the widening gap between the prices of manufactured commodities and those of primary goods. The tendency for the prices of raw materials, including oil, to lag behind, relatively speaking, those of finished commodities is compounding the problem of economic development for the third-world nations. This is a problem which needs urgent attention. Some form of price indexing of raw materials which would tie their prices more closely to the prices of finished goods turned out by the industrialized nations may prove to be the most equitable solution.

15. A further point about the price of oil should be mentioned. In retrospect it seems evident to the oil-export-

ing countries that the price of oil had been held at too low a level for years prior to the 1973 Middle East War. The large international oil companies and the developed countries were quite content with the pre-1973 competitive situation which was so heavily weighted in their favour. But when, finally, the members of the Organization of Petroleum Exporting Countries [OPEC] began to exercise their own competitive rights in order to bring the price of oil to a more realistic level, the developed countries began to cry out that the new measures were pinching.

16. I return for a moment to the broader problem of the extent to which inflation imported from the developed countries has been eating up the rising real-income possibilities of developing countries in general. What is needed is clearly a greater effort on the part of the developed countries to keep their inflation rates within more reasonable limits, and, as mentioned earlier, suitable techniques for indexing which will relate the prices of raw materials from developing countries more equitably to the inflation rates of developed nations.

17. A pattern of generous giving in the form of contributions of aid and assistance to other developing countries by the members of OPEC has already been firmly established. For example, the OPEC nations, on the average, gave one third of their surplus in 1974 for aid and assistance to developing countries. Or, stated differently, contributions of aid to developing countries by OPEC in 1974 amounted to 1.76 per cent of their gross national product. The corresponding figure for the industrialized developed countries was only about 0.31 per cent of their gross national product. Even my country, Bahrain, which has a very small production of oil and no other significant natural resources, contributed approximately 1.5 per cent of its gross national product in 1974 to help developing countries.

18. I began my comments by pointing out the need for clearing away certain smoke-screens which obscure the path to truly effective international co-operation. In drawing my remarks to a close, I must point out another misconception which has been widely publicized and which has been the subject of much misleading propaganda. This is the matter of the payments surpluses of the oil-exporting countries. Estimates of these have been greatly exaggerated by the Western press. For example, rather than running at the rate of \$60 billion in 1974, as some forecasters predicted, IMF has reported that the balance-of-payments surpluses of nine major oil-exporting countries amounted to only approximately \$31.9 billion. This was, roughly, only about one fourth of the total exports of a major Western European country for that year, or about 2.5 per cent of the gross national product of the United States. For the first quarter of 1975, the total balance-of-payments surplus of these same nine countries was only approximately \$4.7 billion, as compared to an average surplus of almost \$9.6 billion for each of the last three quarters of 1974. This very steep decline in their surplus position reflected both decreases in production and sharply rising costs. Even when the present world recession comes to a close, the surpluses of the oil-producing countries are likely to remain well below the levels predicted by some who may have been more concerned with spreading alarmist propaganda than with looking at the total realities of the situation.

19. I should like to mention briefly here the rather unique position of my own country. Bahrain is a very small nation in terms of population and size. Though it produces oil, both its output and reserves are quite limited. It has been hard hit by world-wide inflation; and in this, as well as in other respects, it shares the concerns of developing and developed countries, alike, with regard to their economic problems. Though a moderately favourable gross national product figure for Bahrain has been quoted in the Western press, this is very misleading if it is not considered in the context of the severe price inflation which has been imported from the industrialized nations.

20. In this situation, we hope that an agreement will be reached during this session, in order to start the processing of restructuring 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 international economic order. In this respect, the report of the Group of Experts on the Structure of the United Nations System¹ is highly appreciated and welcome. We hope that the General Assembly will take into consideration the principles laid down in that report.

21. I close on the optimistic note on which I began. The fact that we are gathered here to discuss together the very important subject of development and international co-operation is most encouraging. With goodwill and hard work, we shall make progress in finding appropriate solutions to existing problems. Bahrain pledges to do its part in carrying forward this essential work.

22. Mr. CISSOKO (Mali) (*interpretation from French*): Mr. President, my delegation would like to associate itself with the congratulations which have been addressed to you on your well-deserved election to the presidency of this seventh special session of the General Assembly. The remarkable qualities which you have demonstrated in conducting the work of the twenty-ninth session are assuredly an earnest for the success of our work.

23. Although this is only a special session, my delegation would be remiss were it not to express its gratification at the return to our midst of the authentic representatives of Kampuchea. We salute the victory of the heroic people of Cambodia against the forces of aggression and the traitors of Phnom Penh. We will have an opportunity during the thirtieth session of addressing our brotherly congratulations to the delegation of the Royal Government of National Union of Kampuchea.

24. Economic, social and cultural development are one of the fundamental objectives of the United Nations Charter. And if attempts have been made hitherto to promote these goals, it remains equally true that the first session devoted to this problem was convened on the initiative of Mr. Houari Boumediène, President of the Revolutionary Council and President of the Council of Ministers of the People's Democratic Republic of Algeria, on behalf of his peers in the movement of non-aligned countries.

25. The seventh special session of the General Assembly, which brings us together at the present time and is devoted

to the subject of development and international economic co-operation, is a logical follow-up to the work of the sixth special session, which adopted, after a profound analysis of the problems relating to raw materials and to development, a Declaration and a Programme of Action on the Establishment of a New International Economic Order [*resolutions 3201 (S-VI) and 3202 (S-VI)*].

26. It was necessary, therefore, for the new countries of the third world to emerge on the international scene for this vital problem to focus the concern of the international community.

27. The Bretton Woods system, the succeeding First and Second United Nations Development Decades, the three sessions of the United Nations Conference on Trade and Development [*UNCTAD*], and the International Development Strategy [*resolution 2626 (XXV)*], to mention a few of the most important initiatives undertaken by our Organization, have proved to be only fruitless attempts to find a solution to the problems of development.

28. The co-operation organized to implement these programmes and these principles failed, because it was based not on a spirit of international solidarity but rather on a spirit of mercantilism and charity. The aid dispensed by the industrialized countries, which was inappropriate and inadequate in volume, was furthermore tied in most cases. Hence it cannot properly stimulate economic growth in the recipient countries. On the contrary, it has contributed to turning their economies outwards, thus accentuating their dependence on the industrialized countries. In fact, through the channels of a subtle machinery the major part of this assistance is retransferred back to the donor countries in the form of payments for services and capital goods.

29. The unrestrained transfers of dividends of transnational corporations, which operate on the basis of unconscionable contracts concluded in the developing countries, add to this phenomenon and further complicate it. It is obvious that the industrialized countries are the ones which reap the greatest benefits from this form of co-operation.

30. These various factors have undoubtedly been determinants in the failure of the First United Nations Development Decade. The sparse results of the present Decade have been annihilated by the effects of monetary erosion and generalized inflation. Neither could the International Development Strategy contribute to resolving the development crisis because it was based essentially on the patterns of the established order. The gap which separates the industrialized countries from the developing countries has thus become a chasm which cannot be bridged either by pious wishes or by empty declarations of intention and completely meaningless recommendations.

31. The world presents the picture of a self-centred economy. The industrialized countries are the centre around which the developing countries vegetate in desperation, although these countries represent two thirds of mankind and produce almost all the raw materials that are marketed.

32. The prevailing crisis is felt even more acutely by the least developed among the developing countries. The

¹ *A New United Nations Structure for Global Economic Co-operation* (United Nations publication, Sales No. E.75.II.A.7).

situation is even more tragic for those countries that have no outlet to the sea. In fact, these latter suffer without mitigating factors not only the effects of the increase in the price of petroleum, fertilizer, manufactures and cereals, but also the effects of monetary erosion.

33. The laudable efforts that they have made at the cost of great sacrifices to promote their development have furthermore been brought to naught by economic breakdown. Although the spirit which inspired the creation of a number of special funds to assist them has been laudable, it none the less remains true that these measures are completely inadequate in view of the effects of the crisis on their fragile economies: The prospects remain gloomy for countries in this category. As is stated in the report of the Executive Directors of IMF, their balance-of-payments deficit will increase from \$28 billion in 1974 to \$35 billion in 1975.² In the report of the World Bank we note that the increase in their income up to the end of the present Decade might well be less than 1 per cent.³

34. This, therefore, is the tragic situation in which millions of men are living in the least developed of the developing countries, whereas, as was said by the Minister for Foreign Affairs of Italy—the current President of the Council of the European Communities [2327th meeting]—there is in fact sufficient capital in the world to promote their development.

35. The established order, which is essentially based on the pre-eminence of the interests of the minority, is gradually breaking down because the third world, becoming aware of the fact that it is exploited, is organizing to improve its position in the struggle to bring about a more equitable economic order.

36. Facts have sufficiently borne out the interdependence of our peoples and our States for us to become fully aware of our common responsibility in view of our common destiny.

37. The challenge which we face together and which threatens the future of mankind may prove fatal if we do not pool all our means and all our potential to overcome it.

38. The impediments to international trade, such as protectionist measures, dumping and other restrictions, no longer ensure the salvation of those who initiate them. In fact, because of the principle of interdependence of nations and States, there cannot be in this era an island of opulence in the middle of an ocean of poverty. The energy crisis and the raw materials crisis have sufficiently borne this out. The imperative needs of our century require not simply a change but really a revolution in our socio-economic relations. And it is this to which we have been committed firstly by the sixth special session of the General Assembly in its Declaration and its Programme of Action, and this is also the burden of what is laid down in the Charter of Economic Rights and Duties of States, adopted by the United Nations General Assembly at its twenty-ninth session [resolution 3281 (XXIX)].

² International Monetary Fund, *Annual Report 1975* (Washington, D.C.), p. 16.

³ See World Bank, *Annual Report 1975* (Washington, D.C.), p. 5.

39. Hence, what we have to do during this seventh special session is to implement these major decisions, which are the only ones which can save the world from the chaos that threatens it. For an equitable division of world revenue we must start by first and foremost organizing the solidarity of our economies. At this stage this implies the following priority actions: First, the organization of raw material, markets involving (a) research and exploitation of natural resources, it being understood that the international community pledges itself to guarantee the sovereignty of States over this wealth and (b) the conclusion of commodity agreements on a commodity-by-commodity basis and the setting up of buffer stocks in order to ensure that the developing countries have stable export earnings; secondly, the creation of a price-indexing machinery which will make it possible to ensure that the raw materials produced by the developing countries will be sold at prices that are fair and remunerative in relation to the prices of the manufactures which they import; thirdly, the promotion of the trade of developing countries by setting up, within the framework of an over-all liberalization of international trade, facilities such as preferential treatment, non-reciprocity and the advance granting of concessions, as well as the removal of tariff and non-tariff barriers; fourthly, the accelerated creation of a new international monetary order based on the equality of States in view of their common responsibilities and geared to development; fifthly, the promotion of advantageous conditions for the transfer of capital and technology from industrialized countries to the developing countries; sixthly, the expeditious implementation of the Lima Declaration and Plan of Action on Industrial Development and Co-operation; and seventhly, the reform of assistance and co-operation, which henceforth should be based on the solidarity and complementarity of nations. In the framework of this latter action, more sustained attention should be given to the least developed of the developing countries, which do not yet have the adequate infrastructure which would help them to bring about the economic growth which they envisage. The United Nations Revolving Fund for Natural Resources Exploration created by the twenty-eighth session of the General Assembly [resolution 3162 (XXVIII)] could play an important part in promoting the development of those countries which have no means of attracting private capital. International financial institutions, particularly IBRD and IMF, should step up their action in order to promote the development of the least developed countries.

40. We must also pay more attention to the danger of the food crisis which now besets many parts of the world and which can be further compounded by natural catastrophes such as droughts and floods, which occur in many parts of the world, particularly in Africa and Asia. Since there is no lack of exploitable virgin lands in the developing countries, the international community must help those countries to increase and diversify their food production in order to meet their subsistence requirements and even, subsequently, to contribute by surpluses which they may produce to augmenting world supplies. The International Fund for Agricultural Development, the creation of which has been planned, could play a very important part in this.

41. It goes without saying that the United Nations system, whose job it is to implement international economic co-operation, should have its structures revised in the light

of these new needs. That reform should be envisaged in order to make it more effective and less unwieldy, by simplifying its machinery and reducing its operating expenses. My delegation supports the proposal of the Economic and Social Council, in paragraph 4(b) of its resolution 1980 (LIX), that the General Assembly should refer the question to an intergovernmental committee for consideration.

42. The set of measures which we are advocating here will bear fruit only if they are sustained by a collective political will. Economic stability and peace are the foundations of international security, and for that reason they are inseparable. Hence, there can be no real détente without economic security. That is another reality of our times. My delegation has therefore noted the desire to co-operate expressed by a number of representatives of the industrialized countries in their statements during the general discussion. If that spirit of dialogue and understanding takes further concrete form in the negotiations we are going to pursue there can be no doubt that we shall be taking an important step towards the creation of a new world economic order. The countries of the third world, for their part, are open to such a dialogue. The development which we are witnessing is irreversible and the serious crisis which we are going through leaves us no possible alternative.

43. As I said in my statement during the general debate at the last session of the General Assembly, the world is at a cross-roads.⁴ Whereas the old order, which was based on imperial rights, is now vanishing, a new era of justice and effective solidarity can be glimpsed on the horizon. This historic turning-point could be the point of break-down of communications between the two hemispheres or their meeting point. Therefore we are faced with a choice, and the stake is a high one. We must be able to surmount our national egoism, our reluctance and our unjustified disagreements and devote ourselves to the task of safeguarding the security of mankind. The proposals of the Group of 77 which we have before us in this connexion [A/10003/Add.1, annex I] are, we believe, a valid platform on the basis of which we can embark upon a fruitful dialogue.

44. My delegation, for its part, believes that we shall take this unique opportunity which is offered to us to build, with the participation of the representatives of all peoples, a new international order based on solidarity and equity, an economic order which will reconcile the mutual interests of all parties, an order which will serve mankind. One of the main factors making for insecurity in the world, poverty, would thus be eliminated. Peaceful coexistence and, in the final analysis, peace itself would then become a reality for mankind. We have, at any rate, sufficient motive and sufficient material means to succeed in this major undertaking. Therefore, all we have to do during this seventh special session is to be equal to our responsibilities, in order to respond to the hopes of our peoples and to liberate mankind from the nightmare of confrontation and self-destruction.

45. Mr. MALILE (Albania) (*interpretation from French*): Allow me, Mr. President, to convey to you the warm

congratulations of the delegation of Albania on your election to the presidency of the seventh special session of the General Assembly.

46. The convening of the seventh special session of the General Assembly to consider the problems relating to development and international economic co-operation is one more stride forward in the efforts and the struggle of sovereign peoples and countries for freedom and national independence, for development and social progress. As this session is being held, the peace-loving peoples and countries of the world are fighting with increasing determination against the policies of aggression, plunder and exploitation pursued by the imperialist Powers; they are co-ordinating their efforts, strengthening their unity and fighting with increasing courage for the establishment of just international economic relations.

47. The problems before this session are closely linked to those which were discussed at the sixth special session of the General Assembly, when the determination of the developing countries and peoples was expressed to strengthen their national economy and to defend their sovereign rights against oppression and imperialist, colonialist and neo-colonialist exploitation and, first and foremost, the aggressive and expansionist policies of the two imperialist super-Powers, the United States and the Soviet Union.

48. During this period, the sovereign, peace-loving States and peoples of the world have carried their just struggle to a higher level and have recorded successes in all areas. The historic victory of the Viet-Nameese and the Cambodian people over the American imperialists, their lackeys and their collaborators, which was won with weapons in hand, with great heroism and unyielding resolution, is a source of inspiration and great encouragement for the other peoples of the world in their struggle to realize their national aspirations. The Albanian delegation warmly welcomes the restoration of the rights of the Royal Government of National Union of Cambodia in the United Nations. We are convinced that, just as the manoeuvres of the United States failed to deny the Cambodian people their legitimate rights in our Organization, so will fail all efforts to prevent the people of the Democratic Republic of Viet-Nam and the people of South Viet-Nam from occupying their rightful place in this Organization.

49. Today the peoples of the developing nations, with a growing awareness of the true path of their development and progress, are firmly committed to a struggle to overcome the difficulties, backwardness and poverty which they have inherited from the past; they are determined to oppose the plundering of their national wealth by the imperialist Powers, which exploit them in the interest of their own countries; and they are determined to establish a sound basis for political and economic independence and to promote their development and progress. Together with their national efforts, they are strengthening their unity and common efforts. That has been clearly conveyed in a number of international conferences which have been held recently, such as the Third United Nations Conference on the Law of the Sea, the World Population Conference, the World Food Conference, the Second General Conference of UNIDO and the meetings in Dakar, Algiers, Lima, and so on.

⁴ See *Official Records of the General Assembly, Twenty-ninth Session, Plenary Meetings*, 2259th meeting, para. 114.

50. The results achieved thus far have further increased the confidence of the developing nations and peoples in their strength and ability to record increasing success in the future, to abolish former economic relations and to establish new relations based on the principles of respect for independence and national sovereignty, non-interference, equality and mutual advantage.

51. But the imperialist Powers are striving in every way possible to put a brake on the development process, and they are pursuing by all possible ways and means their policies of colonialist and neo-colonialist exploitation. The rivalry and collaboration between American imperialist and Soviet social imperialism and their bitter struggle for hegemony and world domination and for continuing the exploitation and plundering of the peoples of the world, which remain a source of tension, conflict and war, are increasingly obvious today in areas of the world which are rich in raw materials and occupy important strategic positions. That may be seen very clearly in the Middle East and the Mediterranean, in Europe, in South-East Asia, in the Indian Ocean and in other parts of the world.

52. The representatives of the American imperialists and the Soviet social imperialists, with unbridled demagogery, have spoken a great deal about "détente", "security", "disarmament", "interdependence", and so on. But what are their true designs concealed behind all this bombast? They are striving, by every possible means, to spread illusions, to lessen the vigilance of the peoples of the world, to stifle their struggle for freedom and independence and to leave them disarmed the more easily later to dominate them. As the struggle of the peoples of the world to gain their legitimate rights increases, so will the demagogery and the scheming of the two major Powers to sabotage that struggle. The United States and especially the Soviet Union have loudly vaunted the alleged benefits for Europe and mankind of the Conference on Security and Co-operation in Europe, co-operation in outer space, and so on. The delegation of Albania maintains the view that the so-called Conference on European security is in fact the conference on the insecurity of Europe, for behind that entire farce are concealed the designs of the two super-Powers, which are striving to maintain their hegemony over the continent. It is well known that clothes do not make the man; that means that the American imperialists and the socio-imperialists must be judged by their deeds and not by their words.

Mr. Macovescu (Romania), Vice-President, took the Chair.

53. The two super-Powers make proposals about disarmament while they arm to the teeth and their war budgets reach record levels. Their speeches and preachings about the progress of developing countries which, allegedly, can be maintained only in conditions of détente can convince only the naive and not those who experience increasingly their hegemonic imperialist policies and the danger they constitute for international peace and security.

54. As the leader of the Albanian people, Comrade Enver Hoxha, has said:

"The two super-Powers, the United States and the Soviet Union, are aggressive imperialist Powers. They seek

to divide the world into spheres of influence and to share and to conquer world markets. Their final goal is to dominate the entire world, its peoples and its States. Hence the irreconcilable contradictions between them which could lead to another world war. Their policy of hegemony and their unbridled armaments cannot be developed in peace and quiet, but only in the midst of the great disturbances which shake the world today."

55. At the present time, a serious economic, political and social crisis has invaded the capitalist and revisionist worlds, affecting both their economic structure and their superstructure. Manifestations of that crisis are the drop in over-all production, the market increase in war expenditures, chronic budgetary deficits, the accentuation of foreign balance-of-payments deficits, ever more threatening inflation, the rapid increase in prices, growing unemployment, the market deterioration of the situation of the working masses, and so on. The imperialist Powers, especially the two super-Powers, in order to overcome the great difficulties brought on by the current crisis, are pursuing their efforts to place the burden of their peoples, on other countries, and especially on developing nations.

56. The United States is exploiting the dominant positions which it has assumed in an arbitrary manner in a number of international economic and financial bodies; it is exerting pressure even on its own allies, arrogantly claiming the role of arbitrator in the settlement of world economic problems.

57. For its part, the Soviet Union, in accordance with its neo-colonialist theories on "economic integration", "the international division of labour", "co-operation" and "assistance", and so forth, is exploiting and plundering the wealth of other developing peoples and countries, and maintains control of the entire economic life of the countries of Eastern Europe.

58. As is well known, at the sixth special session of the General Assembly, the Declaration on the Establishment of a New International Economic Order and the Programme of Action were adopted. In spite of certain shortcomings, they contain various principles and measures relating to the establishment of international economic relations on a more equitable basis. Similarly, in a number of international meetings a series of other decisions and documents was adopted. One may rightly wonder what has been done with those documents. Will the developing nations be given a real chance to exercise full sovereignty over their wealth and to advance along the path of progress?

59. The Albanian delegation wishes to stress that, in spite of the goodwill and efforts of many Member States, the danger remains that the decisions adopted will remain a dead letter as a result of the machinations and sabotage of which they have been the victims at the hands of imperialist Powers. Even now it is clear that efforts are being made to create new obstacles and difficulties. In various ruling circles in the industrialized countries the just claims of the developing countries for new international economic relations are regarded as the ruination of the world economic system, and the United States leaders have even gone so far as to use open threats and to declare that "the industrialized countries should settle their accounts with the claims of the developing world".

60. In the face of the legitimate determination of the developing countries to defend their sovereign rights, the imperialist and colonialist Powers are asking for "reciprocal concessions" and "withdrawals" in a spirit of compromise. But what are the concessions that the developing countries should make to the imperialist Powers when, as we know full well, the latter have for centuries barbarically exploited the peoples of the developing countries and become wealthy as a result of their bloodshed and their labour?

61. It is not the developing countries that should withdraw, but the imperialist Powers, which are striving in all ways to continue their colonialist exploitation and to maintain their privileged positions in the world economy. It goes without saying that such a withdrawal will not come about voluntarily but must be imposed on the imperialists by means of a determined struggle and through concrete action on the part of the developing countries, which, in a spirit of solidarity, have every opportunity to succeed. One need only recall the effects of the oil embargo to prove the strength of the countries of Asia, Africa and Latin America and what they are capable of doing.

62. In spite of efforts on the part of peaceful Member States to establish a world economy on a more equitable basis, and regardless of the decisions on this subject adopted at the sixth special session, the situation in this area, far from improving in the interests of the developing countries, has become even worse. The industrialized countries continue to derive enormous profits to the detriment of the producers of raw materials. As a result of unequal and discriminatory trade conditions, the many tariff and customs barriers and the continuing depreciation of currencies, not to mention closed market policies and other restrictive measures, such as the American law on trade, which is directed against the national interests of the Latin American countries, the imperialist Powers are continuing to impose on the developing countries significant trade deficits and colossal losses totalling tens of billions of dollars. They have been monopolizing international markets and are doing their utmost to bring about a drop in the prices of the raw materials they import from the developing countries, while they continue, year after year, to raise the prices of the industrial products they themselves sell.

63. The Albanian delegation supports the demands of the developing countries that an end be put to the policy of discrimination and pressure in the area of trade, that a fairer relationship between the prices of raw materials and those of industrial products be established, that artificial barriers be abolished and that economic and trade relations be established on the basis of the principles of equality and mutual advantage. That must be accomplished not in words but by deeds; not by making speeches and uttering fine phrases, but by creating effective conditions for the establishment of fair international economic relations, with strict respect for the sovereignty of States.

64. The unrestricted sale of weapons, which the American imperialists and the Soviet social-imperialists are increasing further, is one more way of sucking the blood of the peoples and plundering their wealth; it is one more way of increasing their political and economic penetration of the developing countries, expanding still further their zones of

influence, and dividing and colonizing peoples. As the leader of the Albanian people, Comrade Enver Hoxha, has said:

"The two super-Powers have become grim purveyors of weapons. Compared to them the Armstrongs, the Mausers and the Basil Zaharovs of the past seem to be mere salesmen of toys. But each, of course, sells weapons for its own account, to defend its own strategic interests, and to set the buyers at war with each other".

We consider that it is time to expose the scandalous speculations of the purveyors of weapons.

65. The measures taken in recent years by certain developing countries, such as the nationalization of foreign capital enterprises, the limitation of the activities of foreign capitalist monopolies in the area of research and production, banks and credit institutions, and so on, have come as a rude blow to the imperialist Powers. They point to the adoption of more far-reaching measures to guarantee that developing countries shall exercise full sovereignty over their natural resources. The successes of the developing nations thus far in the economic and social areas refute the well-known colonialist views that the developing countries are unable themselves to develop their natural resources because of their lack of experience and lack of specialists, or because of certain shortcomings in the fields of science and modern technology, the absence of markets, and so forth. Such views tend to arouse in the developing countries pessimism and a lack of confidence in their own strength; they tend to create various obstacles and to keep the developing countries at a low level of industrial development in the status of sources of raw materials and in a situation of perpetual dependence.

66. But the peoples of the developing countries are determined to pursue their just struggle against the expansionist policies of the imperialist Powers. Great reliance on their own resources and their own strengths, the creation of a diversified industry, the development on a priority basis of the means of production, the building of an economy based on both industry and agriculture, and international co-operation on the basis of equality are all essential conditions for independent economic development without which political independence can be neither sound nor complete.

67. The representatives of the imperialist Powers do not fail loudly to claim that their countries are making major efforts for the progress and improvement of the well-being of peoples, that their countries are supposedly concerned with famine, poverty and backwardness, disease and other ills which today afflict many peoples of the world and which they are allegedly trying seriously to remove.

68. They are doing their utmost to explain the serious food situation in various countries and regions in terms of their reactionary theories of the "over-population" of the developing countries or of their "inability" to organize their agricultural production.

69. But the facts are quite different. Their display of "concern" is nothing but pure hypocrisy. It is precisely the imperialist Powers which have mercilessly exploited and

oppressed the peoples; allowed the agriculture of the developing countries to remain at a primitive stage, without any real possibility of accumulating stocks which would lead to an upsurge; they are the ones who continue their terrestrial and maritime wealth. The imperialist Powers—and first and foremost the two super-Powers—on the one hand put forward proposals to create various international bodies which they mean to have constantly under their control and, on the other, use grains and other food-stuffs as a means of pressure, blackmail and competition, as a strategic means of fulfilling their policy of hegemony.

70. The two super-Powers boast—even before this session of the General Assembly—about the role of the “assistance” and “credits” which they grant to the developing countries in order allegedly to foster their economic and social progress. But their real intention is to maintain these countries tied to them by means of economic and financial dependence. The imperialists are very careful with their calculations before granting their “assistance” and their “credits”. They never grant this assistance for the benefit of the peoples, but solely in the interest of their own policies. Their assistance is tied to political, economic and military considerations, and in a treacherous manner they use that assistance in order to impose unequal agreements on other countries.

71. There are many cases where the “assistance” and the “credits” of the two imperialist super-Powers are openly used as means of blackmail, control and subjugation. The People’s Republic of Albania has experience of its own in this area. Resolutely, and at the appropriate moment, it tore off the mask of the Soviet revisionists when they were making use of the card of “assistance” and “credits” to impose on socialist Albania their policy of *diktat* and subjugation. The imperialists and the social imperialists and their allies even today continue with their flattery, their blackmail and their political and economic pressure against Albania. They wish to force our Government and our people to renounce independent policies, the courageous and resolute defence of our sovereignty and national independence. But their pressure, their blackmail and their flattery have never had and will never have any effect in socialist Albania.

72. The experience of our country shows that the right path to independent and general economic development and, consequently, to the strengthening of political independence and the continuing growth of the well-being of the workers is the mobilization of all the energies and the resources of the country and self-reliance.

73. The principle of self-reliance in no way signifies to retire within oneself. In the building of socialism, the Albanian people has received precious, fraternal and disinterested assistance from the People’s Republic of China. The historic experience of many peoples and sovereign States also bears witness to the fact that, in the struggle against imperialist exploitation and oppression, the solidarity and unity of all the progress-loving and freedom-loving forces plays an important role.

74. We are sincerely delighted that the developing peoples and countries are continually strengthening their solidarity, co-ordinating their efforts against the policy of exploitation

and pillage, against the domination and *diktat* of the imperialist Powers. We welcome what has been done in this area by a number of developing countries exporters of oil, copper, coffee, bananas, and so on, which are playing a positive role in the defence and the independent development of their national economies, thus raising a barrier against penetration by international monopolistic capital and its plundering of their wealth. As long as the peoples of the developing countries firmly and with perseverance pursue their struggle for the preservation of their national, political and economic independence by relying on their own strength, their unity and the power of international solidarity, they will certainly win successive victories in the realization of their national aspirations.

75. The Government of the People’s Republic of Albania will continue to support, as indeed it has always done, the just demands of the developing countries in the defence of their independence and their national sovereignty. We are categorically opposed to efforts to deal with the economic problems of concern to the world today within a narrow framework and we are of the opinion that these problems cannot be justly resolved without the equal participation of all States, regardless of their size or economic potential.

76. The delegation of the People’s Republic of Albania, at this session of the General Assembly also, will co-ordinate its efforts with those of the delegations of other States that are struggling for free and independent development. It will support all measures favourable to the struggle of peoples for the defence of sovereign rights against imperialist exploitation and oppression.

77. Mr. SHEVEL (Ukrainian Soviet Socialist Republic) (*interpretation from Russian*): The short period of time intervening between the sixth and seventh special sessions of the General Assembly of the United Nations has been rich in major political developments that have produced a positive impact on the world situation resulting, in particular, in favourable conditions for fruitful proceedings during the current special session.

78. The successful conclusion of the Conference on Security and Co-operation in Europe has opened up promising opportunities for solving the central task of today—the strengthening of peace and security of peoples. Another important step towards securing the principles of peaceful coexistence among States with different social systems and developing equitable and mutually beneficial co-operation among them has been taken. The success of the all-European Conference is proof that détente is being invested with concrete material content

79. The results of the Conference should and must serve as a point of departure in further developing the process of relaxation of tension and the ultimate elimination of the threat of war.

80. The Ukrainian SSR fully supports the understandings reached at the European Conference and will promote their implementation. Our position derives from the well-known Leninist principles of peaceful coexistence which underlie Soviet foreign policy.

81. The First Secretary of the Central Committee of the Communist Party of the Ukraine, Mr. Scherbitsky, stated

the following at a meeting with his electoral constituency last June:

“Our Party and the Soviet State are doing their utmost to facilitate the creation of a world climate in which proponents of adventurous and sabre-rattling policies are met by an increasingly resolute and general rebuff from all peoples and to ensure that the positive processes in international life become irreversible”.

82. The year 1975 has also been marked by the thirtieth anniversary of the victory over fascism during the Second World War. In the course of that war the peoples of the Soviet Union became the decisive force which barred the way to world domination by fascism.

83. The defeat of fascism left a deep mark on the lives of many peoples. Dozens of nations were freed from fascist occupation and had their independence restored. A world socialist system evolved. The victory over fascism accelerated the process of the disintegration of colonial empires and created favourable conditions for the intensification of the national liberation movement. Many countries of Asia, Africa, and Latin America gained their independence. It will be recalled that the victory over fascism resulted also in the creation of the United Nations, the thirtieth anniversary of which will be celebrated this year.

84. Since that period the international situation has begun to evolve according to new laws. For the first time in history there have appeared objective possibilities for the elimination of war from the life of mankind and for the participation of all countries in solving international issues on an equal footing.

85. Today, when the special session of the General Assembly is considering the most important economic problems, there is no need to attempt to prove the obvious truth that without strengthening peace and security effective economic development is impossible, and that relaxation of international tension provides new prospects for social and economic development for all countries, including the developing nations.

86. Of special importance for the cause of peace and development are the ending of the arms race, the reduction of military expenditures and the complementing of political détente by military détente. In this connexion, it should be emphasized that it was precisely the concern about the cessation of the arms race and the need to seek out additional resources for development purposes that prompted the proposals of the Soviet Union, adopted at the twenty-seventh and twenty-eighth sessions of the General Assembly, on the convocation of a world disarmament conference [*resolutions 2930 (XXVII) and 3183 (XXVIII)*] and on the reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of a part of the funds thus saved to provide assistance to developing countries [*resolution 3093 (XXVIII)*]. Unfortunately, those decisions of the General Assembly have not been implemented to date, which has prevented the utilization of a major source of additional funds to improve the economies of the developing nations.

87. Recent years have seen some degree of progress in the development of trade and economic relations. A number of agreements between individual socialist and capitalist countries have been concluded and successfully implemented in the fields of trade, economic, scientific and technological co-operation. Economic relations between socialist countries and the developing world have improved and been strengthened. Within the framework of the United Nations important documents have been elaborated and adopted urging that an end be put to manifestations of neo-colonialism and discrimination in international trade and economic relations.

88. There can be no doubt that the progressive principles enunciated in the Declaration on the Establishment of a New International Economic Order and in the Charter of Economic Rights and Duties of States should constitute the basis for decisions to be taken by the current seventh special session of the United Nations General Assembly.

89. In assessing the positive changes which have occurred in the world quite recently, it can be said that international trade and economic relations have already started to be reshaped, although we are only at the beginning of the road. Much effort will still be required in order to have the provisions of the international instruments implemented and words translated into deeds.

90. It is, after all, no secret that such important principles as the most-favoured-nation treatment in trade, non-discrimination, equal rights, and the sovereignty of States over their natural resources are still, even today, being trampled upon. Major concern is caused by the increased penetration into the economies of developing countries by transnational corporations, unscrupulously exploiting the human and natural resources of the developing countries and, quite frequently, directly interfering in their internal affairs.

91. The concept of the so-called interdependence of nations is quite often used nowadays in order to justify such neo-colonialist policies. The advocates of the interests of the monopolies use this concept to substantiate their infringements of the national sovereignty of States and to deny the right to the nationalization of foreign property and to the exercise of full control over foreign capitalist activities.

92. Attempts are being made to convince the developing countries that by seeking economic self-reliance and increased control over the activities of the transnational corporations they are, allegedly, thus rejecting external financial and technological assistance and causing damage to themselves as well as to other countries, because, it is alleged, everything in this world is economically interdependent.

93. The delegation of the Ukrainian SSR resolutely opposes the use of the objective process of strengthening the international division of labour and deepening economic integration and specialization as proof of an international interdependence that is more like the relationship between horse and rider, and in fact hardly differs from the colonial past.

94. Interdependence among various countries—if, in fact, that term is to be used—should be based on the principle of respect for national sovereignty, non-interference in internal affairs, equal rights, mutual advantages, and renunciation of discriminatory measures in their relations. Such interdependence has of course nothing in common with the one that is defended by the apologists of the monopolies.

95. Thus, a need arises to define clearly the concept of interdependence, which is so frequently mentioned in United Nations documents, in order to preclude any possibility of the concept used to continue covertly the policy of neo-colonialism.

96. The concept of interdependence is quite often used to justify any measures being taken by capitalist countries to alleviate their own grave economic difficulties at the expense of the developing countries—in other words, to shift the burden of the after-effects of the crisis on to their shoulders.

97. Meanwhile, the crisis continues to shatter the capitalist economies. The facts demonstrate that unemployment is growing in the major Western countries and that in some of them it has reached prodigious dimensions. Production growth rates are still far below those of preceding years. Production capacities are not fully utilized. The continuous price increases gravely affect the living standards of the population, and especially of the working people. All those manifestations of the crisis in the capitalist economies are by no means fortuitous; they reflect the inherent contradictions in capitalism and demonstrate the impossibility of there being stable development within the so-called market economies. The increase in oil prices, which is regarded by some Western politicians as the main reason for the inflation, the industrial slowdown and the energy crisis, is in fact the response of the oil-producing developing countries to the predatory activities of foreign monopolies and cannot be the prime cause of the crises that beset the economies of the capitalist countries even before oil prices rose.

98. The delegation of the Ukrainian SSR is firmly convinced that international trade is the major means in the field of external economy contributing to the economic progress of all States, including the developing countries. That viewpoint has been repeatedly expressed in various joint documents of the socialist countries, as well as at the sixth special session of the Trade and Development Board.⁵ In the present situation it is extremely important that everything possible should be done to mobilize efforts with a view to the solution of current problems besetting international trade and economic relations. We are sympathetic to the proposals of the Group of 77 [A/10003/Add.1, annex I], in particular with regard to the elaboration and implementation of an integrated raw materials programme, the linking of the prices of goods and raw materials exported by the developing countries to those of their imports from the developed countries, the access to the markets of the developed countries of the raw materials, goods, manufactures and semi-manufactures from the developing countries.

⁵ See document TD/B/L.392.

99. The elaboration of international commodity agreements of course requires an approach that would take into account the interests of both producers and consumers of raw materials. At the same time, it would be expedient to proceed on the basis of the progressive recommendations worked out by UNCTAD. In our opinion, international buffer stocks of raw materials should serve as only one of the measures to regulate commodity markets, and the participation of States in setting up such stocks should be on a purely voluntary basis.

100. Some capitalist States have of late toughened their trade policies towards the developing countries, particularly by consolidating protectionism and trade and monetary restrictions, by increasing the price of goods imported by the developing countries, and so forth. A recent report produced by the UNCTAD secretariat shows, for example, that the restrictions in the capitalist countries cover 122 types of manufactured and semi-manufactured goods, the export of which is of direct interest to the developing countries and with which those countries are capable of competing on the world market.⁶

101. The chronic deficit in the balance of payments has compelled the developing countries to cut back the imports of such important articles as machinery, equipment, oil, chemical fertilizers and food. A number of countries have had to cut short their national development plans.

102. The external debt of the developing countries to the developed capitalist countries continues to rise. According to estimates made by economists, the external debt has reached an enormous amount: more than \$US 75 billion. The yearly payments alone of the developing countries to capitalist donors amounts to \$8 billion, and they are on the upswing. Even certain Western economists cannot conceal the deleterious consequences to the developing countries of the nature of the so-called assistance rendered to them by the capitalist States. Thus, Tibor Mende, a professor at the Sorbonne, in his work entitled *De l'aide à la récolonisation*⁷, analysed in detail the character of the so-called aid to the countries of Latin America and Asia and reached the conclusion that in those countries, as well as in many others, the reverse flow of capital to pay for debts and to transfer profits exceeded the sum designated for assistance.

103. In conditions of mounting difficulties which jeopardize the implementation of the goals of the Second United Nations Development Decade, it is quite understandable and justified that the developing countries should strive radically to revise their trade and economic relations with the West and to secure for themselves equal rights in the world economy.

104. We fully support the just demands addressed by the developing countries to the capitalist countries.

105. Yet, both in theory and in practice, we deny the groundless concept that the world is divided into "poor" and "rich" countries, a concept which ignores the genuine differences between socialist States and States whose

⁶ See document TD/B/S30/Add.1 (Part II), para. 33 (to be issued as United Nations publication, Sales No. E.76.II.D.2).

⁷ Paris, Editions du Seuil, 1972.

monopolistic capital has exploited and indeed continues to exploit the developing countries. Furthermore, the socialist countries have never participated and do not now participate either in colonial or in neo-colonial exploitation of the developing countries. And the socialist countries are not to blame for the current monetary, energy, raw materials and other crises that have shaken the world capitalist economy and have had such disastrous effects on the developing countries. In this connexion, to speak about any "common responsibility" shared by all developed countries, without subdividing them into socialist and capitalist States, and, even more, to formulate any common quantitative goals aimed at rendering aid to developing countries, would be tantamount to justifying those who are really to blame for the economic difficulties of the developing countries—that is, imperialist and colonialist circles and transnational monopolies.

106. Here in the Assembly we have heard raised the voices of the representative of one country who, resorting to a vague doctrine of "rich" and "poor" countries, of a conflict between North and South, and "conspiracy of the super-Powers", and availing himself of malicious anti-Soviet and anti-socialist slander for hegemonic and chauvinistic purposes, has once more attempted to set at loggerheads the developing and socialist countries in order to disrupt the unity of the anti-imperialist forces in their struggle for peace and security of the peoples and their search for a solution of the problem of establishing a just international economic order. Quite obviously, the inept attempts of that speaker cannot succeed in diverting this session of the General Assembly from discussing the genuinely important problems before it.

107. The rates of economic growth of the developing countries are determined, above all, by such factors as the State and social system, methods and means of distribution of national income, and so on, and not by external aid, which may be only supplementary in nature. The continuance of backward social and production relations, the preservation of different forms of exploitation, and the unfair distribution of national wealth in the developing countries seriously impedes their economic development and increases their dependence on foreign capital. In the final analysis, the main conditions for rapid economic progress in the developing countries are socio-economic changes for the benefit of the broad masses of people combined with the overall mobilization of their own internal resources; the strengthening of State and co-operative sectors; and the introduction of national planning and strict regulation of the activities of both private and foreign capital.

108. This is borne out by our own experience. Half a century ago when our country was just embarking on the implementation of the plans for socialist development, the Ukraine was faced by many problems similar to those that the developing countries have to solve today. A backward economy, inherited from tsarism, was almost completely destroyed by civil war and by foreign intervention, which made matters even worse. The attitude of the capitalist countries toward our country was one of extreme hostility, thus any external aid was out of the question. Then the Second World War inflicted on our Republic enormous losses in human life and great material damage. However,

thanks to socialist transformations in all spheres and to the selfless labours of our people and the fraternal assistance of all peoples of the Soviet Union, the Ukrainian SSR managed, in a historically short period of time, to achieve great successes in the field of socio-economic development.

109. Today the Ukrainian SSR takes an active part in helping the developing countries, both on the basis of bilateral agreements between the Soviet Union and those countries and within the framework of the United Nations. Thus, for example, through Soviet foreign economic relations, Ukrainian experts are actively participating in the construction in those countries of 165 projects for economic, social and cultural purposes. In our Republic, great attention is being devoted to the training of national personnel for the developing countries. Thousands of students from the countries of Asia, Africa and Latin America are studying at our educational institutions. Various kinds of United Nations courses, seminars and workshops designed to improve the qualifications of specialists from the developing countries have repeatedly been carried on in the Ukraine as part of our contribution to the United Nations and the United Nations Development Programme.

110. The Ukrainian SSR will continue to make its contribution to the cause of assisting the developing countries and to the cause of normalizing trade and economic relations among all countries of the world, which, in our view, implies the creation of conditions in which all States can participate in the international division of labour on an equal footing and to their mutual benefit, the principles of national sovereignty and non-interference in the internal affairs of other States being, at the same time, strictly respected. This is our concept of the essence of a new world economic order, and it is our hope that the current special session of the United Nations General Assembly will be a step forward towards its establishment.

111. Mr. ABDULLAH (Afghanistan): On behalf of the delegation of the Republic of Afghanistan, it gives me great pleasure to welcome the election of the head of the delegation of Algeria as President of the seventh special session of the United Nations General Assembly. In the course of the twenty-ninth regular session of the General Assembly, he displayed great qualities of leadership, which subsequently led to the marking of the twenty-ninth session of the United Nations General Assembly as one of its most successful sessions.

112. This special session of the General Assembly has been called on the initiative of the Fourth Conference of the Heads of State or Government of Non-Aligned Countries,⁸ to devote its proceedings to development and international economic co-operation. The delegation of the Republic of Afghanistan is confident that under our President's distinguished and inspired leadership this session will be marked by notable success.

113. The sovereign States of the international community are in need of a new relationship in order to share present and future resources, wealth and technology in accordance with the present realities. Although the economic issues

⁸ Held at Algiers from 5 to 9 September 1973.

such as inflation, recession and the price of raw materials dominate current international thinking, political issues cannot be ignored. Economic problems cannot be solved if political injustices, such as the denial of the inalienable right of peoples to self-determination, the continuation of colonialism, alien domination and *apartheid*, still persist. My delegation strongly believes that the existence of such situations, which threaten international peace and security and inhibit international economic co-operation, must be terminated.

114. The existing political and economic order was basically designed by the industrial Powers to preserve the *status quo* in their favour. However, the international balance of power and the economic interest of the sovereign nations have changed significantly, necessitating a new international economic and political order based upon a spirit of mutual co-operation, respect and understanding among sovereign States. This order should make recipient countries self-reliant by the extension of all necessary assistance by the nations which are in a position to do so.

115. It should be recalled that an international economic order as envisaged in the decisions of the sixth special session of the General Assembly cannot be achieved without an international economic environment capable of accommodating different economic and social systems and the urgent needs of the most deserving countries. Such an order cannot be maintained without the transfer of real resources, the transfer of technology from the developed to the developing countries, and the reform of the relevant international institutions. Our aim should be an integrated programme of change based on the recent important decisions already adopted by the General Assembly.

116. The developing countries looked to the Second United Nations Development Decade as a period in which some significant relative improvement would be brought about in their terms of trade. They therefore view with alarm the fact that since the launching of the Decade the general economic situation has deteriorated further and little progress has been achieved. There are still many tariff and non-tariff barriers in effect. Concerted efforts are needed to reduce trade barriers within the context of the multilateral trade negotiations.

117. The preferential schemes that have been instituted are limited in practical application by restrictive conditions such as the level of ceilings, limited product coverage, the scope of preferences and the size of preferential tariff quotas. These restrictions need to be eliminated. In case such ceilings are imposed they should be assessed on a "free on board" and not on a "cost, insurance, freight" basis, as the latter arrangement causes discrimination against the land-locked developing countries owing to their additional transportation and insurance costs. The situation is further aggravated by the imposition of restrictions on exports from the developing countries. Therefore it is essential that effective measures be deployed by the international community in order to satisfy the immediate needs of the developing countries as well as those most seriously affected by the recent economic crisis.

118. In the field of aid, development assistance has not kept pace with the world-wide inflation and recession. The

total flow of resources in the first half of the decade has so far amounted to 0.7 per cent of the gross national product of the developed countries. This is much less than the modest target of 1 per cent envisaged in the International Development Strategy.

119. Official development assistance has been even smaller—0.32 per cent, as compared with the 0.7 per cent called for in the Strategy.

120. The shortage of aid and the deterioration of the terms of trade make it sufficiently clear that if we wish to reach the targets set forth in the Strategy, and in particular the Programme of Action, additional efforts should be made for the transfer of resources not only on a short-term, basis, but also on a long-term low-interest one in order to meet the urgent needs of the developing countries. In the field of international development assistance it is necessary that concessional assistance be provided for the group of countries considered to be the least developed.

121. In our view, an important way in which the industrialized countries can play a constructive role in the transfer of resources is by declaring a moratorium in which past debts would be either rescheduled or cancelled. Furthermore, in the field of international monetary affairs it is necessary to link the creation of special drawing rights to development assistance.

122. With regard to the sale of gold reserves by IMF, we believe the interests of the developing countries should be taken fully into consideration in regard to low-interest loans for their development.

123. Industrial progress is essential for the economic and social development of the developing countries, for it is through industrialization that the economies of the developing countries can be diversified and greater employment opportunities created. In this respect the decisions of the Second General Conference of UNIDO which was held in March in Lima, Peru, is of paramount importance in mobilizing global attention to the urgent necessity and dynamic role of industrialization for the developing countries, which, comprising over 70 per cent of the world population, have only a 7 per cent share in total industrial production. The Lima Declaration and Plan of Action on Industrial Development and Co-operation is indeed a worthy document reflecting the increasing anxiety of the third world at the ever increasing industrialization problems.

124. The International Development Strategy was adopted on the assumption that, among other relevant measures, developed countries would significantly increase their aid to the developing countries.

125. The targets set forth in the Strategy have unfortunately not as yet been achieved by the members of the international community. As a consequence, in the middle of the Second Development Decade, the Strategy is in essence now of doubtful relevance. It was in recognition of this new interrelationship that the sixth special session of the General Assembly was convened in the spring of 1974. Afghanistan, as a member of the Group of 77, approached the special session with the perspectives of the third world

and of the joint efforts undertaken by them. In a real sense our objectives found concrete expression in the decisions adopted by the sixth special session and in the Charter of Economic Rights and Duties of States adopted at the twenty-ninth session of the General Assembly. These decisions generally form the essence of our co-operation and commitment in the economic field.

126. The Programme of Action adopted by the sixth special session has been in operation for over a year. Effective implementation of its provisions has not been achieved thus far owing to policy constraints by the developed countries.

127. The Programme of Action expands the scope of the Strategy, and in particular it demands the restructuring of the world international economic order in the light of the interdependence of States. It is possible that the same kind of constraints faced by the Strategy will prevail also in the process of implementing the Programme of Action. As a case in point, during the past one and a half years of operation of the Programme of Action, acceptance and implementation of it, and in particular its section X, have not been achieved. A list of the most seriously affected countries was drawn up, but in view of the limited resources very little assistance was made available for this operation. Afghanistan, being not only land-locked but grouped among the least developed of the developing countries, was included in the list after a considerable period of time, yet only token assistance was offered.

128. It is obvious that constraints of a policy nature by members of the international community should be taken into consideration, particularly during this special session of the General Assembly. Every effort should be exerted in seeking a dialogue for the effective implementation of the Programme of Action and the Charter of Economic Rights and Duties of States. But it should also be made abundantly clear that any policy undertaken by Member States in contradiction of the principles and measures envisaged in the Programme of Action and the Charter would be contrary to the spirit and substance of the new international order.

129. Afghanistan, as a land-locked, developing country, has particular problems which deserve the special attention of this Assembly. In the era of interdependence no development order will be considered realistic unless it takes fully into consideration the difficulties of countries such as ours, and provides ways and means of solving their problems. The economy of these countries is based mainly on agriculture. This is a matter more of necessity than of choice. The disadvantages of primarily agriculturally based economies are well known. In contrast, their imports consist of manufactured goods, the prices of which have increased considerably. The inequity in the prices of their exports and imports consequently has led to a large deterioration of the balance of trade of these nations. What is needed is the acknowledgement of the principle by which all nations must agree to the realistic and equitable link between the prices of primary and manufactured products.

130. The distinctive and disadvantageous position of land-locked countries and their need for adequate transport and transit facilities in the promotion of international trade

and economic development has been recognized by the various United Nations organizations and international conferences and numerous specific resolutions have been adopted to this end.

131. The land-locked countries are not only without direct outlet to the sea but in the majority of cases are also remote from the sea, and sometimes separated from transit ports and ports of destination by great distances. The fact that my country and other similarly situated land-locked countries depend to a large extent for foreign-exchange earnings on exports is further aggravated by the growing invisible imports, in the form of insurance, land and sea freight charges and additional transit costs. Furthermore, the various studies conducted by the United Nations and its related organizations such as UNCTAD and the Joint UNCTAD/GATT International Trade Centre concerning the excessive transport costs of the land-locked countries show that Afghanistan's exports to neighbouring countries in 1971 accounted for 65.2 per cent of the weight and 44.2 per cent of the value of total exports. The recent UNCTAD study indicates that transport costs for Afghanistan in 1973 reached almost \$13 million. This does not include the indirect but substantial losses incurred owing to delays in arrival of vital material. It has been calculated that these additional transport and transit costs as far as Afghanistan is concerned come to about 30 to 40 per cent of the cost, insurance, freight value of exports in certain cases, and especially for bulk cargoes, such as grain, it accounts for over 50 per cent.

132. My delegation has studied with great interest document A/10203 entitled "Special measures related to the particular needs of the land-locked developing countries".

133. That well-prepared document is very comprehensive in content, and it points out, and in certain cases re-emphasizes, the various difficulties, disadvantages and constraints faced by the land-locked developing countries in their import-export trade. The various disadvantages of an adverse geographical situation with its far-reaching negative ramifications resulting in various difficulties and obstacles to development have already been recognized by the relevant organizations of the United Nations.

134. Various plans and schemes have been proposed, among which is the establishment of a special fund for subsidizing the additional transport costs of land-locked countries, which seems to be perhaps the most relevant [see A/10203, *part two*]. It must be remembered that the proposal for the establishment of a special fund is not a new one and, as pointed out in the recent study I mentioned concerning the transit problems of land-locked developing countries prepared by the Secretariat, it has been before the international community since 1972 when the establishment of the fund was proposed during the third session of UNCTAD.

135. The establishment of this fund was again taken up at the sixth special session of the General Assembly and was emphasized in the relevant sections of the Programme of Action adopted by the sixth special session. The passage of time has shown that despite the recognition of the land-locked countries' disadvantageous geographical position, which directly or indirectly affects more than 30

Member States of this world Organization, to this date no positive steps have been taken for the creation of this fund.

136. Therefore we believe that this document could not have been presented at a better time, because we are on the threshold of a new international economic order, based on positive interdependence, equality and equal opportunity. We have gathered here to pledge ourselves to the establishment of this new international order so as to rectify inequalities, redress injustices and decrease or eliminate the widening gap between the developed and the developing countries.

137. It is in this context that we have looked at the inequitable position of land-locked countries vis-à-vis the more geographically fortunate countries. Aside from the fact that additional transportation and transit costs have been imposed on the land-locked countries, these countries have been denied their recognized right of free access to the sea.

138. The international reaffirmation of the above-mentioned right of such countries can remedy their problems and consequently pave the way on the one hand for their participation in the exploration and exploitation of both the living and non-living resources of the sea, the ocean floor and the subsoil thereof beyond the internationally recognized limits of national jurisdiction and on the other hand for their sharing, on an equal footing, the resources derived therefrom which have been recognized as the common heritage of mankind.

139. Therefore, under the prevailing circumstances and in the light of the new international economic order, it is in our view not only essential but imperative to establish the above-mentioned fund. We believe that concerted international action on this issue will underline the fact that the new international order means action and not vain words.

140. My delegation extends its congratulations to the Secretary-General, Mr. Kurt Waldheim, and his dedicated staff for the timely presentation of the report entitled *A New United Nations Structure for Global Economic Co-operation*. Because of the limitations of time, we will make very brief comments on a few proposals contained therein.

141. My delegation as a least developed land-locked country was always of the opinion that the General Agreement on Tariffs and Trade [GATT] with its built-in limitations and restrictions, although useful was not the ideal instrument for trade liberalization. Therefore we fully endorse the institutional change proposed in paragraph 177 (e) of the report concerning the establishment of an international trade organization which would in effect incorporate UNCTAD and GATT into a single organization. We believe that the implementation of this very logical and far-sighted proposal would definitely enhance and expand the scope and operational aspects of trade liberalization, especially in regard to developing countries and the least-developed countries.

142. Proposals on international monetary reform are very comprehensive. The idea of establishing a "third window" in the World Bank and enlarging its resources beyond \$1 billion, with concomitant procedures for alleviating the

debt problems of developing countries consistent with their long-term development, seems to hold much promise. We also appreciate the constructive proposals concerning IMF. Of special interest is the re-examination of the voting power in IMF, including the possibility of increasing the share of developing countries; the separation of quotas from access to IMF, would, if implemented, prove very beneficial to the developing countries, especially the least-developed countries, which are placed at a disadvantage by the application of quota requirements to access ratio.

143. However, we did not find any mention of the possible utilization of special drawing rights for development finance. Since this is of great importance to the developing countries we request that some positive attention be given to this valuable link.

Mr. Bouteflika (Algeria) resumed the Chair.

144. Concerning commodities, we believe that an international trade organization will if established be able to deal more efficiently in this important area, whereas the report points out that very little international action has been taken to improve the prospects of a substantial number of developing countries and least developed countries, which continue to be increasingly dependent on the export of a few primary commodities for the bulk of their export earnings. We feel that all practical and operational possibilities should be thoroughly analysed so that the present biased and unequal price relationship between commodities and manufactures should be rectified. Also, in order to ameliorate and mitigate the negative terms of trade of primary-producing countries, it is essential that the international community conclude long-term agreements that would not aim primarily at regulating prices but would take into consideration other important elements such as production, stock-building, and distribution.

145. It is self-evident that the increasingly complex international economic co-operation and the realization of a positive interdependence among nations have necessitated a proposal for far-reaching structural, organizational and administrative reforms in the United Nations.

146. My delegation fully supports this much-needed realistic restructuring of this world Organization, and believes that it is only through the strengthening of the United Nations that we may be able to solve our problems.

147. We are aware that the time has come when statements have to yield to accomplishments, and plans and decisions to action and implementation. Therefore, it is in this spirit of optimism and in the dawn of this new era in human relations that my delegation proposes the establishment of a separate section or department devoted exclusively to the problems and interests of the least developed and land-locked developing countries within the framework of the recently proposed office of the Director-General for Development and International Economic Co-operation with regional offices in the land-locked developing countries. This would enable the newly proposed development department to centralize and focus its attention and efforts towards the solution and amelioration of the special problems facing the least developed and land-locked developing countries.

148. The foreign ministers of the non-aligned countries recently met in Lima, Peru. At this important conference many significant decisions were taken in regard to international political, as well as economic, issues which meet with the approval of my Government. The economic decision of this conference, in our view, would serve as a significant guideline for the deliberations of this special session of the General Assembly.

149. Some representatives in the course of their statements in the general debate have referred to developing countries as the poor nations. It should be made clear that the developing countries are in reality not poor. The countries are rich culturally, morally, and even economically as far as their natural resources and human potential is concerned. Their developing status, as is well known, is due to the policies of colonialism and imperialism carried out by the colonial Powers without any consideration for their well-being in the past.

150. The time has arrived when we must embark on the building of a new economic order. For the achievement of this aim, international consideration must prevail over limited national interests. The use of raw materials, in view of their scarcity, should be based on the rational needs of

the consuming nations and should be consistent with the developmental aspirations of the producing ones.

151. These are the views of the delegation of Afghanistan with respect to what is expected and should be accomplished by this special session of the General Assembly.

152. In our view the changes that are necessary for the accomplishment of a new international economic order should be brought about through consultation and through consensus, and not confrontation, and should be the mandate of this special session of the General Assembly. We are all fully aware of the prevailing realities in the international community in the economic field. We are hopeful and confident that, in view of the fact that the time has arrived to reach accommodation and dialogue, this session undoubtedly will be successful in reaching the consensus required. Let us display the necessary political will and judgement to meet the tasks before us, whether we are a developed or a developing nation. It is our earnest hope that with such an effort and endeavour the proceedings of this important gathering will undoubtedly be successful.

The meeting rose at 1.20 p.m.