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CONTENTS

Agenda item 7: Development and international economic co-operation (continued) .....	Page 1
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**President: Mr. Abdelaziz BOUTEFLIKA (Algeria).**

**AGENDA ITEM 7**

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

1. Mr. MOLOM (Mongolia) (*interpretation from Russian*): Mr. President, on behalf of the Mongolian People's Republic, I congratulate you warmly upon your unanimous election to the important post of President of the seventh special session of the General Assembly of the United Nations. We take great pleasure in welcoming you once again as an outstanding representative of Algeria, a country with which my own country maintains and fosters close and friendly relations. My delegation would like to express the hope that the work of this special session, under your skilful leadership, will be successful and will serve the noble purpose of strengthening international peace and security and of developing economic co-operation among States.

2. The seventh special session of the General Assembly on the question of development and international co-operation has been convened in a favourable international atmosphere in which a process of fundamental transformation of international relations continues to take place; the easing of international tension is becoming ever more profound, and the principles of peaceful coexistence in relations among States with differing social systems are gaining ground.

3. An important contribution to the cause of the strengthening of international peace and security was made by the historic victory of the peoples of Indo-China over the forces of imperialism and internal reaction. The outstanding success of the national liberation struggle of the people of Viet-Nam, Cambodia and Laos clearly demonstrates the inevitability of the triumph of the righteous cause of the peoples.

4. The fruitful results of the Conference on Security and Co-operation in Europe have opened up new opportunities for solving the vitally important problem of our time, that of the strengthening of international peace and security. This European experience sets a very good example for the other continents of the world.

5. In this regard, I should like to point out that the Mongolian People's Republic, a peace-loving socialist coun-

try of Asia, has always consistently favoured and continues to favour the extending of the process of détente to such an important and large part of the world as the Asian continent. We favour the strengthening of peace and security in Asia on a collective basis and we favour development of friendly co-operation among all States of the continent.

6. The development of world events shows that there exists an organic link between the cause of preserving peace and security and the problem of social and economic progress.

7. The Government of the Mongolian People's Republic believes that one of the most urgent tasks of the day is that of intensifying the struggle to curb the arms race, to reduce military budgets and to use the colossal material and human resources at present spent on armaments for the purpose of social and economic development. This task emanates from the universal aspirations of mankind to continue in the future to deepen political détente and to supplement it with military détente.

8. In the view of our delegation, the positive changes which have occurred in international life have created favourable circumstances for the concentration of our attention and efforts, and those of the world community, upon the solution of the problem of social and economic development and the broadening of friendly co-operation among States.

9. The urgency of these tasks is shown, in particular, by the very fact of the convening, within the short span of one and a half years, of two special sessions of the General Assembly devoted to the problems of development and international economic relations. For the first time the international community is discussing pressing and specific problems concerning economic relations between States on a global scale and in close connexion with vital political aspects of contemporary international relations.

10. As many of the preceding speakers have pointed out, despite spotty successes in some fields, the economic situation of the developing countries as a whole remains far from satisfactory. The gap between developed and developing countries continues to widen, and at the same time there is a worsening of the terms of trade and the financial position of developing countries. The international capitalist division of labour reduces developing countries to the economic periphery of the industrialized capitalist countries and turns them into objects of exploitation by monopolistic capital.

11. These unequal economic relations combined with so-called price gaps between manufactured goods and raw

materials constantly increase the foreign-trade deficits of many developing countries. As a result, the share of the developing countries in world trade continues to decrease.

12. The economic situation of developing countries suffers from the adverse effects of the deepening crisis in the capitalist system of economic relations, which is based upon the exploitation of man by man and exacerbation of the chronic ills of market economies such as inflation and monetary crises.

13. One cannot but note the adverse consequences of the activities of transnational monopolies. As instruments of the policy of neo-colonialism, these monopolies impose unequal relations upon the developing countries and interfere in their internal affairs, thus posing a real threat to the sovereignty and independent development of the developing countries.

14. The delegation of the Mongolian People's Republic is of the view that one of the most important prerequisites for an improvement in the economic situation of the developing countries is the fundamental transformation of existing unequal relations between developing and developed capitalist countries on the basis of the new democratic principles contained in the Declaration on the Establishment of a New International Economic Order [*resolution 3201 (S-VI)*] and the Charter of Economic Rights and Duties of States [*resolution 3281 (XXIX)*].

15. In these important documents of the General Assembly are embodied such fundamental principles of international relations as sovereign equality, non-intervention in internal affairs, non-discrimination, equal participation of all States in the solution of world economic problems, the right of every State to choose its own political and economic system for itself, and the right of free exercise of sovereignty over natural resources.

16. My delegation expresses its firm conviction that only the practical implementation of these principles in contemporary international relations can create the conditions for genuinely equitable and mutually advantageous co-operation. The fundamental norms and principles of the Declaration and the Charter I have mentioned are necessary prerequisites of, and should provide the legal basis for, further measures to improve the whole system of international economic relations and for the formulation of decisions at this special session of the General Assembly.

17. It is not without significance that at this special session particular attention has been devoted to problems affecting the existing mechanisms of commercial and economic relations by means of which imperialism and neo-colonialism continue to keep the developing countries in the grip of unequal "partnership" and exploitation.

18. The delegation of the Mongolian People's Republic shares the view of the developing countries with regard to the establishment of new just and democratic procedures within the system of world trade and economic relations. The Mongolian delegation in principle supports the proposals of the developing countries with regard to the creation of buffer stocks and a special fund for commodities on a voluntary basis, the diversification of exports and the

indexation of prices, and the provision of easy access to the markets of developed countries for the exports of developing countries [*see A/10003/Add.1, annex I*].

19. The Mongolian delegation is sympathetic to the just demands of developing countries addressed to the former metropolitan countries—the real culprits responsible for their economic backwardness—for an increase in external sources of development financing.

20. We attach particular importance to the creation of scientific and technological infrastructure and to ensuring access by developing countries to contemporary science and technology and acceleration of the process of industrialization.

21. I should like to lay particular stress on the fact that a very important role in the acceleration of the socio-economic development of these countries can be played by the implementation of far-reaching social and economic reforms, the creation and expansion of the State sector in the economy and the introduction of planned methods of managing the economy.

22. With regard to the reorganization of the economic and social organs of the United Nations system, my delegation supports the proposal to create an international committee for a comprehensive study of the matter. In this connexion, the Mongolian delegation of course takes its stand on a position of principle that any measures with regard to reorganization should be carried out in strict compliance with the requirements of the United Nations Charter and must be genuinely aimed at enhancing the effectiveness of our Organization.

23. A striking example of the successful development of mutually advantageous and equitable co-operation is the experience of the socialist countries members of the Council for Mutual Economic Assistance (CMEA) in implementation of socialist economic integration. Stable economic, scientific and technological links among the member States of CMEA are being increased on a long-term basis, and maximum use is being made of the advantages of the international socialist division of labour. Within the framework of CMEA effective measures are being taken to develop co-operation among member States on the basis of bilateral and multilateral intergovernmental agreements to promote economic growth, to increase trade and to diversify its structure. Co-operation in the fields of science and technology makes it easier to find more effective solutions to problems of common interest. All this makes it possible for the countries of the socialist community to ensure the accelerated and stable development of the economies of their countries and thus to promote constant improvement in the living standards of their workers.

24. At the same time the socialist countries have been steadily expanding their trade and economic links with other countries of the world, including the developing countries. The expansion of trade and economic relations among countries with different social and economic systems on the basis of equality and mutual advantage is having a positive effect on the general normalization of the whole system of international economic relations. Therefore, we believe that the immediate elimination of the still

surviving artificial barriers to its development would be in keeping with the interests of all countries.

25. As is well known from United Nations documents, trade and economic co-operation of socialist countries with developing countries has become the most dynamic sector of world economic relations. The Soviet Union and other socialist countries have been giving considerable technological and economic assistance to developing countries, thereby promoting their economic growth and strengthening their economic independence. Such international assistance and support from the socialist States and their solidarity with the struggle of the peoples of the developing countries for the consolidation of their political and economic independence is something which stems from the very essence of the socialist system.

26. For the countries of socialism, the narrow selfish ambitions which are so characteristic of imperialist monopolies in their relations with developing countries are quite alien. In this regard, we should like to point to the falsity of the doctrine of the so-called "rich and poor countries"; the advocates of this theory attempt to place on the same footing the countries of the socialist community and the developed capitalist States.

27. Those who have made slanderous attacks here on the Soviet Union and the countries of the socialist community, make out that they are friends and champions of the developing countries, but in actual fact, what they are trying to do is to poison the friendly relations between the socialist and developing countries, to exacerbate the international situation and to hinder the development of co-operation, mutual understanding and trust among States. This radically goes against the interests of economic and social progress of all peoples, and primarily those of the developing countries.

28. Thanks to the fact that the Mongolian People's Republic is a member of the great family of the socialist community, it has been successfully solving the major problems involved in the industrialization of the country, the intensification of agriculture and the introduction of the latest advances in science and technology. In this we combine the maximum mobilization of our own national resources with the comprehensive assistance we receive from the countries of the socialist community.

29. Mongolia's experience of co-operation with the Soviet Union and other fraternal socialist countries, within the framework of CMEA, amply demonstrates the vital force and strength of the programme of socialist economic integration and represents an example of new equal and mutually advantageous co-operation among countries with different levels of economic development.

30. In conclusion, the Mongolian delegation would like to express the hope that the results of the work of this session will promote a fundamental reform of international economic relations, the strengthening of international peace and security, and the acceleration of the social and economic progress of the peoples of the world.

31. Mr. AL-SABAH (Kuwait) (*interpretation from Arabic*): Mr. President, it is my pleasure to express on

behalf of the Government of the State of Kuwait our sincere congratulations on your assumption of the duties of President of this special session of the General Assembly—a true reflection of the prominent position you occupy in international circles and a reaffirmation of our appreciation for the manner in which you guided the proceedings of the previous regular session of the General Assembly.

32. The industrial revolution in Europe, which paved the way for advancement and equality within each country led at the same time to the division of the world into two groups separated by tremendous income disparities. The technological advancement witnessed in Europe, or in the western world, in the following period widened these disparities and increased the dependence of the developing countries on the developed countries, not only for the satisfaction of their growing need for manufactures, but also to provide markets for their raw materials. Furthermore, owing to the monopolization of technology by the developed countries, developing countries or producers of raw materials, became heavily dependent on transnational corporations. The industrial countries were thus able to dominate the world economic scene completely, taking issues extremely vital to developing countries into their own hands. The Bretton Woods agreements established the basis for progress in the industrial world while completely ignoring the needs and demands of the developing countries. The result was the emergence of weak economies in the developing countries totally unable to keep pace with the advanced countries, thus widening the gap between the developing and the developed countries. As long as most developing countries are largely dependent on the developed countries as markets for their raw materials, their economies will continue to be closely linked to the economic fluctuations in the developed countries. We are thus led to conclude that the efforts of the developing countries to diversify their sources of income is a major step to achieve economic independence, and the sixth special session stressed the fact that political independence alone is not a sufficient condition for the advancement of peoples.

33. If we were to examine the effects of the present international economic system we should find that 70 per cent of the population of this globe receives only 30 per cent of the world's income. Other consequences are the inflationary pressures which add to the existing poverty of the developing countries, the serious environmental problems, and the severe shortage in raw materials which are continuously and desperately needed by the developing countries for their development. Though many of the industrial countries owe their advancement and prosperity to the developing countries, since the latter have not only been the best source of raw materials but markets for their industrial products as well, we see that the present system often places barriers in the path of the developing countries in different fields. The developed countries have always refused to discuss the problem of raw materials in an integrated scheme because they claim that it is in conflict with the system of free enterprise. I wonder how one can call the traditional economic order "free" while high tariffs are levied on industrial goods imported from the developing countries and low duties are imposed on raw materials exported by these countries, and instead of free transfer of technology there is a system of patents and other obstacles

which restrict the economic freedom of States and individuals. The choice before us today is between a system which helps to increase the wealth of the rich countries and aggravates the poverty of the poor, and a system based on a fair distribution of wealth which earnestly seeks to find a solution for the scarcity of resources and pollution of the environment.

34. The sixth special session was an epoch-making event which stressed that the advancement of nations will be possible only after radical changes are made in the international economic order to put an end to the obsolete economic conditions inherited from the colonialist era and abolish the domination by advanced countries of the terms of world trade, the international monetary system, and international economic relations. Although the efforts made by the developing countries in the United Nations during the past three decades have yielded tangible results—such as the International Development Strategy for the Second United Nations Development Decade [*resolution 2626 (XXV)*] and the Charter of Economic Rights and Duties of States [*resolution 3281 (XXIX)*], crowned by the resolutions adopted by the General Assembly at its sixth special session [*resolutions 3201 (S-VI) and 3202 (S-VI)*], which established a new international economic order based on equity and sovereign equality among all States which would lead to narrowing the gap between States and removing and eliminating injustices—many of these resolutions, unfortunately, have not been put into effect because of the lack of political will in many countries.

35. The developing countries strove during the last two decades to convince the developed countries of the need to introduce radical changes in the trade and monetary systems and to extend financial and technological assistance to developing countries, but, unfortunately, with no positive results in response to their just demands. Trade has been and is still the prime mover of economic advancement; if the industrial countries are seriously interested in the welfare of the developing countries, such a desire cannot be separated from the establishment of a liberal international trade system in the developed countries favouring the industrial exports of the developing countries. The domestic markets in developing countries are usually limited owing to the lack of the necessary purchasing power. Moreover, many of the industrial machines and much of the modern equipment are directed towards large-scale production and are characterized by indivisibilities. These two characteristics are barriers to the advancement of these countries. In order to enable the developing countries to take advantage of large-scale production from the full utilization of their productive capacity and overcome the problem of the size of local markets, the doors of the advanced countries should be opened to the industrial products of the developing countries. The advancement of the industrial sector in the developing countries will increase investment and will expand employment in this sector while leading to a higher and fairer distribution of income in each country.

36. The problems facing us in the present interdependent world cannot be solved unilaterally. It is time to start solving the problems of the instability of the international monetary system and the fluctuations in the exchange rates which are adversely affecting the incomes of developing

countries. The voting procedures in many international monetary institutions, such as the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) have perpetuated the unfairness of the system. It is therefore incumbent upon us to change such voting procedures so as to enhance the effective participation of the developing countries in the decision-making processes, which in most cases have a strong link to the development of their economies.

37. Most developing countries find themselves facing continuous fluctuations in the exchange rates and international inflation, thus paying higher prices for their imports of industrial goods. The preliminary studies prepared by the United Nations Conference on Trade and Development (UNCTAD) and other institutions confirmed the feasibility of establishing a just and equitable relationship between the prices of raw materials, primary commodities, manufactured and semi-manufactured goods exported by developing countries, and the prices of raw materials and primary-commodities, manufactures, capital goods and equipment imported by them, taking into consideration the element of inflation.

38. It has been said, in the course of this debate, that the old world economic order was disrupted not by colonialist greediness or rapacity but by an arbitrary monopolistic price increase by the cartel of oil-producing countries, which is known as the Organization of Petroleum Exporting Countries (OPEC). Nothing is more remote from the truth than that allegation. The rise in the price of oil was essentially a measure intended to rectify an unjust situation which had prevailed for more than two decades. The oil-importing developed countries, whose quest for alternative sources of energy had been relaxed in view of the cheap price of oil, did not take into consideration the fact that oil is by its nature non-renewable, and that some oil-producing countries depended solely on oil for their survival. They also disregarded the just demands of the oil-producing countries for an equitable price and their strong desire to diversify their economies. The advanced countries indulged in lavish over-consumption of oil while insisting on keeping its price at a low level.

39. The developing countries and the non-aligned countries have adopted many declarations over the past year—at Lima, Algiers and Dakar—expressing their unqualified support for the oil-producing countries whose success was an indication that producers' associations are the means to correct past inequities and build up the future. The developing countries went further, and today they are asking that an international fund be established to organize the market in raw materials and commodities via a comprehensive system and to finance stocking and market intervention arrangements in order to increase the proceeds from the transportation, marketing and distribution of their basic products. The method followed by the oil producers is only a beginning; all the developing countries will emulate their example because they realize that it is the only way to terminate exploitation and regain control over their natural resources. The success of the oil-producing countries in obtaining a fair price for their oil is a victory for all the developing countries, and I should like to stress that the measures taken by OPEC were not vindictive; they were necessary steps and the members of OPEC had no

alternative but to take them in view of the conduct of the oil companies which had disregarded the legitimate aspirations of the producing countries.

40. One of the most outstanding manifestations of co-operation among the non-aligned countries is the establishment of the Solidarity Fund for Economic and Social Development in the Non-Aligned Countries whose constituent instrument [*see A/10217 and Corr.1, annex, resolution X*] was approved together with the Lima Declaration adopted at the Conference of Ministers of Foreign Affairs of Non-Aligned Countries held in Lima from 25 to 30 August last and attended by almost 100 countries. The Fund, which came into existence upon the initiative of Kuwait, which acted as host to the meetings of the economic and legal experts concerned, will provide assistance on easy terms to the non-aligned countries with a view to promoting their economic and social development. Aware of its responsibility towards the developing countries, Kuwait welcomed the establishment of the Fund and will provide it with all the means necessary for its successful operation. Similarly, the non-aligned countries have decided to establish a centre for the exchange of technology whose sole task will be to supply developing countries with technological information.

41. Most developed countries are still reluctant to fulfil their obligations towards the developing countries. Official development assistance, which was supposed to reach a target of 1 per cent of the gross national product of the developed countries in accordance with the recommendations of the Second United Nations Development Decade, dropped from 0.33 per cent in 1970 to 0.29 per cent in 1974. IBRD has expressed apprehension lest the level of official development assistance should drop further in the years to come. It would thus be advisable to establish a mechanism for the automatic transfer of that assistance to the developing countries, since the present fluctuations adversely affect their economies and prevent them from implementing their economic plans.

42. Official documents of the United Nations indicate that the financial assistance given by OPEC to other developing countries may reach \$10 billion in 1975. The State of Kuwait, which is a developing country, has contributed more than 7 per cent of its gross national product to helping the developing countries, and that amount obviously tremendously exceeds the target set for the Second Development Decade for developed countries. Kuwait does not believe in using such assistance for propaganda purposes, because it strongly believes in the common history, struggle and destiny of all developing countries, and the need to expand the scope of co-operation among them.

43. I should like in this connexion to refer to a report of IBRD concerning the financial aid given by Kuwait to the developing countries, which, according to the report, amounted to \$1,666 million in 1974 alone. That figure does not include unannounced financial aid given to some developing countries. At the same time, we should like to affirm that the aid provided by the oil-producing countries, no matter how great its magnitude or the number of recipients, should not be viewed as a substitute for the assistance that should be provided by the advanced countries, and that represents merely the fulfilment of their

moral and material obligations towards the developing countries, as dictated by past and present considerations and the numerous resolutions of the United Nations and its family of organizations.

44. Economic problems have become so interrelated that we cannot deal with each one of them in isolation. For example, there is the population explosion, which in some countries has reached a critical level affecting natural resources; and then there are the already existing food shortages, that carry the threat of the spread of famine throughout the world. Those problems should be considered as global, and not as difficulties facing only the countries concerned. We were surprised to hear some delegates from the advanced countries say at the World Population Conference held in Bucharest in 1974 that the population explosion in some developing countries was an unbearable burden on this planet, thus ignoring the fact that the lavish consumption in most of the developed countries is in many cases a much heavier burden.

45. We fully understand the problems resulting from the world population explosion, but solutions can be reached only through the co-operation of all parties in fields within their competence. The best strategy available is economic and social development, which implies the inclusion in an integrated form of work on population problems in the development plans of the developing countries, while giving priority to the problems of irrigation and the development of water resources, the use of fertilizers to increase the yield of arable land, the transfer of technology necessary for industrialization, and the protection of the environment from industrial pollution. Sound planning, regular co-operation among States and the reform of antiquated systems are enough to cope with the severe fluctuations in annual crops and in international prices.

46. It is not possible to ignore the role played by transnational corporations in steering the world economy. These corporations monopolize modern technology and they do not want to devote part of their income to promoting agricultural and industrial plans in developing countries. It is high time that those corporations and their home countries showed some awareness of their responsibility towards developing countries and the importance of synchronizing their activities with development projects in developing countries.

47. We are in favour of formulating a code of conduct for transnational corporations whose excesses and greed are, in most cases, a great menace to the political and economic conditions in some developing countries. I should like to mention in this connexion that a responsible person in an industrialized Western country asserted at a press conference in 1974 that his Government was studying the implications of investments in his country by the oil-producing countries and the ways and means by which his Government could monitor their movements and identify the dangers against which it should guard. Such announcements should increase the understanding of the industrial world of the fears which were and still are expressed by some countries, particularly in the developing world, about some forms of foreign investment.

48. The natural resources of the universe have become insufficient to provide food and clothing to all nations

within the framework of the present political and economic conditions in today's world. It is only natural that man should look to the sea and its vital resources, as well as its enormous mineral wealth, as a source of raw materials and food. It is for this reason that attention was focused on the activities of the Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction and the work of the Third United Nations Conference on the Law of the Sea.

49. The inability of the Conference so far to conclude international agreements encompassing all aspects of the law of the sea and the failure so far to establish an international authority to explore and exploit natural resources for the benefit of mankind as a whole, taking into account the special interests and needs of the developing countries, are concrete proof of the stubbornness of the developed countries and their continuous attempts to reap major benefits from the exploitation of these new resources in the sea-bed, using for this purpose their technological superiority as a leverage and depending on the backwardness of the developing countries in this respect. We still hope that the developed countries will discard this fruitless policy and accept the legitimate demands of the developing countries which were enshrined in the Declaration of Legal Principles Governing the Sea-Bed and the Ocean Floor, and the Subsoil Thereof, beyond the Limits of National Jurisdiction [resolution 2749 (XXV)], which provides that the resources of the sea beyond the limits of national jurisdiction are the common heritage of all mankind.

50. I should like to take this opportunity to thank the Group of Experts on the Structure of the United Nations System and to express my Government's support for many of the recommendations and proposals the experts have put forward in their report<sup>1</sup> for restructuring the United Nations to enable it to realize global economic co-operation. Members of the United Nations have frequently complained of the inefficiency of the work of various bodies and the enormous bureaucracy which dissipates the bulk of the resources of the United Nations. The *ad hoc* committees which have become permanent, the number of Funds collecting for special purposes and the weakness of the Economic and Social Council, which is unable to co-ordinate the work of its various organs and direct the economic and social activities of the Organization.

51. It is now high time to reconstruct the United Nations system on a sounder basis so that it may grapple with existing economic problems in a more adequate manner. We wish to declare our support for all the efforts aimed at strengthening UNCTAD and the United Nations Industrial Development Organization (UNIDO), since those two organizations are basic organs for the advancement of developing countries. And, as we are striving hard to reform the international trade system and to abolish the backwardness of developing countries in the industrial field, we have no choice but to support the machinery responsible for those activities.

52. We believe that the present special session of the General Assembly is complementary to the sixth special

session, and I should like to declare from this rostrum the unqualified support of my Government for the new international economic order, which we consider binding on all nations, despite the fact that it was adopted as a recommendation of the General Assembly. Kuwait therefore appeals to all the industrialized nations to withdraw their reservations with regard to the various resolutions which comprise the Strategy for the Second United Nations Development Decade, the Charter of Economic Rights and Duties of States and the Declaration on the Establishment of a New International Economic Order, since this is the only way to establish a new economic system based on constructive co-operation among all countries, large and small, rich and poor, despite the discrepancies in their economic and social development and regardless of their economic and social systems.

53. We do not advocate division or confrontation between the developing and the developed countries. The success of this session depends on our collective will to implement the resolutions of the sixth special session pertaining to the establishment of the new economic order. It must be an action-oriented session, otherwise our deliberations will be a mere repetition of the past and our resolutions and hopes for a better future will be relegated to oblivion. It is not a session for apportioning blame or indulging in polemics and exchange of accusations; it is, rather, a golden opportunity for eliminating the obstacles to the progress of mankind. We have to work in a spirit of co-operation and understanding to build a future devoid of bitterness and full of hope for all countries. This is the challenge that we are facing today. The choice before us is clear: we either leave the disadvantaged to sink in misery and privation, or we work together to improve the life of the needy and the underprivileged countries. This heavy responsibility rests on the shoulders of us all, and we should not ignore it because the under-development and privation from which countries suffer are fraught with dangers and may lead to active conflicts. It is better that we choose a path conducive to the progress and prosperity of peoples.

54. Kuwait attaches particular importance to article 16 of the Charter of Economic Rights and Duties of States, which stipulates that it is the right and duty of all States, individually and collectively, to eliminate colonialism, *apartheid*, racial discrimination, neo-colonialism and all forms of foreign aggression, occupation and domination, and the economic and social consequences thereof, as a prerequisite for development. That article provides that States which practise such coercive policies are economically responsible to the countries, territories and peoples affected for restitution and full compensation for the exploitation and depletion of, and damages to, the natural and all other resources of those countries, territories and peoples.

55. The State of Kuwait has always pursued a policy that stresses the need to eliminate colonialism, neo-colonialism, *apartheid* and racial discrimination in all their forms, and we wish to remind the international community once more today that these ills cast their hateful shadow on three Arab countries; we would like to draw the attention of the General Assembly, in particular, to the economic and social conditions under which the Palestinian people live under Israeli occupation. Once more, we reassert the sovereignty

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

of all Arab countries and peoples over the natural resources in the occupied Arab territories and the right of the Arab countries and peoples to regain sovereignty over them.

56. Mr. KEUTCHA (United Republic of Cameroon) (*interpretation from French*): It is a signal honour for me to take the floor at this special session of the General Assembly devoted to development and international economic co-operation. May I be allowed, Mr. President, to join all those representatives who have already done so in addressing to you the hearty congratulations of my delegation on the renewed confidence which delegations have shown in you by re-electing you to preside over this seventh special session of the United Nations General Assembly. It could not have been otherwise, since the members of this Assembly remembered the great wisdom and effectiveness which you displayed in presiding over the twenty-ninth session of the General Assembly. This mark of confidence renewed on the part of all States present here is but a reflection of the profound respect which we have for you and for your country, Algeria, with which my country enjoys excellent relations in all respects, and for the third world.

57. Our presence here today may be explained by the difficult but exciting search which we began 17 months ago, for a new, realistic political definition of the international economic machinery for ensuring orderly and humanitarian development among all nations, particularly those most victimized by the present unfair economic order.

58. The sixth special session revealed the historical, political and economic factors that led to the emergence, consolidation and defence of this state of affairs that has existed for nearly a century.

59. Documents of great political significance have been adopted and welcomed by the international community as attesting to mankind's acute awareness of the revolting sectorial inequalities that exist in the world. Those documents have aroused hope in the developing countries that a process will soon be inaugurated to find ways and means to eliminate those injustices. But although we welcome the consensus that emerged on this subject, we must admit that even after 17 months we have yet to determine specific ways and means and to incorporate them in a set of rules of practical application for the achievement of genuine international co-operation.

60. Need one recall, in this connexion, that the developing countries, which alone represent 70 per cent of the world's population, account for only 30 per cent of the world's earnings? That means that 70 per cent of the population of the world derive their earnings from the marketing of primary commodities and raw materials, a sector which is still governed by systems created during the nineteenth century and which were at the root of the economic expansion of the industrialized countries.

61. As a result of those systems, transnational corporations dominate the production of and trade in many primary commodities, above all by using their negotiating power against a multitude of sellers, in the developing countries who are competing among themselves and who

are less powerful than the corporations. This situation thoroughly disrupts the normal interplay of supply and demand, and that is particularly true because the international community has unfortunately encountered a deliberate absence of market regulations. The setting of international prices for raw materials is, to all intents and purposes, carried out without benefit of the opinion of the producers of these products and at the whims of consumers, who are fully aware of the vulnerability of economies based essentially on agriculture, which in turn are at the mercy of the hazards of nature.

62. So the efforts of the peoples of the developing countries in agriculture are thwarted by the ridiculously low prices that are imposed on them.

63. From time to time there is an upturn in these prices, but these upturns are usually due to passing phenomena, the result particularly of a considerable excess of demand over supply of raw materials.

64. Since the middle of 1974, the prices of most of these products have decreased considerably, thus aggravating the deterioration of the terms of trade for the producing countries.

65. Most of the developing countries which decided to solve this problem by creating funds to stabilize prices have been obliged to support these prices, which had fallen to low levels, by using their reserves to a considerable extent.

66. As if the well-nigh unilateral fixing of the prices of raw materials were not enough, the developing countries have had to confront the problem of the free access of their products to the markets of rich countries.

67. Indeed, the uncontrolled use of tariff and non-tariff barriers has up to now inhibited the liberalization of international trade.

68. Although tariff reductions have been granted on a number of occasions, it must be recognized that since the end of the Second World War, following the General Agreement on Tariffs and Trade (GATT) negotiations, the measures of tariff protection applied in the developed countries remain one of the most serious obstacles to the expansion and diversification of exports from developing countries, and I am referring here particularly to specific and *ad valorem* duties.

69. In the area of non-tariff barriers, a considerable number of processed and semi-processed agricultural products are, upon their entry into developed countries, hit with a number of restrictive measures, such as the quota system, licensing régimes, bans on certain imports, total bans and variable levels, State trade and health regulations, minimum prices, and so on and so forth.

70. It is clear that such measures to a considerable extent limit imports in terms of absolute value and volume.

71. These restrictions, as well as price fluctuations, lead to a persistent and long-term deterioration in the terms of trade of the newly independent countries compared to the developed countries.

72. In addition to the present strong inflationary pressure imported from the developed countries, the import bills of the developing countries are increasing to a very disturbing extent and seriously affecting their balance of payments.

73. In this area, suffice it to refer to the spectacular increase in the costs of imports of food-stuffs and of fertilizers and pesticides that are so important to agricultural production. These increases do not of course spare capital goods and transportation and shipping costs.

74. In this context, a sound policy with a view to readjusting balance-of-payments positions can only be a readjustment of exchange rates within the framework of a reform in the present international monetary system—a system which is characterized by instability and uncertainty in exchange rates which are very harmful to trade in primary products.

75. It is undeniable that the developing countries do not participate as they should in all the stages of the decision-making process in the monetary field and, particularly, in the design of a new system.

76. How, then, can one talk in terms of development planning of the economies of the young countries when, on the one hand, their meagre economic possibilities are so seriously mortgaged by factors which literally escape their control and when, on the other, these same countries are not in fact able freely to express their views in the process of making those major international decisions which primarily concern them?

77. In the circumstances, one can only contemplate the future of international economic relations with apprehension when one considers the lack of political will of the developed countries to give substantial assistance to the less developed countries.

78. Mr. President, as you stressed in your inaugural statement, "The seventh special session confronts each one of us with historic responsibilities" [2326th meeting, para. 37]. You also said:

"At a time when the complexity of the world economy stresses the interdependence of States, it is no longer possible for anyone to impose solutions of his own choice." [Ibid., para. 27.]

79. My delegation believes that the Declaration and Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States, the Declaration and the Action Programme adopted by the Conference of Developing Countries on Raw Materials, held at Dakar from 4 to 8 February 1975,<sup>2</sup> and the results of the ministerial conferences at Algiers and Lima are all basic elements for the establishment of a new international economic order.

80. Consequently, urgent and vigorous action should be adopted in economic areas where the young nations are vulnerable, not out of Christian charity but because of the necessity of interdependence, which has been amply demonstrated by the present economic crises.

81. One must reconsider the outmoded rules of the international trade system, a system which, as we have stressed, was established during the nineteenth century.

82. My delegation joins other delegations here in saying that a revolution in trade requires an integrated approach to raw materials and commodities, as advocated by UNCTAD.

83. That integrated approach first and foremost requires an unequivocal expression of the political will of all the partners concerned.

84. The prices of raw materials and commodities cannot be maintained at just and remunerative levels unless there are international arrangements relating to stocks. These arrangements require the creation of international funds designed to finance the stocks.

85. As regards the developing countries themselves, policies in this field were clearly defined and adopted in Dakar: those countries must first and foremost rely on their own resources and means.

86. Thus the Dakar Conference advocated the creation of a special fund to finance these stocks and the Ministers approved its creation in Lima.

87. We believe that that would be one of the surest ways for the developing countries to ensure real stabilization of the prices of raw materials and commodities and, consequently, a real stabilization of their export earnings.

88. In this context my delegation has taken note of the proposals already put forward from this rostrum relating to the creation in IMF of a development security facility in order, in a general way, to stabilize export earnings. But these facilities are to constitute reimbursable loans, and we believe, for our part, that this is not entirely within the framework of the objectives of a sound stabilization of earnings. Hence we should begin by stabilizing prices by making use of mechanisms such as indexing.

89. Some developed countries believe, however, that stabilization of prices is not at all necessary for the stabilization of export earnings. My delegation is of the opposite view and believes that both actions are not mutually exclusive but, on the contrary, complementary, that is, the creation of funds to finance stocks and the direct indexing of prices of raw materials and commodities to those of manufactured products, the final objective being the stabilization of export earnings.

90. Once these stocks have been constituted, it will be necessary to set up a system of multilateral commitments for imports and exports in order to bring about the rational expansion of world trade in conditions of stability.

91. Thus the international markets would no longer be a jungle where might makes right. As you have so correctly stated, Mr. President:

"Such an approach presupposes a new type of relationship in which concerted action and some degree of planning on the international scale replace the so-called laws of supply and demand, which, in reality, merely

<sup>2</sup> See document E/AC.62/6.

reflect an imposed relationship, based on the respective strengths of the seller and the buyer.” [2326th meeting, para. 52.]

92. Having particular regard, in this integrated approach, to the machinery for indexing the prices of basic commodities and raw materials of the developing countries to the prices of their imports from developed countries, there are two possibilities: the creation of a stabilizing fund, through which financial transfers will be made from the developed importer countries to the developing exporter countries, that is to say indirect indexing; or, for those products which can be indexed separately, a linking of the prices of exports from the developing countries to an indicator reflecting the purchasing power of the exporters, that is to say direct indexing.

93. In the first case, my delegation welcomes efforts made by the European Economic Community, particularly the efforts made relating to the special fund which was provided for this purpose in the Lomé Convention.<sup>3</sup>

94. The stabilization of prices and export earnings is closely related to the question of access to the markets of the developed countries.

95. As was stressed by the representative of the Government of the United States of America last week:

“... the global trading system is threatened by the most serious recession since the Second World War. We face the danger of proliferating artificial barriers and unfair competition reminiscent of the 1930s ... the temptation grows to restrict imports, subsidize exports and control scarce commodities.” [2327th meeting, para. 123.]

96. Developed countries should demonstrate goodwill to bring about fundamental improvements in their relations with the developing countries and, in particular, by eliminating all restrictions which might endanger access to their markets. I am referring here in fact to tariff and non-tariff obstacles.

97. The generalized system of preferences, which provides for the elimination or reduction, on a preferential basis, of duties on products imported from developing countries, should cover all important products from these countries.

98. On this subject, my delegation took note of the decision of the United States of America to establish generalized tariff preferences in order to make it possible for our young countries to improve their access to American markets.

99. Still on the subject of commodities and raw materials, I must stress the importance which should be attributed to the way in which those products are treated within the territory of developing countries. There are many opportunities in the developing countries for industrial development, which is so ardently desired. Therefore, the question

requires careful attention on the part of the rich countries and, in particular, they must give both financial and technological assistance.

100. Those are the views of my delegation on the question of basic commodities.

101. We dealt first with the question of commodities because it is at the stage of marketing and distribution that the greatest number of difficulties arises. Indeed, it is at that stage that the crass egotism of the developed countries is most unabashedly on display. It is at that stage that, under the pretext of alleged commercial co-operation, there may be found the most subtle theories relating to exploitation. But we are not taken in by all that. We believe that the agricultural sector, which remains the key sector for our young economies, requires special attention.

102. Precisely because the developing countries are dependent upon their agricultural requirements, it is now, more than ever before, absolutely necessary for them to have a strategy responding not only to their needs for currency which they earn from that sector but also to their nutritional needs which in the final analysis determine man's very existence.

103. We are entitled to expect from the developed countries an increase in the main factors of production, especially fertilizers and pesticides, provided on favourable terms.

104. The last six months of this year have seen the quadrupling in a few weeks of the prices of fertilizers, and while the consequences of that situation were immediately felt in our agricultural production, that state of affairs should not be blamed solely on the oil crisis.

105. Because we did not have the means to buy fertilizer, the cotton production of Cameroon went down 40 per cent from 1973 to 1974, and we will probably register a decrease of 25 to 30 per cent from 1974 to 1975. The same is true of other key products in the economy of my country.

106. The developed countries, therefore, should give appropriate support to the development of the agricultural developing countries. What we fear, however, is that our desires, which we have aired here and in other international forums, will remain mere pious hopes.

107. It is a secret to no one that the developed countries which produce certain agricultural food-stuffs heavily subsidize the development of those products in order to compete fiercely with the poor countries of the world.

108. Regardless of one's point of view, it is unreasonable, indeed it is unfair, to ask those countries to stop promoting the production of these products which remain a secondary sector for their economies. But what we would ask is, first of all, that they not place restrictions of various kinds on the importing of our products into their markets, and, secondly, that they show a certain awareness of the need to co-operate by taking into account the interests of the less developed countries when it is a question of maximizing efforts for the development of their agriculture.

<sup>3</sup> ACP-EEC Convention of Lomé, signed on 26 February 1975 at Lomé. The text was subsequently circulated as document A/AC.176/7.

109. Closely related to that problem are others concerning such products as wood, jute, cotton and natural rubber. There is fierce competition between those products and synthetics, yet the former remain the only means of subsistence for many newly independent countries. This aspect of the problem has been the subject of debates in the developed countries. As far as we are concerned, we feel entitled to hope—indeed, we sincerely hope—that in the name of International Development Strategy efforts will be made by the entire developed international community to upgrade the general agricultural sector in the newly independent countries.

110. There is another sector in which the developed countries must show understanding and a spirit of co-operation. I am referring to the industrialization of the newly independent countries.

111. In this area, we expect the developed countries to help us to set up in our countries viable industrial economic enterprises capable of processing raw materials and local commodities. This aspect of the problem relates primarily to requests for the financing of industrial products and encouragements to investors to finance industrial production projects. In this area we should acknowledge efforts to improve systems of aid that have been advocated by the European Economic Community within the framework of the Lomé Convention. International organizations also should improve their policies by providing technical assistance and by creating machinery to provide funds rapidly on particularly favourable terms.

112. The problem of industrialization logically leads to another area in which the developing countries expect assistance from the wealthy countries: that of the transfer of technology and know-how. In order fully to realize their development objectives without being for ever obliged to have recourse to assistance from the developed countries, the developing countries need the assistance of the wealthy countries in the area of technology. But the major problem is the very high cost of that technology, and of patents, ownership rights, trade names and so on. Most of the technology needed by the developing countries belongs to multinational companies. The international community should, therefore, accept the principle that there is a need to formulate a code of conduct in this area, as advocated by the Group of 77. The principles of such a code of conduct should be accepted by one and all and should contain, *inter alia*, provisions relating to non-interference in the internal affairs of States, to regulations governing the repatriation of profits resulting from the operations of transnational corporations, and to incentives for corporations to reinvest in developing countries.

113. After stating the views of my delegation on these crucial problems of direct concern to our countries, I now wish to turn to two areas the importance of which will undeniably determine our success or failure in the areas I have already discussed. I am referring to the transfer of real resources to our countries and, finally, international monetary reform.

114. A well-adjusted trade system that accords with the principles of social justice as expressed earlier in this statement should normally lead to an indirect transfer of

resources from the developed to the developing countries by providing outlets for the exportation of raw materials.

115. To this indirect transfer of resources may be added direct transfers of resources in the form of loans, investments and grants. Studies on the subject by the United Nations have led to the conclusion that although the total amount of direct transfers from developed countries in terms of private and public funds increased from \$14 billion in 1970 to \$22 billion in 1973, that increase only meant the maintenance of the percentage of gross national product represented by transfers at 0.7. That is very far from the 1 per cent goal laid down in the International Development Strategy.

116. In reality, the reasons for this state of affairs are political rather than economic. In all sincerity it must be admitted that most of our developed partners turn a deaf ear to our suggestions, in spite of the generous promises they have lavished on us in international forums. Consequently, a certain political awareness with regard to the problem is desirable, as is its expression in an increase in the amount of official aid included in the transfer of financial resources, so as to attain and even exceed the goal of 1 per cent of gross national product.

117. Furthermore, tied aid should also be reduced considerably and efforts to mitigate the unfavourable effects of such aid should be intensified.

118. The external debt represents a most crucial problem for the developing countries. The developed countries should as a matter of urgency take action to lessen the unfavourable consequences of the burden of foreign indebtedness by declaring moratoria and by adjusting repayment schedules, by providing subsidies for the payment of interest and by renegotiating, with a view to the complete cancellation of certain debts.

119. My delegation believes that, regardless of improvements in the commercial system as a whole, regardless of what action is taken to improve the purchasing power of the developing countries, and regardless of what efforts are made by the developed countries to transfer technology and resources, the problem that links all these efforts is the present international monetary system.

120. This system has been called unfair, unequal, unsuitable, uncertain and inconsistent. The very least one can say of it is that it is outdated. There is no need for me to speak at length of the consequences of that system; everyone is keenly aware of them.

121. What the international community requires is a just, realistic system which takes full account of the concerns of the entire international community. For that purpose, at this stage the developing countries must be closely associated with the creation of the new international monetary system. IMF should consider the matter with the closest attention, and that is particularly true of the Board of Governors.

122. As regards certain specific measures the developing countries would like to see taken, instability in the international monetary system should be eliminated, and in particular uncertainties in rates of exchange.

123. A direct link between special drawing rights and supplementary financial resources for the purposes of development should be established, as was advocated by the Group of 77 at Lima.

124. Action to end inflation, that world-wide curse that has so many ramifications, should also be considered. Action to prevent its being transferred from the developed to the developing countries should be taken by means of appropriate machinery set up within IMF. Finally, a consideration of the methods used by that institution should be made to permit the developing countries to benefit to the utmost from that organization.

125. Those are the few thoughts which my delegation wished to share with the members of this august Assembly. Today, we have an excellent opportunity to lay the foundations of a new world, one which is more just and more aware of its common destiny. Ours will not be an easy task, but let us all together, here and now, combine our efforts to make a reality out of what, only yesterday, seemed a Utopia, that is, an international society free of fear, poverty and confrontation and unashamedly concerned over the full development of mankind and all the aspects of human life.

126. Mr. DA COSTA LOBO (Portugal) (*interpretation from French*): Since the Foreign Minister of my country is unable to attend this meeting of the special session of the General Assembly, as he had wished, the honour of reading the speech he had intended to make in this Assembly falls to me.

127. Mr. President, permit me first of all to convey to you on behalf of the Portuguese delegation our warmest congratulations on your unanimous election to the presidency of the seventh special session of the General Assembly. Your distinguished personal qualities make it certain that the work of this Assembly will be conducted with the competence and dynamism which the magnitude of the task before us requires.

128. As a result of the revolution of 25 April 1974 carried out by the Armed Forces Movement, which restored democratic liberties and began the process of decolonization, Portugal regained its place and its role among the nations. The conditions were then right for its active participation in the strengthening of peace and co-operation among peoples and the demonstration of its solidarity with all those who are fighting for their independence, for liberty and for justice.

129. The new relations, based upon genuine equality and mutual respect, that we entertain with the former Portuguese colonies are an irrefutable proof of this. We are tied to these new countries, not only by historical and cultural links, but also because at the present time we are together attempting to face the challenge of creating a society which will be free from the exploitation of man.

130. Portugal feels itself linked in brotherhood with all third-world countries; we have common interests and we know that their struggle is also ours.

131. Situated as it is on the very edge, at the confines of Europe, Portugal is a country which has serious problems of

development and is in the grip of difficulties stemming from the absence of the necessary structures or from the fact that those we have are outmoded. It is a country whose economy remains viable because of solutions which make it extremely dependent upon the particular circumstances prevailing in Europe at the time, a country with the contrasts of flagrant social injustice which keeps a majority of the population at a very low level of living.

132. However one considers it, Portugal is a developing country and, in comparison with Europe, it appears as a country whose limited resources have given it one of the lowest levels of living in the whole continent.

133. The colonialist and dictatorial policy of the former régime did great harm to the struggle for survival and national independence. On the one hand, the perpetuation of that policy necessarily entailed the acceptance of subjugation; it also prevented the diversification of political and economic relations, that form the basis for effective and real independence.

134. For all these reasons, Portugal, although geographically part of Europe, feels deeply that the struggle of the third-world countries, which are like itself in the process of development, is its own.

135. The geographical and political situation of Portugal, expressed in the economic field by agreements between Portugal and the Europe of the members of the European Economic Community and the European Free Trade Association, where its principal markets are, may be of assistance in a dialogue between two worlds which differ from each other, but with each of which Portugal has characteristics in common. This attribute of being a hinge, as it were, between developed societies and the world which is struggling nobly to achieve this level of development cannot fail to have an influence on the whole political and economic strategy of my country. Portugal has in any case reaffirmed its adherence to the principles underlying the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States and we should like to express once again our willingness to contribute, with the means available to us, to development and international economic co-operation, based upon equity, equality, sovereignty and interdependence.

136. My country considers that the gradual establishment of this new system of international relations should be based upon the recognition of the just aspirations of the developing countries and should aim fundamentally at a policy of true equality of opportunity at the international level. Genuine economic independence should correspond to political independence.

137. We must therefore put an end to the law of unequal development by putting into application a new set of guiding principles for economic relations among States which, while guaranteeing the defence of the resources of all, will assure for all access to the benefits of progress in conditions of just distribution and opportunity for global socio-economic development.

138. International political opinion must also become aware of the importance of what, politically speaking,

constitutes the basis for these principles. Therefore, recognizing the profound transformations which have occurred recently on a world level in the balance of economic and political forces, it will have to adopt criteria of minimum return and minimum level of satisfaction of human needs and new scales of production and consumption.

139. The size of the problems before this Assembly and recognition of the validity and historic legitimacy of the positions taken and the proposals made by those very countries which are suffering from these difficulties—a recognition which we, ourselves, would like to reaffirm here solemnly—should not make us forget the nuances and differences among the various concrete situations nor the interaction of these concrete situations from a global standpoint and from the standpoint of the international community as a whole.

140. Neither should an examination of these problems be limited to dialogue or to relations, which are to some extent bilateral, between industrialized countries and countries producing primary commodities and raw materials. Such an attitude, which is too simplistic and overlooks the intermediate stages of development, would fail to take into consideration the interests of a particular group of developing countries which, having limited natural resources, are net importers of both primary commodities and manufactured goods.

141. Also, we have to take account of the tragic situation of the poorest countries, particularly those which do not produce primary commodities, which have an immediate lack of food for their people, which have a chronic lack of minimum investments for the exploitation of the resources that they do possess, and which are constantly subject to pressures exerted by transnational companies and other external forces.

142. In a complex world where each element has shortcomings and all elements have a certain complementarity, their interaction and interdependence make it necessary for us to employ a global strategy which would be at the same time flexible enough to take account of the nuances between different concrete situations and to safeguard the national independence of each country.

143. At the present time, Portugal is going through a particularly difficult time. The economic crisis of developed countries, upon which Portugal depends to a large extent, has had a heavy consequence on the Portuguese economy at the very time when the political and social transformations brought about by the revolution of 25 April have been promoting structural reforms which, at this transitional phase, make it necessary for us to face up to very difficult problems; and these include pressures, attempts at interference, and “boycott” attitudes attempting to influence the rate and the very nature of our revolutionary process.

144. We should like to express our deep understanding of the problems raised here and we support the positions taken by the Group of 77. We also recognize the positive contribution to the concrete solution of a number of problems on the agenda of this special session of the General Assembly contained in some of the proposals submitted by several delegations.

145. In the field of international trade, we support the establishment of machinery guaranteeing the regular functioning of commodity markets and basic products, markets designed, in particular, to ensure price stability. Furthermore, we support the creation of conditions for the access of export products of developing countries—whether these be primary commodities, basic products, manufactured or semi-manufactured goods—to the markets of the industrialized countries.

146. These measures, however, should not express a mere theoretical solidarity among members of the international community; they should, indeed, manifest themselves in terms of effective and real advantages for the developing countries.

147. With regard to the transfer of resources, we consider that all initiatives aimed at increasing opportunities to obtain the necessary financial means for developing countries, in particular for the poorest of them, should be supported. Similarly, we agree with the proposals for the evolution of an international monetary system which would make greater allowance for the interests and peculiar characteristics of the developing countries, and we hope particularly that IMF will expand its functioning machinery so that it will increase its contribution to the solution of the problems of balance of payments of many of these countries. Furthermore, the system of special drawing rights could become a form of controlled creation and oriented transfer of financial resources to the developing countries. A new formulation of the general framework of the functioning of IMF would, however, be necessary for this purpose.

148. The percentage redistribution of quotas resulting from the sixth general increase of quotas may be the beginning of a process which we would like to see accelerated, a process which would assure the developing countries of fairer participation in decisions which affect them directly.

149. In the field of science and technology, we support the creation of a technical data bank, particularly for the industrial sector, operating under the auspices of the United Nations, whose activities would begin on an experimental basis in certain economic areas. We believe it is necessary to establish for the transfer of technology to developing countries an international code of conduct which would, among other things, take into account the training of national specialists with the competence and capacity to assimilate the available technologies at the highest level of participation. We entirely agree with measures to facilitate, on a preferential basis, access by developing countries to the information which their requirements call for.

150. On industrialization, Portugal considers that new forms of co-operation should be introduced in accordance with the Lima Declaration and Plan of Action on Industrial Development and Co-operation [see A/10112, chap. IV], and we should like to stress that the advantages flowing from indirect trade among developing countries, the creation of national institutions to ensure better conditions for bringing in techniques, experts and equipment, and recourse at the multinational level to industrial complementarity can constitute decisive factors for the industrial

development of the third world. This complementarity, in the light of economic specialization, should be based on the resources and needs of each country by means of the establishment and strengthening of consultative machinery at the regional level, so as to permit the harmonious and balanced development of all developing countries.

151. Portugal recently attended, as an invited country, the Conference of Ministers for Foreign Affairs of Non-Aligned Countries, held in Lima in August. Its presence at that Conference is explained by the struggle being waged by Portugal for its independence and the importance it attaches to that group of countries, not only for the balance of security in the world but also for the working out and defence of principles upon which the new international economic order will be based.

152. My country considers that this special session of the General Assembly is an important step towards the creation of that new international economic order without which existing tensions are liable to be exacerbated, a situation entailing consequences, perhaps unforeseeable globally, but certainly of the gravest kind.

153. No peace can be born of the feeling of profound injustice with which the poor countries take note of the inertia of the more privileged peoples in the face of the difficulties which they have to face. Portugal, which is attempting to consolidate its independence and its capacity to build itself without external interference, a more just and more progressively oriented society, hopes to be able to contribute by all the means available to it to the creation of an international community where peace based upon justice will reign, a peace based not only on the right of every people to choose its own destiny but also on the duty of each people to make a positive contribution to the destiny of others.

154. Mr. WILLIS (Guyana): One year ago in this very forum there was articulated the Declaration on the Establishment of a New International Economic Order and a Programme of Action to implement it. These two documents were adopted at the sixth special session and were followed by the Charter of Economic Rights and Duties of States promulgated at the twenty-ninth regular session of the United Nations General Assembly. Thus was provided a compendious mandate for the dismantling of the old structures that have proved inadequate and the construction of an entirely new system more responsive to the needs and hopes of the poor and the disadvantaged.

155. The allegedly sterile debate as to whether or not a new international economic order is required has already resulted in the presentation of far-reaching proposals which it will be our clear duty to evaluate in our efforts to arrive at a global consensus.

156. It is therefore with great pleasure, Mr. President, that my delegation views your election as President of this session. Your long-standing and unswerving commitment to the solution of the problems which confront us is well known and rightly admired.

157. In four days' time we shall conclude our deliberations and negotiations. So far we have been encouraged by

the absence of confrontation and the minimal resort to declamation and diatribe. But we must face squarely the danger of stalemate. We must not let the mantle of progress descend upon extravagant ideas aimed at refurbishing tired and worn-out institutions. On the other hand, we must not allow the absence of novelty to be the central thrust of our objection and the focus of our criticism. The hour is critical. The expectations are that we shall agree on concrete steps that will represent a real advance towards the new order, an order on which the majority of mankind insists.

158. The imperatives for change are clear. Some 30 years ago the Bretton Woods system, reinforced by the Marshall Plan, introduced a new era in the post-war world which promised a redress of economic disequilibrium in the developed world. Predictably, that system failed to satisfy the aspirations of the developing nations, and it is that failure, especially, that introduces a note of urgency into our debate. It is imperative that we should fashion new structures and new institutions to arrest the widening of the gap between the developed market economies and the producers of raw materials and semi-manufactures.

159. But there are other imperatives. The victory of the people in Indo-China and the relentless march of decolonization in southern Africa both point to the erosion of the traditional structures of power. There are some who take comfort in the theory that the global order of colonial power has disappeared. But a retreat from political domination is not *ipso facto* a retreat from colonialism. The structure of economic power built upon the foundations of the old colonial order persists with remarkable tenacity and endurance.

160. In addition to these factors all making for change there has been the emergence of issues which are global in their range and in their import and are only susceptible to management that derives its authority from a global consensus. I speak here of such matters as the orderly utilization of the resources of the sea, the preservation of our environment and the depletion of non-renewable resources.

161. There can be no turning back, and that is why Guyana welcomes in particular the recognition in the statement delivered by the representative of the United States of America: "Change is inherent in what we do, and what we seek" [2327th meeting, para. 46].

162. It is clear that any attempt to give new vitality to obsolescent institutions is wholly unacceptable. In the face of such attempts, the solidarity of the developing countries is the best guarantee that the processes of change will lead to the establishment of the new international economic order.

163. Those of us who embrace non-alignment will not lose a moment's sleep over deliberate attempts at misrepresentation. We are not a bloc. Unbound by pacts, eschewing centralized military force, refusing the dictation of hegemonic power, we are aligned with peace, with independence, with equality, with justice and with the importance of the single human being. Our solidarity is based neither on the preservation of nor on the quest for power. It is

rooted in common perception and shared ideals. The universality of the principles of non-alignment has long been vindicated. Those who only recently have come round to the acknowledgement of its validity must now seek to understand it properly.

164. The international community must move forward, and in our way forward we must be guided by three fundamental approaches to the problems of development and international economic co-operation. From these approaches, my delegation feels, we deviate only at our peril: first, we must subject all proposals to the test of their likelihood of advancing the arrival of the new international economic order along the path charted by the Group of 77; secondly, decision-making on these vital issues must remain firmly within this Organization; and thirdly, the solidarity of the developing countries must be given new depth and content, especially through programmes of collective self-reliance.

165. I should like to dwell briefly on these three points.

166. One group of proposals has come from an initiative taken by my Prime Minister, Comrade Forbes Burnham, at the Commonwealth Heads of Government Conference in Kingston, Jamaica, earlier this year. In keeping with this initiative a Group of Experts, drawn from both developed and developing Commonwealth countries, was established. In their interim report [see A/AC.176/5] they endorsed the need for fundamental change, but they also identified a number of concrete steps which can assist our international dialogue. In addressing the Conference of Commonwealth Finance Ministers at their meeting in Georgetown, Guyana, a few weeks ago my Prime Minister suggested that this report was an acceptable minimum approach towards the first phase of the implementation of the new economic order. Without necessarily committing their Governments to every aspect of the interim report, the Commonwealth Finance Ministers gave it their general endorsement. They called the attention of the Group of Experts to the need in the final report for an examination in depth of a number of issues not fully covered by the interim report and they requested that those experts take into account the work carried out in other bodies.

167. In this very Assembly, at the beginning of our deliberations, important proposals were advanced by the delegation of the United States [2327th meeting]. These are serious proposals which merit our serious consideration. In this process, my delegation considers that a number of questions must be answered. Do the proposals acknowledge the need for fundamental structural change? Are the developing nations to have effective participation in all decisions affecting the global economic system? Are we of the developing countries being asked to believe that institutions which have historically served the best interests of the developed world can be modified to promote our own development? Must the improvement in the condition of the developing world remain a mere foot-note to the prosperity of the developed world? In short, in a situation that demands surgery are we being asked to be satisfied with the dispensation of mere palliatives?

168. Nevertheless, I wish to assure this Assembly that my delegation will approach these and all other proposals,

including those of the European Economic Community, objectively and responsibly, because we are aware that what is at stake is nothing less than the future condition of all mankind.

169. I turn now to our second guideline. Guyana has always strongly supported the strengthening of the United Nations system. Therefore, we accept no proposal which is calculated to diminish the role of the United Nations and to bypass it by having recourse to institutions old and new in which a privileged few control the levers of decision-making. To act in such a way would be to frustrate the insistent demand by the developing countries for more effective and more equitable participation in decision-making on the issues that affect all of us.

170. In this connexion we have before us the report of the Group of Experts on the Structure of the United Nations System. In the light of the changes in the international environment and of the imperative need to make the United Nations system into an effective instrument for the implementation of the New International Economic Order, we support the proposal to establish an intergovernmental committee of the whole which could work urgently towards this objective.

171. Now I come to the third guideline—collective self-reliance among developing countries. The Programme of Action on the Establishment of the New International Economic Order assigns an important role to collective self-reliance among the developing countries and it calls upon the developed world to support such efforts. Forms of horizontal co-operation at the regional, subregional and interregional levels have already demonstrated their potential as instruments compelling significant change. Such new horizontal economic structures and arrangements will assist substantially in bringing to an end our marginal situation and they could provide an essential thrust for a radical alteration in the international economic system. The much maligned producer associations have already proven their worth as a stimulant of international dialogue, as a catalyst for change and a mechanism for the mobilization of resources in the developing world.

172. At Lima, just before we assembled here in New York, the non-aligned countries took further important decisions—decisions on the establishment of supportive institutions for programmes of collective self-reliance, decisions for the establishment of a Solidarity Fund for Economic and Social Development in the Non-Aligned Countries, a Special Fund for Financing of Buffer Stocks of Raw Materials and Primary Products exported by developing countries, and a council of associations of developing countries which are producers as well as exporters of raw materials.

173. Collective self-reliance is not coterminous with confrontation. The processes of development which it will generate in the southern part of the world can and will provide gains for the international community as a whole. The new economic order must therefore be designed to foster all efforts at self-reliance on the part of the developing countries—efforts both national and collective. True development cannot be imposed *ab extra*, but must be part of the internal dynamics of growth. The international

framework must create the conditions and provide the support within which self-reliance can flourish.

174. We must not be mesmerized into accepting proposals for producer-consumer co-operation by sanctimonious references to the concept of interdependence. There can be no true interdependence unless it is based on relations of equality. Let us beware lest that concept of interdependence be used as a mask to disguise new forms of dependence and new forms of subjection—or, indeed, to sustain old forms.

175. Those, therefore, are the guidelines which we suggest should inform our decisions as we come now to the closing stages of this special session. They should be integrated within the blueprint already adopted for the new international economic order. The future condition of mankind depends on the decisions we take on these issues—decisions which therefore must remain within the United Nations system, appropriately restructured to deal with the gravity and the range of the problems involved. Collective self-reliance must remain our sword as well as our shield. Global consensus must remain the unalterable, constant objective. Either we open up new possibilities of co-operation or we plunge headlong into confrontation, conflict and chaos. It is these global considerations, more than the maintenance of any particular national interest, which will produce the consensus we require.

176. Posterity will surely judge us by the intensity of our efforts at accommodating the opinions of others in arriving at just and equitable solutions. At the same time, compromise itself is not an objective. It may be that we will come to no final agreement, despite these efforts. The developing world cannot be expected to sacrifice its legitimate demands on the altar of expediency.

177. More hopefully, it may be that we differ only on emphasis and on priority rather than on principle, and that together, here at this session, we will take those essential steps to hasten the implementation of the new international economic order.

178. I have every confidence that the hopes and aspirations of the billions on this planet will not be disappointed. I have every confidence that we their representatives will not be caught below the level of events.

179. Mrs. Jeanne Martin CISSE (Guinea) (*interpretation from French*): A long period of colonial or semi-colonial occupation of nearly the whole of the Asian and African continents has created in the world a tradition of unequal development and a tragic imbalance in the areas of science, technology and the economy between, on the one hand, Europe and North America and, on the other, Africa, Latin America and Asia, to the detriment of the latter. In the latter three areas of our planet which have been sorely tried, the level of technology and of the productive forces at this time together represent scarcely one twentieth of what they are in the States of Europe and North America.

180. In 1970 the adoption by the General Assembly of the International Development Strategy for the Second United Nations Development Decade aroused great hopes. The failure of this Second Decade and the deterioration of

the economic situation have now become a source of profound concern for the international community and, more particularly, for the countries of the third world. The question of development will be on the agenda of a number of international gatherings. After the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers in 1973, at which this question was discussed, the concern of the developing countries led them, on the initiative of President Houari Boumediène of Algeria, to request the convening of a special session of the General Assembly on the problem of raw materials and development.

181. After the sixth special session, which led to the adoption of the Declaration on the Establishment of a New International Economic Order and to the Programme of Action designed to make those principles a reality, it is not without some resentment that we now note the continuance not only of an economic crisis but also of the crisis of an order, that of the relations between developed and developing countries.

182. Since that historic session devoted to the problem of raw materials and development, a number of important international meetings have demonstrated that we have been through an intense period which is not a continuation of the past but which represents a total break with it. Indeed, the Council of Ministers of Developing Countries at Algiers,<sup>4</sup> the Second General Conference of UNIDO held at Lima in March, the Conference of Developing Countries on Raw Materials in Dakar in February, the third session of UNCTAD, the first session of the World Food Council in Rome in June 1975, and, recently, the Conference of Ministers of Foreign Affairs of Non-Aligned Countries at Lima in August—all these conferences have reaffirmed the need to establish a new order in international relations. That is why, for my delegation, the question now being considered at this special session of the General Assembly, which is being held at a particularly propitious time, is of great importance for the future development of relations between the developed and the developing countries.

183. The seventh special session will indeed offer the international community an opportunity to take adequate measures and to find the most appropriate ways and means of implementing the relevant decisions adopted at those various gatherings in order to contribute to the solution of world economic problems and to the establishment of a system of international economic relations based on equality and justice in the interest of all.

184. The results of the various conferences on development that have been held recently have borne witness to the serious differences existing between the developed and the developing countries. The contrast between the two attitudes reflects the conflicting interests of countries providing raw materials, on the one hand, and the industrialized countries that supply capital equipment and manufactured products, on the other. This conflict is the main feature of the present state of relations between both parts of the world: on the one hand there is the pole of material prosperity, of technical and technological progress,

<sup>4</sup> Second Ministerial Meeting of the Group of 77, held at Algiers from 15 to 18 February 1975. See document E/AC.62/4.

and of high finance in Europe and North America; and on the other hand that of under-development, of technical and technological lag, of poverty, if not abject poverty, in Asia, Latin America and Africa.

185. Thus, in this world divided not only into capitalist and socialist régimes but also into industrialized and non-industrialized countries, one group of countries with modern resources has managed to process its natural wealth to meet its needs, whereas the other group of countries depends for its survival solely on the sale of raw materials, livestock, agricultural products, mining, at rates that each day decline in their relative value.

186. As Comrade Ahmed Sékou Touré, the General Secretary of the State Party of Guinea and President of the Republic, stated at the International Conference of Bauxite-Producing Countries held in Conakry from 5 to 8 March 1974:

“An enlightened awareness of the present state of affairs requires that producers and their customers—whether of raw materials or capital equipment or of manufactures—cease to entertain relations based on exploitation and develop harmonious relations in their own interests. Any material or cultural value must correspond to a historical and social requirement for the dynamic evolution of peoples. The peoples therefore need one another, and this interdependence gives a historic value to their relations when its basis is justice which imposes respect for the legitimate interests of one and all.”

187. We know that in today's world, where currency plays a regulatory role between national economies, we have increasingly grown accustomed to the chronic crisis of the international monetary system and to the inflation which directly results from it. Discussions relating to reform of the international monetary system have thus far yielded rather meagre results. The same is true of measures taken to wipe out inflation. Monetary instability is growing. A negative balance is carried over from year to year, which, as it grows, threatens to lead to international economic chaos. The debates concerning the need to reform the international monetary system, the Bretton Woods system, started at the time when the system was beginning to break down. They are still continuing without there being any indication of a favourable outcome. That being so, it is possible now to say that the international monetary system, the subject of the reform that has been advocated, for all practical purposes no longer exists.

188. In an eventual reform of the international monetary system, we must particularly stress the great importance of the question of special drawing rights. What criteria should be used in distributing those special drawing rights? In the opinion of my delegation, maintaining the present system and the distribution of the special drawing rights according to quotas for developing countries is unfair. That is why we believe that revising IMF quotas is necessary if the developing countries are to make the best possible use of special drawing rights.

189. By and large, the world economy and international trade remain characterized not only by monetary instability

but also by great uncertainty. Because of the under-development of our economies and the weakness of our defensive machinery, due to the technological lag which has been imposed on us, we, the developing countries, are the ones which are most seriously affected by this situation.

190. Without wishing to analyse at length the technological gap between developed and developing countries, as we stated at the beginning of our statement, we should take into account the historical background. The countries of the third world, which for the most part were very recently colonies, were for a very long period of time deprived of any technological development in the area of industry and in the area of scientific research.

*Mr. Thapa (Nepal), Vice-President, took the Chair.*

191. Nowadays, the techniques used by the firms in developing countries, when there is a “transfer of technology” to the under-developed countries, still show a clearly neo-colonialist attitude. In the reports of certain international bodies, such as UNCTAD and UNIDO, it is clear that the conditions imposed by the developed countries and their behaviour towards the under-developed countries serve only to accentuate technological differences rather than reducing them.

192. In today's world, if knowledge and skill are transferred for economic purposes, it must be recognized, unfortunately, that those countries possessing that knowledge, the developed countries, try to market it in such a way as to derive maximum benefit for themselves.

193. To remedy that situation, the developing countries must take both international and national action to help reduce the technological and economic gap between them and developed countries. They must reorganize their educational systems. They must create the necessary infrastructure to hasten scientific and technological progress, and they must intensify co-operation among themselves as recommended at a number of regional and interregional meetings. To this end, there are various possibilities, such as regional development programmes; the exchange of technological techniques, which have been imported or are local; the establishment of national or regional research institutes which are autonomous or linked to economic organization.

194. The developed countries, in order truly to help reduce economic and technological differences in the world, should promote and accelerate the transfer of technology to the developing countries by making available to them the necessary information relating to new technological procedures. There is every reason to believe that the international bank for the transfer of technology to the third world, the creation of which was decided upon at the UNIDO Conference, will to a very considerable extent help settle this world-wide question of such importance.

195. At that Conference in Lima, at which almost 100 countries and a large number of international organizations and bodies participated, it was also proposed that, within the framework of the United Nations, an outline for a long-term strategy should be prepared to accelerate the industrialization of the developing countries and to pro-

mote international industrial co-operation on new bases. The programme established at that historic Conference provided for the first time, in outline form, an over-all view of how today's world should resolve questions of long-term industrialization, and particular emphasis was laid on the need to accelerate the development of the developing countries. After long debates, the Conference adopted the essential aspects of that strategy, advocating that between now and the end of the century the developing countries' participation in world industrial production should rise from its present 7 per cent to 25 per cent.

196. To attain that very modest objective, major efforts must be made radically to change the structure of industry in the world and there must also be a new international division of labour.

197. Another area of equal concern to the international community and my country is the problem of food. We know that the first session of the World Food Council was unable, regrettably, to live up to the expectations of the developing countries.

198. Well before the World Food Council met, it will be recalled, it was decided at the World Food Conference that an International Fund for Agricultural Development should be created by voluntary contributions from traditional donor countries and new donor countries.<sup>5</sup> The Food and Agriculture Organization of the United Nations, the World Bank, and the United Nations Development Programme were to set up an advisory group on food production and there were to be investments in the developing countries in order to increase, co-ordinate and improve financial and technological assistance in the production of food in the developing countries.

199. The enthusiasm which was aroused by those decisions regrettably waned, for they were not followed up by action capable of making the decisions a reality. The political will of interested Governments and bodies needs to be demonstrated. They must completely demonstrate their willingness to resolve the food problems of the world. Member States should not confine themselves to mere declarations of intent; they must also enter into firm

commitments, followed up by concrete, positive action. It is in that spirit that we welcomed the proposals of the developed countries, in particular the proposals by the United States of America, to improve the world food situation.

200. Since it attained national independence on 2 October 1958, the Republic of Guinea has always demonstrated its determination to participate in a responsible manner in the establishment and strengthening of co-operation between ourselves and all the peoples of the world.

201. We have always considered that that was the necessary condition for raising the living standards of the developing countries, by the developed countries making a substantial contribution. The elimination of under-development is after all the task that our international community has set for itself, and that commits the responsibility of one and all, the wealthy and the poor portions of mankind.

202. Before concluding this statement, may I be allowed to express the pride of my delegation at seeing our President presiding over this seventh special session of the General Assembly. We wish, on behalf of the State Party of Guinea and of the leader of the Revolution, Comrade Ahmed Sékou Toure, to offer our sincerest congratulations.

203. In the President's dramatic opening statement, [2326th meeting] he outlined with realism the general framework within which our deliberations should proceed. As he correctly pointed out, this session should lay the groundwork for the long process of renewing the world economy and should endeavour to resolve a number of priority issues. It should also set the general framework for subsequent negotiations.

204. My delegation hopes the willingness of the developed and developing countries to enter into a frank dialogue and the various proposals that have been made by certain industrialized countries will create around our work an atmosphere of calm which will allow us to achieve our essential objectives, bringing about equity in the terms of trade and leading to greater co-operation on an equal footing in the building of a better world, a world of greater justice for one and all.

*The meeting rose at 6.25 p.m.*

<sup>5</sup> See *Report of the World Food Conference, Rome, 5-16 November 1974* (United Nations publication, Sales No. E.75.II.A.3), chap. II, resolution XIII.