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CONTENTS

	Page
Address by Sir Dawda K. Jawara, President of the Republic of the Gambia	1
Agenda item 7: Study of the problems of raw materials and development (continued)	3

President: Mr. Leopoldo BENITES (Ecuador).

*Address by Sir Dawda K. Jawara, President
of the Republic of the Gambia*

1. The PRESIDENT (*interpretation from Spanish*): On behalf of the General Assembly, it is an honour for me to welcome and to introduce His Excellency Sir Dawda K. Jawara, President of the Republic of the Gambia. I now invite President Jawara to address the Assembly.

2. Sir Dawda K. JAWARA (President of the Republic of the Gambia): It is abundantly clear from the overwhelming evidence at our disposal and from the instructive and penetrating statements already made that the developing world is now passing through one of the most turbulent periods in the annals of world economic history. A combination of the persistent monetary crisis, exacerbated by international run-away inflation, a continued deterioration in the terms of trade and aid, the prevalent drought conditions and, above all, the recent crisis over fuel have brought to the fore an array of grave economic and social problems which at present threaten the very existence of the third world.

3. This session could hardly have been summoned at a more opportune time. Before going further, I would therefore wish to record my appreciation of the far-sighted vision of the President of the Republic of Algeria, and of his initiative in convening this special session of the United Nations General Assembly in order to discuss issues so vital to the very survival of our peoples.

4. It is my firm hope that this session will not merely constitute another forum for the crystallization and formulation of familiar resolutions and the expression of pious hopes, but will, above all; impel the developed world to demonstrate a greater moral and political commitment to the realization of our development aspirations, without which our endeavours will scarcely yield any fruitful result. Very often we, the poor in the developing world, are urged to be realistic since we can expect only a limited response to our persistent pleas. It is imprudent, in my view, for the wealthy blindly to disregard the potential benefits of freer trade with the developing world and the potential costs of allowing the flow of economic assistance to languish.

5. Among the many complex and grave problems that beset the developing world, the international monetary crisis and imported inflation have recently proved the most burning issues and have consequently dominated discussions in all international forums. The consequences of these two phenomena for our growing economies have been both far-reaching and severe. It is incumbent on all of us, therefore, to put our shoulders to the wheel to deal effectively with these pressing problems if we hope to rescue the international economic order from total disintegration and chaos.

6. The general floating of currencies over the past year has provoked instability and uncertainties, with adverse consequences on foreign trade—on which our economies are so dependent—and on development planning, in general. There is overwhelming evidence that the Bretton Woods system, set up for the prime purpose of making loans of various types to countries with liquidity difficulties, is not responsive enough to the requirements of developing economies. Although the system has generally fostered the expansion of world trade it is equally true that: first, the share of the developing countries in the total volume of world trade had been declining, whereas the share of the developed world has been growing; secondly, international trade between developing countries has similarly been declining, whereas trade between nations of the developed world has risen steadily; and thirdly, from the 1950s to the end of the 1960s, the average growth rate of the developing countries fell from 5 per cent to 4 per cent, while Africa as a whole barely managed an average growth rate of 2 per cent.

7. It is not surprising that a system that was established in 1946 by leading industrialized Powers—without the participation of the developing world—should take little account of the special problems that developing countries face in subscribing to the régime of free international trade and payments. It was quite appropriate that at Bretton Woods provision should have been made for the international monetary system to be operated in such a way as to provide full employment. It was also appropriate that the curtailment of domestic expenditure was not considered an appropriate means of balance-of-payments adjustment in cases where a country faced serious unemployment. These concepts arose out of the experience of individual industrialized countries in the 1930s. They are of limited applicability to the developing countries, where unemployment and underemployment cannot be removed by a simple process of demand management. But, just as the system cannot be neutral in relation to the goal of full employment, it cannot be indifferent to the even more compelling requirements of development.

8. A comprehensive reform of the monetary system is, therefore, the only logical answer in the long run. The road

to such a reform, however, as we are all aware, is still littered with obstacles, and success may still not be within sight. Much can be done through piecemeal reforms, however, in order to alleviate the disadvantages inherent in the present system. Reform in two areas, at least, appears feasible: one is an expansion of the role of special drawing rights in international settlements and reserves; and the other is the establishment of interim rules governing the management and orderly floating of currencies.

9. In this connexion, there exists, indeed, a pressing need to strengthen the International Monetary Fund [IMF] so that it may exert an increasing influence over exchange-rate policies likely to affect world-wide economic conditions and exercise strict international surveillance over the demand management policies of countries that play a significant role in international trade.

10. The second burning problem that requires immediate attention—and I have already cited it—is posed by imported inflation. The Gambia, like many other developing countries, is heavily dependent on international trade. In point of fact, in recent years total exports and imports combined amounted to about 80 per cent of my country's gross domestic product. It is no surprise, therefore, that international influences are rapidly transmitted to our domestic economies. In the past, many of these influences have bestowed benefits on our economies and have contributed to the progress of our countries. Over the past two years, however, the international trade sector has been the vehicle by which the extremely high, or, more appropriately, the runaway, inflation of the industrialized countries has been transmitted to our countries, at great peril to the consumer.

11. We in the Gambia have done our utmost to resist that trend and have taken difficult political decisions to protect our economy against the corrosive effects of inflation. Needless to say, however, there is a limit to what a small State, whether developed or developing, can do to ward off forces emanating from across its borders.

12. It is unfortunate that inflation in the industrialized countries is not only showing signs of gaining renewed strength but may well be accompanied by a sharp slow-down of economic activity—a general recession in the industrialized world. The consequences of a persistent fall of export earnings, coupled with soaring prices for imported commodities, could be disastrous for many of our economies.

13. I have already referred to the problem of drought, which is by no means the least of the acute difficulties at present confronting us. The Gambia, along with other countries in the Sudano-Sahelian subregion and other areas in Africa, has to face the problem of prolonged and severe drought. Both agricultural and livestock development, which constitute the life-blood of our economies, have been severely hit by that phenomenon. For most of our populations in these areas it is no longer a question of improving the quality of life; it is simply a question of survival. The battle against drought requires a great deal of urgency and goodwill and determination on the part of everyone.

14. The leadership demonstrated by the United Nations system, with particular reference to the creation of the

Special Sahelian Office [*resolution 3054 (XXVIII)*], is a highly commendable effort in an attempt to stay responsive to the critical and urgent needs of our drought-stricken populations. I also hasten to add that the response of well-intentioned members of the international community has been most heartening. The worst, however, is not yet over. Continued and intensified international effort will be required if those populations are to be brought back on the road to recovery; in other words, what is needed is an effort no smaller in scope, if not in dimension, than the now famous Marshall Plan, as was once imaginatively pointed out by my distinguished colleague President Hamani Diori of Niger.

15. It is necessary to urge the developed nations to re-examine the criteria adopted and the conditions set for evaluating the various works and projects that have now been designed as medium- and long-term efforts to offset the effects and consequences of this drought disaster. If they are to remain sensitive to our true needs, the criteria must take into account the peculiar nature of the collective economies in the face of this disaster. That is the most important way we can strengthen the sense of solidarity and genuine goodwill called for in our resolve to rid the world of the consequences of such natural calamities.

16. No discussion of the pervading world economic crisis can be complete without some reference to fuel prices. The recent sharp increase in oil prices has obviously provoked serious and complex problems for our economies. The continued increase in fuel prices could precipitate balance-of-payments problems and economic recession. In the case of the Gambia, increases in the cost of fuel imports could easily wipe out the economic assistance we receive at present. The intention of the oil producing countries to mitigate the effects of the present oil crisis for developing countries shows a political will which is highly commendable and should, if I may say so, be emulated by the industrialized countries in the general combat against inflation.

17. I have so far focused attention mainly on issues requiring immediate solutions. It would be dangerous, however, to lose sight of the long-term issues that continue to harass our countries in the fields of trade, aid and monetary co-operation. The crisis we are at present facing stems from our inability to deal effectively with these chronic problems.

18. The stark realities of economic conditions in the developing world are too grim to be ignored if disaster is to be averted in the long run. Malnutrition and high infant mortality still continue to harass the majority of our people. The Food and Agriculture Organization [FAO] estimates confirm that a third or even half of the world's people suffer from hunger or nutritional deprivation. Infant mortality is still very high in developing countries. Infant deaths per 1,000 live births are four times as high in the developing countries as in the developed countries. Life expectancy in the third world is equally low. A man of the West can expect to live 40 per cent longer than the average man of the developing countries, and twice as long as the average man in some parts of Africa. Illiteracy is widespread. There are 100 million more illiterates today than there were 20 years ago, bringing the total number to some

800 million. Unemployment and underemployment are endemic and growing. The equivalent of approximately 20 per cent of the entire male labour force in the developing world is unemployed, and in many areas the urban population is growing twice as fast as the number of urban jobs.

19. While deeply immersed in those problems, we find that the gap between the *per capita* incomes of the rich nations and the poor nations is widening rather than narrowing, both relatively and absolutely. At the extremes, that gap is already more than \$US 3,000. The picture becomes more grim, however, when one considers the outlook for the future. Present projections indicate it may well widen to \$9,000 by the end of the century. In the year 2000 *per capita* income in the United States is expected to be approximately \$10,000, while in many developing countries it will still be under \$200.

20. The Assembly will no doubt appreciate that achievements in the field of aid and development financing still leave much to be desired. While it cannot be over-emphasized that the primary responsibility for our development rests with us ourselves, it is equally clear that the level of domestic resources which can be mobilized in most developing countries falls short of the requirements for achieving the growth objectives of the Second United Nations Development Decade. External assistance is therefore required to fill the gap and thus supplement the domestic effort.

21. Unfortunately, while the volume of aid has remained relatively stagnant, its terms and conditions have deteriorated. Even the modest target for the developed countries of transferring 1 per cent of their gross domestic product as net development aid has not been achieved. If international assistance in this field is to be effective, it should in my view be based on the following objectives: first, there should be a substantial increase in the volume of external development assistance; and secondly, such assistance should promote structural transformation of developing economies, with a view to their achieving self-sustaining growth within the shortest possible time.

22. For the attainment of these objectives, it is necessary to take steps: first, to soften the terms and conditions of external assistance with the ultimate objective of matching these with the existing International Development Association [IDA] terms and to steadily increase the grant element of aid; secondly, to increase the share of resources channelled through multilateral financing institutions such as IDA, the African Development Bank and the African Development Fund, and thirdly, to untie financial assistance to developing countries to enable them to purchase from the cheapest markets.

23. In the field of international trade, the objectives of the developing world are quite clear and well known. For several decades we have adopted, without avail, numerous resolutions on commodity price stabilization, the setting up of buffer stocks for main products, access to the markets of the developed countries, the elimination of restrictive trade practices, the liberalization, through non-reciprocal tariff concessions of markets for manufactured goods from developing countries, and the transfer of technology and

the promotion of scientific and technological research in the developing countries. The crisis over oil prices has only made those problems much more acute.

24. I have already referred to some of the problems inherent in the monetary system. It is unfortunate that so far all the modifications or improvements to the system have emanated from "the Club of 10"—the 10 most developed countries in the West—which have apparently paid very little attention to the interests of the developing world. It is my view that any meaningful long-term modification of the system should take into account: first, compensations for drops in production and loss of reserves; secondly, guarantees of stability of external prices; and thirdly, the need to transfer material resources to the developing world for development purposes.

25. I have already outlined a host of possible remedial measures for the many ills which continue to besiege the developing world. It is our common interest to co-operate in the elaboration and implementation of those measures, and in this connexion it is very heartening to note that the developing world is capable of exhibiting a unanimity of view on certain crucial issues affecting our progress. This has been reflected in the current negotiations with the European Economic Community in which the developing world is in many ways demonstrating solidarity and a sense of common purpose. I have no doubt that if we demonstrate the same spirit at this session, our cherished objectives will become much more attainable.

26. In presenting the case from the point of view of a developing country I do realize how dangerous it could be to the success of this session if the discussion were to develop into a polarization of views and standpoints, or, to put it in another way, into a confrontation between developed and developing countries. After all, the record of international economic co-operation has not been totally negative, but to our friends in the developed world, I have to emphasize that their more active support and co-operation have now become imperative. It is in our mutual interest—all of us—to seek solutions to the chronic problems confronting the third world. It must never be forgotten that "the affluent sector of the world"—to borrow the words of David Harowitz—"cannot remain a quiet island in the midst of a stormy ocean, an oasis of prosperity in a desert of desperate poverty".

27. The PRESIDENT (*interpretation from Spanish*): On behalf of the General Assembly I have the honour to express our most cordial gratitude to His Excellency the President of the Republic of Gambia for his important statement.

AGENDA ITEM 7

Study of the problems of raw materials and development (continued)

28. Mr. CISSOKO (Guinea) (*interpretation from French*): Mr. President, on behalf of our delegation and on my own personal behalf, I should like to address our warmest congratulations to Mr. Houari Boumediène, the President in Office of the Group of Non-Aligned Countries for the

fortunate and energetic initiative of proposing the present special session of the United Nations General Assembly.

29. The most outstanding events of the second half of our century have been, without any doubt, the collapse of the colonial system and the general accession to independence of the formerly subject countries; the development of science and technology; the unprecedented development of international trade; the exploitation of new resources and the consequent increase in the productive capacities of the world economy.

30. However, this development has proceeded unevenly, producing a situation that President Ahmed Sékou Touré describes as “this civilization of the squandering of the natural resources of the world and of over-consumption which is profitable to some but detrimental to the developing countries that possess the bulk of the primary commodities.”

31. The disparities which separate the industrialized world from the developing world are being confirmed; the gap is widening and deepening incessantly.

32. The developing world, with 70 per cent of the world's population, must live on 30 per cent of the world's income. Of a population of 2,600 million, almost 1,000 million are suffering from malnutrition, and 900 million receive a daily income equivalent to less than \$US 0.30.

33. The share of the developing countries in world trade has declined from 21.3 per cent in 1960 to 17.6 per cent in 1970.

34. The transfer of resources to the developing countries is continuously declining, while their external debt has quadrupled in 10 years, exceeding the already astronomical sum of \$US 80,000 million.

35. Even if the United Nations forecasts should be attained, which is far from sure, the gross national income *per capita* of the developing countries would only increase by \$85 as compared with \$1,200 for the developed countries. The average income would thus be \$3,600 in the developed countries as compared with only \$265 in the developing countries.

36. The situation thus created and maintained by the industrialized Powers grows daily worse, a trend fostered by the international monetary crisis.

37. This state of affairs has caused our peoples to take cognizance of their status as nations becoming more and more proletarianized, and has given them an awareness which has taken shape in their struggle against colonialism, neo-colonialism, and imperialism, and exploitation in all its forms. Hence the statement by the leader of the Guinean revolution that we have reached “a turning-point in our history”, and that:

“The increasingly decisive victories of the peoples of Asia and the Middle East, the successes of the popular movements in America and in the Caribbean despite setbacks here and there, the ever-harsher blows struck by the African peoples rebelling against colonialism, neo-

colonialism and imperialism, are unquestionably the characteristic features of a historical movement which in the international order represents the end of one phase and the beginning of another.”

38. Greeting the Secretary-General of the United Nations at Conakry last March, President Ahmed Sékou Touré spoke as follows:

“We must attack the very root of the crucial problem which dominates international relations and thus give it a radical solution. This problem is the real and ever more marked exploitation of the developing countries by the industrialized capitalist Powers through unequal terms of trade between industrialized and developing countries. In the circumstances it is illusory, short of a miracle, to expect any lessening of the gap between industrialized and developing countries by a mere growth in the latter's economy.

“We must make a conscious break with the present situation. And in order to do that what is necessary is not evolution, but revolution.”

39. This new awareness of the strategic importance of the natural resources of the developing countries, like the affirmation and the practical demonstration of sovereignty over these natural resources, is a matter of particular concern to each and all of us. There can be no question—let us once again energetically emphasize this point—of making concessions compromising the interests of our working masses, but, rather, of promotion, development and economic independence of our various States. Did not General Assembly resolution 1803 (XVII), both in its preamble and in its operative part, reaffirm the inalienable right of States freely to dispose of their natural resources in conformity with their national interests?

40. Our delegation even believes that this notion of sovereignty over natural resources, far from being confined to countries which are already particularly independent, should be extended to include countries which are still fighting for their political independence.

41. Unfortunately, the practical exercise of their sovereignty is too often hampered by the numerous negative activities of multinational companies. These giant companies, far from being a factor for integration and peace, use their economic power not only to disturb the economic equilibrium but to guide events in a direction favourable to themselves. They interfere in the domestic affairs of the host countries, causing disturbances, coups d'état and assassinations of any political or trade union leader who attempts to oppose their subversive and counter-revolutionary designs. The examples we have seen in Africa and all over Latin America are highly instructive in this regard.

42. My delegation thinks that a people occupying a potentially rich territory has the right to do everything in its power to become as prosperous, as advanced, as powerful, and hence as respected as any nation among the most advanced nations in the material sphere.

43. Confronted with the urgent necessity to develop the wealth of the third world in order to raise the living

standards of our working population on the one hand, and confronted with the lack of capital and the backward technology of our countries on the other hand, Guinea favours the establishment of joint ventures which will finally give place to national enterprises. In a word, we wish ourselves to benefit from the experience and aid of others. We wish to bring about development which can be accomplished without self-denial.

44. This means, we think, first, strict State control over the source and utilization of foreign capital tolerated in the field of the exploitation of natural resources; secondly, the systematic elimination of foreign capital from certain strategic economic sectors; thirdly, mandatory State participation in the capital assets of the companies thus established; fourthly, measures concerning the use of the profits of foreign monopolies in order to build up national capital accumulation.

45. These are the immediate and long-term tasks that face our various States.

46. The Republic of Guinea, for its part, is glad to have been able, since its accession to independence, to set about this tremendous task, and we are proud that we have carried it through successfully. The results achieved by the people of Guinea in this field are manifest. There is no longer any company exploiting natural resources in our country without sizable Guinean participation—there are for example, Boké, Friguia, Mifergui and other such companies.

47. The structure of international trade still reflects an economic model deriving from the colonial pact to which were subjected the majority of countries which came to be known as developing countries. The rules of the game favoured the colonization and the intensive and systematic exploitation of the natural resources of the dominated countries, condemning these countries to monoculture.

48. What results were achieved by all the conferences—the Algiers Conference in 1967,¹ the second session of the United Nations Conference on Trade and Development [UNCTAD] held at New Delhi in 1968, the first session, held at Geneva in 1964 and the third session, held at Santiago in 1972? If there was some progress towards the restructuring of international economic relations, it must be said that the hopes that were aroused in our peoples by all those Conferences have not been fulfilled. The rules of the game have remained almost exactly what they were. The developing countries have remained almost always the reservoirs of primary commodities sold at less and less remunerative prices, and the developed countries have remained the suppliers of manufactured and capital goods sold at higher and higher prices. The purchasing power of the export income of this group of countries has declined to the point where the volume of imports they can procure for a given volume of exports had decreased by one tenth in the five-year period 1960-1965.

49. While in the developed countries the average *per capita* income stood at \$US 2,690, in the developing countries the rate was \$US 210 *per capita* in 1970.

¹ Ministerial Meeting of the Group of 77, held at Algiers on 24 October 1967.

50. All these facts have aroused the legitimate concern of the developing countries, amply voiced at all the international economic or trade conferences; but the fundamental problems remain and are as follows: inequality in the terms of trade; stabilization of prices and markets for primary commodities; access to the markets of the developed countries; a generalized system of preferences.

51. In my delegation's opinion, we should do better to talk about accentuated inequality in terms of trade, since the relations between ourselves and the wealthy countries have never been equivalent.

52. What, in fact, is the issue? As the Head of State of Guinea, President Ahmed Sékou Touré, said:

“[We are talking about] the real and increasingly marked exploitation of the developing countries by the industrialized capitalist Powers through the inequality of the terms of trade between industrialized and developing countries. There is nothing inevitable about what is modestly called the ‘deterioration of the terms of trade’. This is the normal operation of a deliberate system which is fundamentally bad. It is absolutely abnormal that the developing countries, which are the rightful owners of vast mineral and power resources and all other resources wrested from their economies, on whose exploitation the prosperity of the wealthy countries is founded, should be maintained in a state of indigence. It is unjust that the prices of manufactured goods fixed by the economic Powers should surge ahead while the prices for the primary commodities necessary for the manufacture of those products are maintained at the same level or even allowed to decline by the same Powers.”

53. Therefore my delegation thinks that the present special session should take all appropriate steps to index the prices of the products exported by the developing countries in order to tie them to the prices of the manufactured and capital goods they must import. In order to meet the goal and satisfy the principle that real purchasing power in the world markets should depend on export units, this indexing principle should be founded, for mineral products such as iron and bauxite, on the manufactured goods obtained in exchange for these same commodities, and for agricultural goods whose added value is only a little higher in relation to industrial products, the principle should be based on an average index of growth of imports over a given period.

54. The problem of international agreements has also come before us. The necessity for such agreements arises from the fact, as we are aware, that the rapid and often considerable fluctuations in the prices of primary commodities introduce a large measure of uncertainty concerning export earnings of the developing countries, making it impossible for them to plan.

55. The international community has undertaken to take measures to prevent the wide variations to which the prices of the goods exported by the developing countries are subject, while, on the other hand, nothing or almost nothing has been done to limit the same fluctuations for industrial goods.

56. The disappointing experience of all the sessions of UNCTAD, from Geneva to Santiago, enables us to see that

in the present state of affairs there is little chance that real results can be achieved in a matter of a few years if the developing countries do not oppose the political will of the countries of the centre with a united front which will give them an economic and negotiating power which the wealthy countries would have to take into account. One need only cast a quick backward look at the number of agreements concluded on primary commodities so far. One sees that their number is pitifully few compared with the impressive list of primary commodities. If one considers the average time it takes to reach an agreement, there is reason to fear that for another century the international community will not reach the agreements to stabilize prices that we are seeking today. This problem must command our full attention, and my delegation considers that it is urgent for the countries concerned to unite in enlarged economic associations on the basis of which the process of negotiation and the signature of such agreements could be greatly accelerated.

57. My delegation considers that the institution of a system of export quotas and of buffer stocks remains one of the best solutions. Nevertheless, the question of pre-financing and the financing of these stocks remains of permanent concern and our opinion is that, in addition to the participation of the developing countries and of international monetary agencies, the developed countries should be more widely associated in this over-all effort by the international community.

58. The negotiation and signing of multilateral contracts, the sale on various markets of reserve and surplus stocks are also a matter for our attention, and my delegation thinks that any action to facilitate such negotiations and to ensure supervision of such sales should be encouraged and supported by the international community.

59. Finally, my delegation would like to express its great satisfaction at the action taken by the Organization of Petroleum Exporting Countries [OPEC] in defending the interests of the producing countries and to express the wish that the International Bauxite Organization, which was formed at Conakry in March 1974, will achieve similarly brilliant victories in bringing about a just and more harmonious equilibrium in international economic relations. In doing so, we should like to say that, as we see it, this type of association is not devised and is not aimed against anybody. The Head of State of Guinea, the Supreme Leader of the Revolution, said the following recently at the opening of the conference of the bauxite-producing countries:

“We are banding together, not against any person, but against an iniquitous system that tends to impoverish the whole world and in order to promote a just system that will tend to enrich the whole world . . .

“We want to establish a system which will enable the already industrialized Powers to have access to the primary commodities they need and on terms that are fair to their economies . . . We say, and we say forcefully, that it is unfair to develop at our expense and that the only development that means anything to us, so far as justice is concerned, is development that is effected with our co-operation and with strictly reciprocal advantages.”

60. It is a fact that beyond the policy of the organization of markets we must concern ourselves with defining ways and means of securing access to markets for the products of the developing countries. The fact is that as soon as the developing countries began to put on the market their manufactures and semi-manufactures the policy of many of the developed countries has been to erect a whole arsenal of barriers against them to restrict and even to prevent their penetration. The consequences of all those measures are well known. In the long term they jeopardize the developing countries' ability to place their products both on the protected markets and on third-country markets, thereby increasing the difficulties caused by the conditions of the growth of developed economies.

61. Those are all phenomena which explain why this question has been the subject of our concern at all the international economic and trade conferences. There again there have been many resolutions but the results have been negligible and our hopes have been dashed. What the wealthy countries have given with one hand they have taken back with the other by setting up clever mechanisms whose sole purpose has been to perpetuate a state of affairs which is particularly prejudicial to the progress of peripheral economies. These mechanisms have been identified; they are known, there are many of them. The only problem that remains is whether the developed countries will display the necessary political will to open up their markets to the products of the developing countries and what form of liberalization they will institute.

62. Furthermore, within the framework of multilateral negotiations, the question of systems of generalized preferences is also one of our concerns. The policy of the developed countries has thus far been to admit this in principle while violating it in practice by means of a subterfuge which is called the “saving clause” and which makes the entire principle meaningless.

63. My delegation for its part believes that the only solution to this problem is the application of a generalized system of preferences extended to all developing countries and all products without reciprocity.

64. Finally, our country believes that present economic relations founded on flagrant inequalities bear within them the germs of grave tension which may in the long term jeopardize the peace and equilibrium of our world. This is why they should be systematically revised, taking into consideration the interests of over 1,500 million human beings who are now languishing in poverty, ignorance and hunger. As President Ahmed Sékou Touré said when speaking about the transformation of these relations:

“It is not evolution we need, but revolution. In this struggle to which we are committed today to ensure a better future for our peoples, the developing countries must look first of all to themselves, they must form a common front with which to combat the political will to perpetuate this domination.”

65. I should like to call the attention of representatives here present to the fact that the many quotations that were made in the statement of the Guinean delegation are to be found in a booklet that the Secretariat will be circulating to representatives together with a copy of my speech.

66. If the problem of the prices of manufactured products and primary commodities is the salient feature of international trade, other aspects of trade relations are dominating the whole system of exploitation of developing countries by the so-called wealthy countries.

67. In the field of shipping, the industrialized countries which control almost all trade throughout the world both by the volume of their trade, imports and exports, and by the tonnage of their merchant fleets, have set themselves up in a comfortable situation that enables them to dictate their own conditions of transport.

68. In 1972 the developing countries controlled only 7.6 per cent of world shipping in tonnage and only 7.1 per cent in gross weight. Shipping circles have instituted a whole series of practices through the "conference" system in order better to co-ordinate their efforts, to the detriment of the developing countries. This system enables them: First, to share the freight and to prevent the development of merchant fleets in the developing countries; secondly, unilaterally to fix the freight shipping rates, even when those rates do not reflect the real market trends; thirdly, to impose surtaxes or surcharges in a capricious and discriminatory fashion, without consulting the appropriate services and agencies of the developing countries, as happened in the port of Conakry in October 1971; fourthly, to maintain freight rates without relation to the level of costs in ports; and fifthly, to adopt restrictive measures for the participation of developing countries' companies at conferences, and so on.

69. Such a situation can only further aggravate the already very difficult position of the developing countries, whose interests at all levels of world trade are seriously affected. Among other difficulties let us note: first, a lack of foreign currency and worsening balance-of-payments deficit; secondly, an increase in the cost price of import and export goods for the developing countries; and thirdly, pressures, blackmail and economic dependence in the field of shipping.

70. Hence the urgent necessity for a fundamental recasting of international trade relations, which in the field of shipping must result in increased participation for the developing countries.

71. However, since the first session of UNCTAD in 1974 at Geneva no progress has been made. It is regrettable that neither the recommendations of the group of 77 developing countries at Algiers² nor those of the second session of UNCTAD in New Delhi,³ nor the numerous recommendations of the specialized commissions have succeeded in alerting the wealthy countries, still less in impelling them towards equitable and just solutions.

72. That is why the developing countries, while continuing the struggle in UNCTAD, must also take specific practical measures at their own level; the similarity of their interests

and their situation more than ever dictates that they get together. They must set up a common front without delay for the purpose of broad regional or subregional economic co-operation based on the legitimate interests of their peoples. They must carry on this great fight looking first of all to their own strength. The developing countries must expect nothing from the industrialized countries without first uniting and co-ordinating their own efforts.

73. Certain measures already envisaged are still urgent and must quickly be implemented, such as the development of national and multinational fleets; the creation of multinational companies on the regional or subregional scale; assistance to developing countries for the strengthening of their merchant fleets; the effective and growing participation of these countries in shipping and the reform of trading agreements to allow such participation. For this purpose, a redistribution of the import-export freight is essential for the benefit of the poor countries' fleets.

74. I might mention here as an example of co-operation the Algerian-Guinean agreement of 12 July 1972 under which the two countries granted each other the right to ship 50 per cent of the goods exchanged between them, thus securing the participation of their respective fleets in the strengthening of trade relations in the interests of the two parties.

75. One might also add to these measures the following: the establishment of national shippers' organizations and their regrouping at the regional and subregional level; the granting by developed countries of credits on satisfactory conditions for the purchase of vessels and technical assistance for the training of personnel; the institution of a system of consultations between conferences and shippers and the application of a code of conduct for conferences. What we must do is find the best ways and means of restoring justice and equity in international relations.

76. Shipping, which must be an effective instrument for the development of trade relations, can, if the right conditions are created, enable the developing countries to earn and save foreign exchange, to reduce the cost of their goods and to achieve relative independence in the field of shipping.

77. The Republic of Guinea, aware of the importance of the subject, has always called for genuine solidarity of the developing countries through regional or subregional economic integration on authentically African bases. The Intergovernmental Conference of Guinea and Liberia held in July 1973 was a striking example of such co-operation.

78. At the level of our country, a specialized shipping enterprise has already been established which, with the major mining projects, is called upon to play a decisive role in the trade relations of our country with the rest of the world.

79. The general problem of under-development is not a purely economic one, that is to say, one that can be expressed solely in quantitative terms with respect to *per capita* income, but it is also tied to the tremendous technological backwardness of the developing countries. This enormous backwardness, particularly in the field of

² See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), p. 431.

³ *Ibid.*, annex I.A.

science and technology, is a consequence of the colonialist and imperialist domination that these peoples endured for centuries. President Ahmed Sékou Touré said in this regard:

“People forget that a long and devastating colonial or semi-colonial occupation of almost all the continents of Asia and Africa have created unequal development in the world, a tragic imbalance in the field of science, technology and economy between, on the one hand, Europe and North America and, on the other, Asia, Latin America and Africa to the detriment of the latter. We know that at the end of the ordeal inflicted by colonialist imperialism on most of the nations of Asia and Africa, the technical level and the productive forces of those countries represent in aggregate scarcely one twentieth of what they are in the imperialist States . . .”

80. Aware of this situation, which characterizes one phase of their history, the developing countries refuse to continue to be the mere object of history and now legitimately aspire, as we have said, to join the industrialized countries in the field of science and technology in order to make their full contribution to scientific progress through the creative genius of their people.

81. We believe that the access of the developing countries to modern science and technology is possible only through international co-operation. Such international co-operation of necessity has many aspects, which may be stated as follows: first, scientific and technical training in universities, training centres and scientific research institutes of the industrialized countries; secondly, technical assistance in the form of sending foreign experts to developing countries; thirdly, the introduction of modern technology in the form of up-to-date equipment in factories and research laboratories, thus giving an impetus to the development of technology and scientific research; fourthly, the granting of licenses and patents by the industrialized countries to the developing countries on favourable terms; fifthly, the continued participation of experts from developing countries in the national or international symposia, conferences and scientific seminars held by the developed countries; sixthly, the wise dissemination of scientific knowledge, with particular attention given to the question of authors' rights in this regard.

82. Each of these aspects gives rise to very serious problems to which this Assembly must find appropriate solutions.

83. It is true that for over a decade a major effort has been made in the field of scientific training both by international organizations and through bilateral agreements. However, we must once again draw attention to a phenomenon familiar to us all, namely, the brain drain. It is through this brain drain that the imperialist industrialized countries take our trained people for themselves, people whom they themselves have trained.

84. With regard to technical assistance the position of the Republic of Guinea has been clearly stated by President Ahmed Sékou Touré in the following terms:

“While claiming to assist us to overcome our backwardness in the technical field, imperialism is setting an even

more exorbitant price: it is simply turning its alleged assistance into a weapon of subversion and corruption for the purposes of neo-colonial domination. The experts that they send to us are regarded as officials of the host country and have access, in the discharge of their official duties, to important documents. And these experts transform this prerogative into effective resources in the service of imperialism, using for the same purposes their contacts with national officials to corrupt them and draw them into the mercenary camp of imperialism. The funds that imperialism claims to put at our disposal to provide for this ‘technical assistance’ are entirely administered by it and are spent on the satisfaction of the needs of the agents which they send us but who are essentially in its service. At best it is only an infinitesimal part of that assistance that is used for the necessary equipment. The contract is thus never respected in practice . . .”.

85. This phenomenon, far from promoting scientific and technical development in our countries or reducing the gap between those countries and the industrialized countries, tends rather to vitiate the spirit of sincere mutual assistance which should prevail in international co-operation and therefore tends further to widen the gap.

86. It is in view of all these problems facing us, despite the goodwill and the sincere dedication of many of the industrialized countries in their assistance to our countries, that we recommend the adoption of an international regulation the spirit of which would be to promote the access of our countries to modern technology in its many aspects, as we have mentioned them, as well as the very democratization of science and technology, which is to say the bringing of science and technology effectively within reach of the peoples and the working masses of the whole world.

87. For some time now the international monetary system based on the Bretton Woods Agreements has been going through a profound crisis which culminated following these events: the decision to make the dollar non-convertible; the two devaluations of the dollar; the agreement on the realignment of currencies: and the present floating of almost all currencies of the Western countries.

88. All those changes have caused deep-seated disturbances in the international exchange market.

89. In 1971, according to estimates of the competent bodies of UNCTAD the various devaluations reduced the purchasing power of the third world by \$500 million.

90. In the field of trade, these devaluations have reduced the possibilities of marketing the exports of developing countries. The products of these countries, particularly semi-manufactured goods, have been effectively rendered uncompetitive with the products of the major countries with devalued currencies.

91. Moreover, the re-evaluation of the currencies of certain large countries has increased the cost of the imports of the developing countries and added to the burden of their foreign debt.

92. The general floating of currencies in the recent period has made serious economic forecasting impossible.

93. Speculation has amplified international movements of floating capital, diverted large amounts of capital from their normal destination, considerably reduced the borrowing power of the developing countries, driven up interest rates and worsened the terms of international credit.

94. Faced with this economic and financial disorder, the developing countries have held various conferences in order to devise effective means of protecting their economies. Thus, following the third session of UNCTAD at Santiago, the African countries have held successive meetings at Addis Ababa and at Abidjan in ministerial conferences on trade, development and currency; at Lusaka in a conference of the African Development Bank; and at Nairobi in a conference of the IMF and the World Bank.

95. As far as Guinea is concerned, its position is based on the idea that only the prior unity of the third-world countries can ensure the effective protection of their national economies against the fluctuations and the exploitation of the capitalist economies.

96. On the monetary level, Guinea advocates that all African currencies should be detached from the currencies of the imperialist countries and calls for the creation of a specifically African monetary zone.

97. Faced with the reform of the international monetary system, Guinea, like other African countries members of the IMF, deplores the present situation of generalized floating of currencies and would very much like to see a return to a system of fixed parities.

98. Regarding the administration of the IMF, our country would like to see increased participation of the developing countries in the Executive Board. As regards the distribution of the Fund's resources, we believe this should be effected on a more equitable basis enabling the developing countries to get a more substantial share.

99. Guinea, together with other African countries, has advocated that the creation of special drawing rights should be tied directly to economic development.

100. In terms of development assistance, our delegation has placed particular emphasis on the complementary nature of such assistance, which should in no way prevent the efforts to be undertaken in each particular State. In so doing, we have emphasized the importance of relying first of all on oneself and then counting on external assistance, which should only be a supplement. We feel that the developing countries should not take a passive attitude and wait for the developed countries to deign to yield up a certain percentage of their gross national product. We believe that the developing countries should take action, which necessarily means that they must join forces.

101. In view of the foregoing, it is absolutely essential to strengthen the role of our Organization and its related agencies if we wish responsibly to face up to the historical demands made upon the international community. We would point out that the problems now of concern to us have been raised for years and years by the spokesmen of our Government from the rostrum of the United Nations.

As my Government sees it, we must make our Organization more dynamic and more operational through reform of its structure, its functioning and its methods of action. We must adapt it to the imperatives of the hour in order to make possible an equal participation of all States in the solution of the urgent problems with which we are faced, thus meeting the hopes that the forces which love justice, peace and progress place in it. And as was stated by Comrade President Ahmed Sékou Touré at the recent visit to Guinea of the Secretary-General of our Organization:

"The United Nations must be profoundly restructured. In particular, the famous veto right, which is flagrantly anti-democratic and even oppressive, must be done away with. All the regulations governing our Organization must tend towards the defence of the right of peoples and nations, great or small, because for us the greatness of a nation is not measured by the size of its population or its material power, nor by its geographical extent, but by the quality of the laws governing its action and by its democratic and progressive behaviour both at home and abroad."

102. Our delegation hopes that this special session, which is a turning-point in the history of our Organization, will make it possible to cure the paralysis from which it suffers and make of it a dynamic instrument for the democratic progress of mankind.

103. Mr. WALDING (New Zealand): Mr. President, it gives me great pleasure to join in congratulating you on the unanimous decision of the Assembly to reappoint you to guide its deliberations at this important special session. That decision is a fitting tribute both to your long experience as a United Nations representative and to the impartiality and wisdom with which you presided over the twenty-eighth regular session.

104. When my Prime Minister addressed the Assembly last September [*2129th meeting*], he called on the international community to tackle seriously and urgently the most critical issues of our time. He referred in particular to the immense and growing gap between the rich nations and the poor, the deteriorating world food situation, the rapidly increasing world population and the other pressures on available resources—those issues which have long been the recurring theme in international forums. There has been substantial progress over the last two decades but the gap between the rich and the poor nations and between the rich and the poor within nations has continued to widen. This afternoon we had again an illustration by the President of the Gambia, who informed us that there are 100 million more illiterates in the world today than there were 20 years ago. So the development process that has been adopted has failed to diminish the gap.

105. It is little more than six months since my Prime Minister made his plea for urgent action. In that relatively short time, events have made it crystal-clear not only that an answer must be found to these pressing problems but that it must be found quickly. These problems involve the whole international community. If we are to deal effectively with them, there must—now more than ever—be intensive and practical international co-operation. Every nation must contribute.

106. New Zealand welcomes the initiative taken by the President of Algeria in requesting this special session of the General Assembly, which is a meeting which we regard as vitally important. It is clear, from the number of heads of State and ministerial representatives present, that most countries share this view. We have come together to examine in broad perspective the various elements of the world economy as an interrelated whole, and my Government believes that the meeting provides a most timely opportunity for making true progress towards international justice in the economic sphere. It is an opportunity to close the increasing gap between the rich and the poor. It is an opportunity that must not be missed.

107. But mere rhetoric alone will not solve anything at all; and let us recognize also that, although this session can make a beginning, the new attitudes I hope we will see must be carried through to other organizations if they are to be effective.

108. It is a moral and humanitarian duty to assist the poor to escape from poverty. But it is also a matter of self-interest for everyone: the more paying markets there are, the greater the scope for trade and thus for universal economic progress; the more rapid this progress, the more rapidly the need for direct aid will decline; the sooner we achieve a more just distribution of wealth among nations, the sooner will we move away from the danger of economic or military confrontation.

109. This special session is taking place, if not as a result of, then at least in the shadow of, an unprecedented economic upheaval. Since the Second World War there has been no comparable crisis. We have had, and will continue to have—unless strong new measures are devised and implemented—recurring shortages of food, and even famine. We have had, and will continue to have, unstable relationships between currencies. But we have not had until now a development so all-pervasive in its effects as the oil crisis.

110. We first had a supply problem; but that now seems to be passing. The shortage and the higher prices have had their natural effect: demand is not now as great as was expected. Price, rather than supply, is now the key element in the situation. The effect of the present prices is serious for all oil-importing countries; but the effect on some is devastating. For countries that have an interest in a stable international monetary situation and a progressive economy—and that, I believe, means all countries—the effects of the higher oil prices, unless carefully managed, will certainly bring about the worst possible results: currency crises, trade protectionism, a shortage of fertilizer for food production. In fact, it is a perfect recipe for recession and hunger.

111. Fortunately, the oil-producing countries are, I believe, aware of the potential consequences of their actions, and with good reason: a world recession would bring them no benefits, and much political ill-will. It would damage their non-oil export industries. A break-down in the world monetary system would wipe out a significant part of the advantages they are gaining from higher oil prices.

112. Now, no one would deny for a moment the right of the oil-producing countries to improve their returns from

their own resources. But I hope that we will soon reach a new, equitable and stable level of oil prices that takes into account the other interests I have mentioned.

113. Those are the problems of the events of the last few months. But let me now talk of three benefits that I see—for benefits there are. One is the realization by the public in the developed countries of the extent to which the world's economies are interdependent. Too long has the developed world ignored this interdependence. The oil producers and other producers must realize that they themselves cannot prosper if others are driven to the wall; but equally the developed countries, the traditionally wealthy, must realize that they cannot assume that their prosperity is always assured while two thirds of the world's population have empty pockets or, worse, empty stomachs.

114. The second benefit is connected with the first. For too long now the people of the developed countries have taken for granted the availability, indeed the abundance, of cheap raw materials, and especially of energy—things that are often permanently in short supply or even non-existent in the developing countries. The concern has been for short-term gain and immediate convenience, without adequate thought for the future. I think recent events have done something to change this thoughtless attitude: they have brought home to the consumer that oil is not infinite, and is not necessarily cheap.

115. I believe the lesson is of broader application than oil: it applies to all raw materials that, once gone, cannot be replaced, such as copper, phosphate, iron ore, coal, and so on.

116. The third benefit is that a number of developing countries in three continents are now no longer poor. Indeed, in *per capita* terms, they are richer—in some cases, much richer—than many, or even all, of the developed countries. Precise estimates are difficult to make, but it is conceivable that by the end of the decade the majority of the world's currency reserves could be in the control of the oil-producing countries. This amounts to a substantial redistribution of the world's wealth. It also entails a redistribution of responsibility for aiding the world's poor; and my Government believes that the aid effort is the responsibility of all rich countries, wherever they are, and whatever their source of wealth.

117. Shortly after taking office 18 months ago, my Government announced that it would endeavour to achieve, within three years, the targets of 0.7 per cent of our gross national product for official development assistance and 1 per cent of it for total resource transfers to developing countries. At that time New Zealand was enjoying for the first time in many years a substantial balance-of-payments surplus. The financial picture is quite different today. We expected in any case to have a deficit this year, even before the oil crisis; but as a result of the drastic increase in the price of oil, the deficit will now be more than twice the expected level. Nevertheless, despite these difficulties, New Zealand's determination to continue to increase its aid disbursements at a very substantial rate until the target percentages are met remains unchanged.

118. However, the foreign-exchange benefit of the aid given by New Zealand and other developed countries will be practically wiped out this year by the increase in oil prices. At the same time, the oil-producing countries will receive a flood of extra money—in some cases more than can usefully be invested in their own territories. I believe that the oil-producing countries, therefore, have a special responsibility to ensure that their own good fortune is not achieved at the expense—the potentially disastrous expense—of other developing countries. And my Government welcomes the proposals by the Shah of Iran to provide substantial sums through international financial institutions to assist the developing countries, and also the reported agreement of certain oil-producing countries to set up a special fund for the same purpose. We are sure that the developing countries will equally welcome a determined effort on the part of other oil-producing countries, acting either in concert or separately, to reduce the impact on their economies of the rise in oil prices. It is my Government's view that this should be done without any discrimination of any kind. All countries that need help should receive it. My Government is confident that developed countries in a position to do so will also assist in this effort.

119. This special session is not only or even specifically about oil. It is about "the problems of raw materials and development". My Government does not favour drastic unilateral action by producing countries. But whether or not that is desirable, countries must be asking themselves whether it is possible for the oil experience to be translated to other commodities. Developing countries, especially, must be asking themselves whether coffee or tin, rubber or bananas cannot also be made to carry a surcharge payable to the producing country and exceeding by several hundred per cent the actual cost of production.

120. I do not know the answer in respect to all those commodities, but I do know that it would be exceedingly difficult if not impossible to achieve that on the main items my country produces and depends upon—meat, wool and dairy products. Those commodities have been highly vulnerable to the interplay of market forces, and within the last decade there have been many occasions when one or more of them were in fact not breaking even. I have the feeling that commodities that could be treated like oil are very few—if indeed they exist at all.

121. But that does not mean that there cannot be improvements. My Government has for many years consistently supported efforts to improve the marketing of primary products, and we support them now. There have been many attempts, but they too often tend to fail because, when the commodity is in surplus, the urge for national advantage outweighs the spirit of international co-operation. And here the producers of oil and of other non-perishable commodities have an advantage. They can prevent a surplus by turning off the tap or closing down the mine. Agricultural products cannot be kept in the ground while they appreciate in value.

122. But even for perishable products co-operation is none the less the basis of success—but I mean full co-operation. New Zealand does not favour export cartels working solely

for their own advantage. We believe that producers and consumers must work together if fairness to all is to be attained. New Zealand adheres to a number of international arrangements aimed at the orderly marketing of primary products. Those all include both exporting and importing countries. For this type of co-operation must have three main elements: it involves co-operation between the producers to ensure that production is managed so as not to exceed demand at prices that are fair for the producer; it involves the co-operation of importing countries in not imposing undue barriers to access, and it involves co-operation between the producing and importing countries to agree on a fair price range and to iron out any problems that may arise. It also involves developing a shared attitude to one of the questions that has been concerning us all for some time, and that is sovereignty over natural resources.

123. My Government feels strongly that each nation has the right to control its own natural resources, and that any sharing of that control with multinational corporations or any other body which may be more responsive to factors other than the national interest should be done voluntarily and only after the most careful consideration; such sharing is certainly unacceptable if imposed from the outside. But in the responsible exercise of this right of national control certain limitations must be accepted. Natural resources are too valuable, too essential to the well-being of the world as a whole, for it to be proper for any country to do exactly what it likes without any consideration of the international interest.

124. Here, then, we need co-operation of a fundamental sort—co-operation in the management of natural resources.

125. I wish to make three further points. One is a comment; one is in support of a constructive initiative; and the third is a statement of intent.

126. My comment concerns the possible establishment of a ratio between the prices of primary products and the prices of manufactured products.

127. New Zealand, like the developing countries, suffers from imported inflation and from the fluctuating and declining terms of trade that have been inevitable for countries that export primary products and import manufactured goods. My Government is well situated to appreciate the pernicious results of this process and is in full sympathy with the aim of stabilizing and improving the terms of trade of countries exporting primary products. I have no doubt that a factual historical index could be established, and indeed a Secretariat document points the way. But I very much doubt that any aggregated terms-of-trade index could be imposed on all international trade on a global scale. I believe it would be simply unworkable. I think it would be more feasible, and therefore more fruitful, to look at the idea on a more limited scale. It might, for instance, be possible to consider the inclusion of terms-of-trade conditions in bilateral or regional agreements, and those conditions might apply only to selected products rather than attempt to cover all the myriad items traded. It is along those lines that it might be more profitable to proceed.

128. The proposal I wish to support is the one for a world fertilizer fund which has recently been endorsed by the Economic Commission for Asia and the Far East [ECAFE]. I support it because it seems to my Government that what is needed more than anything else at this special session is new ideas, not new institutions or new structures, which will only serve to increase the already too complicated international bureaucracy. The existing framework should be able to serve. What we need is new ideas.

129. There are two basic essentials, food and energy, and we must ensure that adequate amounts of both are available to all at equitable prices. And of those two, food is the more fundamental, for in man there is no energy without food. The availability of food depends basically on the level of agricultural production. Agricultural production is a complex process needing many inputs—natural, chemical and mechanical, animal, vegetable and human—and these will all surely be considered at the World Food Conference later this year. One of the inputs on which the Conference is likely to focus is fertilizer, and it is to this that the proposal relates.

130. Nitrogenous fertilizers, which are oil-based, are now in short supply and very expensive. It would be right, I believe, in the light of the global interdependence and the resulting responsibilities of which I have spoken, to try to ensure that fertilizer is available at reasonable prices, in the places where it is most needed—in places that produce food for those who are short of it. And, of course, this means the developing countries and they are the ones I have chiefly in mind. They should have priority to get the fertilizer they need at prices they can afford to pay. But the concept could be extended to fertilizer for all food production. The idea was put forward by the Prime Minister of Sri Lanka at the ECAFE session just concluded,⁴ and embodied in an ECAFE resolution.⁵ My Government has not yet thought it out in detail. But there are several possible modes of operation. One could be a direct subsidy—for which the increased oil revenues are an obvious source—on fertilizer used in food production. Another could be a lower price for petroleum used in fertilizer production. I believe that either of those courses would be simpler and easier to police, than a two-tier or three-tier price system for oil in general and this would have the merit of benefiting the vital area of food production.

131. I think we are indebted to the Prime Minister of Sri Lanka for an imaginative and constructive proposal which I hope will be considered seriously.

132. Finally, I wish to make a statement of intent on behalf of my Government. This statement concerns the transfer of technology, and it also concerns food. My country is fortunate to be among the world's most efficient producers of protein food. Our methods have been evolved by the application of science and hard work to a largely virgin land. They include soil science, pasture management and animal husbandry. They depend upon a highly developed technology. My statement is this: New Zealand is ready and willing to transfer that technology. We already

do so in many countries under our aid programme. We do so in many other countries on a commercial basis. Our resources of manpower and money are already heavily committed, particularly in the South Pacific and South-East Asia, our nearest neighbours, but we welcome interest and inquiries from other developing countries and I wish to assure them that New Zealand will make every effort to help them apply our technology to their needs, if they want us to do so.

133. These suggestions are just modest examples of New Zealand's will to co-operate in any measures to close the gap between rich and poor. I believe that every country should carefully examine the type of contribution that it is capable of making and be prepared to commit itself to positive action in those areas where it is capable of meeting particular needs. If this special session is to succeed, it will be on the basis of a recognition that all countries are interdependent and we should be looking within this interdependence for means to remove the inequalities between them.

134. Mr. MIZUTA (Japan):⁶ Mr. President, on behalf of the Japanese delegation I wish to express my profound respect to you on your assumption of the high office of President of the sixth special session of the General Assembly, following your brilliant performance last year as President of the twenty-eighth session. I am confident that your outstanding and impartial leadership will bring this session of the General Assembly to a fruitful conclusion. My delegation wishes to pledge its unstinted co-operation to you in the discharge of your great and important responsibilities.

135. I wish also to pay a tribute to Mr. Houari Boumediène, the President of the Revolutionary Council of Algeria, who proposed this special session. Japan supported his proposal, in accordance with its policy of co-operation with the United Nations and of promoting co-operation for international development, and in accordance with its belief that the special session, in view of the current world situation, is well-timed. Raw materials and development, the themes for this session, are problems common to all mankind. As we seek solutions for those problems, I should like to request first of all that all countries, whether or not they are well-endowed with natural resources, promote "dialogue and co-operation" from a global point of view. I sincerely hope that this special session will serve as a forum to find a constructive solution for those problems through "dialogue and co-operation."

136. Since the end of the Second World War, all our countries, both rich and poor, have sought jointly to attain common prosperity through the development of their economies. The United Nations has especially played a significant role in those efforts and is worthy of high praise for its success in awakening world public opinion to the importance of development under the banner of the Second United Nations Development Decade, and in enlisting the resources of related agencies.

137. However, in the light of the dramatic changes in the energy situation we have experienced since last fall, we have

⁴ See *Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 5*, paras. 178-180.

⁵ *Ibid.*, part III, resolution 142 (XXX).

⁶ Mr. Mizuta spoke in Japanese. The English version of his statement was supplied by the delegation.

abundant reason to say that the time has come for mankind to bring together all its endeavours to achieve a more stable international economic society.

138. In fact, our recent experiences have brought home to us anew how small is the world today and how closely we are all bound together by interdependence and interaction. I need hardly say that the energy situation has now reached a critical phase, and its direct and indirect effects are spreading over the entire world, regardless of differences in economic development or in social and economic systems. This is because economic interdependence among nations has become closer than mankind has ever known, and no country can therefore isolate itself or stand aloof from the effects of radical changes in the energy situation.

139. The present energy situation is seriously affecting the progress of economic and social development in the developing countries, especially those which are not oil-producers. It is feared that developing countries which do not produce oil may suffer not only a direct blow, in the form of sharp rises in oil prices, but the indirect effects caused by the stagnation of economic activities and the weakening of the trade and aid capacities of the developed countries. So long as these direct and indirect effects continue, there can be no hope of achieving the objectives of the Second United Nations Development Decade, or of bringing about the economic and social development of the developing countries, which is essential for the stability of the world.

140. Japan, which is heavily dependent upon other countries for resources, is also suffering far-ranging effects from this situation, and it is anticipated that Japan's economic activities will slow down. Combined with the economic stagnation of other industrial countries, this is likely to have serious effects on the economies of the developing countries, especially those of Asia. In the world of today, co-operation based upon interdependence, which precludes any country from living by itself at the expense of others, is gradually coming into existence. It seems that the dawn of an age requiring new stability and harmony is arriving.

141. I shall now state the views of my country on the problems of raw materials and development in the context of the new international ties of interdependence to which I have referred.

142. The recent change in the energy situation has given us an occasion to make a fundamental re-examination of our thinking about the entire question of natural resources, including energy resources. It has awakened mankind to the need to make an over-all re-examination—not only in the interests of the present society but for the society of the future—of the problems of the development, supply, consumption, and conservation of resources, including energy resources. We are pressed to find a solution of the problems of how to develop and utilize effectively the resources of the earth to cope with the rapidly increasing demand for them resulting from the world-wide increase in population and from the improvement in living standards, and also in order to expedite the economic and social development of the developing countries.

143. For the solution of this problem, I believe that all countries, those with natural resources or those without, should assume collective responsibility and commit themselves to a collective effort in accordance with the spirit of "dialogue and co-operation". From this viewpoint, I shall now proceed to suggest the desirable forms of international co-operation for the solution of the resources problems.

144. First, we recognize the right of all countries, including the developing countries, to develop and utilize their natural resources for their economic development and the improvement of their people's welfare, namely the principle of permanent sovereignty over natural resources. Japan understands the zeal of the developing countries to promote their economic development and to improve their people's welfare on the basis of the development of their natural resources, and highly appreciates such independent efforts for development. Japan will not spare whatever co-operation it can extend to these countries in their nation-building efforts.

145. Second, I believe that, based on the aforesaid considerations, the countries with resources and the resource-consuming countries should co-operate with each other according to their capabilities. There exist in the world countries which are blessed with resources and others which are not. But every country should be allowed to develop and work for its own prosperity, for this alone can lead to true peace and stability in the world. All countries that are capable of doing so should assume a collective international responsibility to co-operate with each other according to their respective capabilities, not only for their own development, but for the development of less fortunate countries, and to contribute to economic development and peace and stability in the world.

146. Japan, as I remarked earlier, is not blessed with natural resources. However, it possesses capital and technology, and is able to contribute to the economic development of the world, especially of the developing countries. Japan's capacity to do so has declined as a result of the recent change in the energy situation. It is feared that this decline may hinder the economic development of many developing countries, those in Asia in particular. At any rate, I should like to point out that, as economic interdependence becomes increasingly close throughout the world, so do the ties that bind the countries with resources and those without; and all countries must realize that this is one world and jointly strive for the prosperity of the world.

147. Third, we shall have to consider seriously ways to economize and conserve the limited resources of the earth for the sake of future generations. Inevitably, the demand for energy throughout the world, including the developing countries, will continue to increase. We should, therefore, find a new method of international co-operation in exploring substitute sources of energy and in developing energy-saving systems.

148. In discussing the limited resources of the earth, I believe we should not confine our discussions to the possible exhaustion of known resources, but should address ourselves to finding an integrated approach, which would take into consideration such factors as the future develop-

ment of science and technology, economic growth and population increase, and restrictions of an environmental nature.

149. There is a vast field for technological innovation, such as the technology of exploring for resources, including sea-bed resources; the technology of the efficient utilization and saving of resources, including their recycling; and the technology of developing substitute resources. In my view it is not a desirable approach to emphasize only the exhaustion of resources. It is noteworthy in this connexion that many representatives at the third session of the Committee on Natural Resources, held in New Delhi in February last year, expressed negative views on the "limit to growth" concept and favoured, instead, the view that the resources of the earth should be developed by international co-operation and utilized for the development of the world economy. Our concern is the fact that no adequate co-operation exists for expediting the development of resources on an international basis, although this is technically and economically feasible. I request, therefore, that the functions of the United Nations in the field of development be so strengthened that it may play a positive role in solving this kind of problem.

150. For the above-mentioned purposes, I believe that the United Nations should equip itself for two principal functions: firstly, to provide for better analysis and dissemination of data on resources, including in particular the world supply-and-demand situation; and secondly, to increase effective technical assistance for the dissemination of the required knowledge of science and technology with the objectives of helping less favoured developing countries' exploitation of their untapped resources and facilitating conservation and further development of resources in resources-owning countries.

151. In view of these considerations the delegation of Japan would like to submit the following five concrete suggestions. First, a study should be made of the establishment of a United Nations centre for natural resources information for the analysis and dissemination of data concerning resources. Secondly, the United Nations Revolving Fund for National Resources Exploration should start operating at an early date. Japan is ready to contribute \$1.5 million to the Fund in the fiscal year 1974 and intends to make as large a contribution as possible in succeeding years, taking into consideration the progress of the Fund's work. I earnestly hope that all countries will make positive contributions to the Fund and that the international organizations, the United Nations Development Programme and the World Bank in particular, will extend their co-operation. Thirdly, the United Nations University, which has been established by the General Assembly [resolution 2951 (XXVII)], should conduct long-term basic research on resources, with emphasis on the problem of energy. Fourthly, Japan would like to be host to the fourth session of the Committee on Natural Resources in Tokyo at an appropriate time next year, as part of its co-operation with the United Nations in natural resources development. Fifthly, the establishment of a United Nations advisory group of eminent persons on resources problems should be considered. The members of this group should be chosen from among internationally eminent persons, and the group should be given the task of suggesting to the United Nations desirable forms of

international co-operation regarding resources, and guidelines for such co-operation. Members should act in their individual capacity, without regard to the positions of their own countries, and from a global and long-term point of view.

152. I should now like to refer to the problem of development assistance in the context of new international co-operative relations.

153. First, I am convinced that the industrialized countries, recognizing the interdependence of the world economy, should improve their official development assistance in both quantity and quality. The ratio of the total amount of assistance to the gross national product of donor countries has tended to decrease in recent years. There is now talk of the possibility that the amount of assistance from industrialized countries will level off or even decrease as a result of the recent changes in the energy situation. But this, of course, is the very time when the true value of development assistance should be recognized.

154. Here I should like to emphasize the effects of the current world economic situation upon the development efforts of the developing countries and the need for measures to cope with it.

155. It is estimated that the added cost, direct and indirect, to the developing countries which may follow the rise of crude oil prices will amount to about \$15,000 million in 1974, a sum that is nearly twice as much as official development assistance in 1972. In order for the international society as a whole to cope with this situation, we shall be required to make a re-examination of the system of international co-operation for assistance thus far employed.

156. In the second place, I consider that, in the new relationships based on international co-operation, all countries capable of giving development assistance should extend it to those countries which really have the most urgent need for assistance. In such cases, special consideration should be given to those developing countries, especially the least developed countries, which are beset with great difficulties in carrying out economic development, because of the inadequacy of their economic foundations and the effects of the current energy situation.

157. In this regard, Japan welcomes the co-operative attitude of oil-producing countries as was manifested, for example, by the positive initiative taken by the Shahanshah of Iran. Then followed the proposal for a world fund announced by the Commission of the European Economic Community and the proposal for a world fertilizer fund made by Mrs. Bandaranaike, the Prime Minister of Sri Lanka, at the thirtieth session of ECAFE, held recently in Colombo. Japan considers that these proposals should be studied comprehensively and from a global point of view by the international organs concerned as soon as possible. When an internationally acceptable plan has been formulated, on the basis of co-operation among the countries possessing the capability, Japan intends to extend its whole-hearted co-operation.

158. Thirdly, I wish to remind the General Assembly that Japan has suffered more from the current energy situation

than any other industrialized country. However, Japan, being conscious of its international responsibilities as an advanced industrialized nation, and because of its sense of international solidarity, will make the maximum contribution within its power to the solution of the various problems confronting the developing countries, and ultimately the world economy as a whole, through active international co-operation in the fields of trade, assistance and currency.

159. Japan, with meagre natural resources, imported foreign technology and, at the same time, endeavoured to develop technology by its own efforts throughout the modernization process of the past 100 years. As a result, Japan has developed many persons who are highly qualified in industrial technology. I am convinced that one of the ways whereby Japan can contribute to world prosperity is to provide technical co-operation. Japan intends, therefore, to expand further its technical co-operation with the developing countries, including oil producing countries, according to their needs and wishes.

160. Japan's national existence rests on trade within the framework of the developing world economy, based on the principles of non-discrimination, multilateralism and freer international trade. Japan is convinced, therefore, that, in view of the present condition of the world economy, the existing free trade should be maintained and further expanded. Having recognized the significance of launching multilateral trade negotiations, Japan made determined efforts to attain agreement on the Tokyo Declaration.⁷

161. There is a possibility, however, that, as a result of the current energy situation, many countries may suffer from balance-of-payments difficulties and the slowing down of their economies. If, by reason of such difficulties, protectionism should gain the upper hand, the achievement obtained thus far, from assiduous efforts by a number of countries, including Japan, to attain a step-by-step liberalization of international trade, would fall apart.

162. Japan intends to continue its efforts, in spite of the current difficulties, to bring about significant advances in the cause of free trade through multilateral trade negotiations and wishes to make a strong appeal to other countries to make similar efforts. Japan believes also that these efforts will contribute to the economic development of the developing countries and that the negotiations should be conducted in conformity with the spirit of the Tokyo Declaration, giving full consideration to the conditions special to the developing countries.

163. I should like to turn my attention to the problem of international investment, which is another important international economic activity, as important as international trade. The value of overseas industrial production emanating from international investment throughout the world now exceeds the total value of international trade and is fast increasing. The developing countries receive about one third of the total direct investment of the whole world, and one half of the direct investment in the developing

countries is for the development of natural resources. The significance of this fact should be duly recognized. Such international investment is making a great contribution to the development and prosperity of the world, including the developing countries, since it expedites the rational utilization of resources and the transfer of capital and technology.

164. However, international investment, especially direct investment, requires continuous economic activity within the receiving countries, and the effects upon the economies of the receiving and investing countries, especially on those of developing countries with weak economic foundations, are much more immediate and far-reaching than the effects of international trade. Consequently, it should be borne in mind that international investment can produce various types of economic and social friction in both the receiving and the investing countries.

165. A special responsibility rests upon international enterprises to guard against frictions likely to accompany their investments and to eliminate any that exist, and I believe it is necessary also for the respective Governments to co-operate with each other in promoting the interests of the world economy as a whole. The Japanese Government wishes to establish the basic principle that international investors should invest in such a way as to contribute to the true economic development of the receiving countries.

166. In this connexion, the United Nations is now making an examination of the activities of multinational corporations, which are, of course, a form of international investment. I welcome the exchange of ideas among various countries on measures of international co-operation, including the possibility of introducing a code of conduct for the sound development of multinational corporations, and international investment in general, on the basis of objective and steady efforts to comprehend the true state of affairs. Japan will actively participate in this stock-taking.

167. Japan has been, and will continue to be, an active participant in the work of the Committee of 20⁸, in the belief that a lasting and stable international monetary system is needed for the smooth development of the international economy. In this connexion, Japan believes that due consideration should be given to the interests of the developing countries in reforming the international monetary system. In the operation of that system, after it is reformed, the effective and responsible participation of the developing countries should be considered.

168. Meanwhile, several international monetary problems, which require fresh and speedy examination in connexion with the reform of the monetary system, have arisen as a result of the current energy situation. It is expected that the rise in crude-oil prices will bring about an accumulation of international liquidity in some oil-producing countries and a shortage of liquidity in many oil-importing countries if no new action is taken. In view of the situation, we consider it necessary that the oil-producing countries, in the management of their foreign-exchange assets, observe a certain moderation and take into account the over-all international financial situation and that in coping with the

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

⁸ Committee on Reform of the International Monetary System and Related Issues.

problem of the shortage of liquidity the oil-importing countries should likewise show consideration for others. In my view, full consultation and co-operation among the countries concerned have become necessary for the smooth functioning and stability of the international monetary and financial systems.

169. In concluding my statement, I stand here with a renewed comprehension of the importance and complexity of the resources problems. We recognize that it is necessary to take immediate measures, but at the same time we should make a sustained effort to find long-term solutions. I believe that the important problems that will be raised at this session should be fully examined and that solutions should be found by drawing upon the resources of all the agencies of the United Nations. To that end, I request that the five suggestions that I have submitted for strengthening the functions of the United Nations be given full consideration at this special session.

170. We must recognize that we live in one world; accordingly, we must co-operate with each other in the joint advancement of mankind, in order to live and prosper and rise above the distinctions between north and south, between countries with resources and those without, between countries with different ideologies and political systems. I should like to emphasize again that dialogue and co-operation are indispensable requirements to that end.

171. Mr. CHŇOUPEK (Czechoslovakia) (*translation from Russian*): Permit me first of all, Sir, to congratulate you on your election to the high office of President of this special session of the General Assembly and to wish you success in your important work.

172. The Government of the Czechoslovak Socialist Republic based its support for the convening of this special session of the General Assembly on the fact that problems of raw materials and development should be dealt with in a comprehensive manner on the basis of the principles of equal rights and mutually beneficial international co-operation in the broadest possible forum, such as the United Nations, the more so since, with the prevailing conditions of international détente—the consistent pursuit of which is fundamental to the foreign policy of the socialist countries, and to the achievement of which a number of other States with a realistic approach to the settlement of international problems also contribute—the ground has been prepared for the settlement of many international issues through political negotiations and the conclusion of mutually acceptable agreements.

173. Favourable conditions have also been created for the settlement of urgent international economic problems and for the development of economic co-operation among States with different social and economic systems. These conditions are having a favourable impact on the development of the national economies of all countries, and unquestionably on the solution of the problems of raw materials, too.

174. These new conditions in turn are creating favourable conditions for the achievement of lasting peace, the strengthening of international security and the development of co-operation among all countries, conditions which

should ensure that international détente becomes irreversible despite attempts by forces hostile to peace which have still not laid down their arms.

175. The Czechoslovak Socialist Republic has been guided by these considerations in its approach to the question of convening this special session of the General Assembly, and it intends to take an active part in the work of the session in order to make the maximum contribution to the solution of the major issues in contemporary international economic relations and to the adoption of just solutions to the problems of raw materials and development, particularly solutions which protect the interests of the developing countries.

176. The Czechoslovak Socialist Republic is willing to make its contribution to the implementation of measures which would promote the strengthening of the independence and national sovereignty of the peoples of Africa, Asia, and Latin America and to help to bring about their complete emancipation from the economic and political domination of imperialist monopolistic circles. Czechoslovakia supports the just demands of the developing countries which are an expression of their aspirations for economic, social and political development, but this can be achieved only on the basis of genuine independence and of profound democratic and revolutionary transformations. Accordingly, we also fully recognize and support the urgent demands for a just and rational utilization of resources in the interests of all countries.

177. We also favour equitable and mutually beneficial trade, economic, scientific and technical relations with all countries, particularly with the developing countries. We wish to help to bring about favourable conditions for a fuller utilization of the advantages offered by the international division of labour, with a view to strengthening peace, and promoting social and economic progress and the well-being of all countries and peoples.

178. The situation in which the developing countries find themselves is a result of a long period of social and economic exploitation by the colonial Powers, exploitation which in the political and economic spheres is fading into history only with great difficulty. Accordingly, the Czechoslovak Socialist Republic, together with other socialist countries which bear no political or moral responsibility for the colonial legacy from the past, has from the very outset pursued a consistent policy of rendering effective assistance to developing countries in their efforts to overcome these pernicious consequences of their past.

179. At the same time, we consider that measures should be devised to solve the problems faced by the majority of developing countries which are striving to achieve the independent development of their national economies, measures that would enable these countries to have an equal share in the benefits of scientific and technological progress.

180. Objectively speaking, the fact remains that the unfavourable economic position of the developing countries is a result of their inequitable place in the international division of labour and, moreover, that the difference in levels of economic development of developing countries is

tending to become more pronounced. Although the colonial system of imperialism has in fact collapsed, with the result that many new independent States have emerged on the world scene, the process of decolonization in the economic sphere has not yet been completed.

181. The economic backwardness of the developing countries is attributable to the policy of neo-colonialism pursued by the imperialist States, which use their political and economic power to continue their exploitation of the developing countries.

182. A significant role in this respect is played by multinational corporations, which still retain control of important sectors of the economies of developing countries and whose activities are a threat to the national sovereignty of those countries.

183. A solution to the broad range of problems of raw materials and development cannot be separated from one of the most important conditions, if the development of international economic relations is to proceed in accordance with the principles laid down in the Charter. This condition is the recognition of the principle of equal rights in economic relations among States and groups of States. In the view of the Czechoslovak delegation, an indispensable part of this principle is the rejection of economic aggression and of the use of economic pressure as a threat in relations among States, both of which are completely incompatible with the Charter.

184. This principle should, of course, be understood as meaning that it is unacceptable to shift the economic difficulties of certain States or groups of States to other States or groups of States. Respect for the principle of equal rights in international economic relations is incompatible with the numerous manifestations of discrimination which still persist both in relations among countries with different social systems and between the developed capitalist countries and the developing countries. The elimination of this state of affairs and the full implementation of the principle of equal rights should become a matter of priority for all the competent economic organs in the United Nations system—including the Economic and Social Council—which are responsible for fostering international economic co-operation in accordance with the Charter. We therefore support the idea of drafting and adopting a charter of the economic rights and duties of States.

185. A significant contribution to the solution of the problems of development would undoubtedly accrue from the implementation of the United Nations resolution adopted at the initiative of the Soviet delegation, calling for the reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved to provide assistance to developing countries [resolution 3093 A (XXVIII)]. The implementation of this proposal would release substantial economic resources, which would undoubtedly facilitate the solution of current economic problems in the developing countries. We support the United Nations resolution on this question for the further reason that its implementation would certainly lead to a further substantial improvement in the international climate in a spirit of mutual understanding, since the process

of détente, which would thus be given new impetus, would spread virtually throughout the world. This would represent a further step towards the success of efforts designed to achieve a world without war and to ensure that world relations are based on the principles of equal rights and co-operation.

186. My delegation continues to hold the view, which we have repeatedly expressed, that international commodity agreements are an important means of stabilizing raw material markets. The Government of Czechoslovakia is ready to participate in negotiations aimed at economically effective agreements, including negotiations within the framework of the competent multilateral organs of the United Nations, particularly UNCTAD. These negotiations should not be influenced by cyclical fluctuations but should rather become an integral component part of the long-term over-all efforts to solve the fundamental issues of access to raw material markets and machinery for stabilizing world prices of raw materials.

187. The socialist countries which are members of the Council for Mutual Economic Assistance [CMEA], whose twenty-fifth anniversary we are now celebrating, have solved and are successfully solving many of these problems within the framework of CMEA. It is primarily a question of overcoming the differences in levels of economic development between the States members of CMEA, and this is one of the laws of development of the world socialist system. Clearly, only one who has completely lost the capacity to evaluate the world scene objectively or who deliberately refuses to see the growing positive influence of the world socialist system on international development in the interests of the forces of progress and peace could allege that this system does not exist. Such an approach, as well as insinuations directed against the socialist countries, including demagogic distortions of fact in regard to my own country among others, such as we heard in the statement by one delegation at yesterday's meeting, are contrary to the purposes and the tasks for which this special session of the General Assembly was convened.

188. The States members of CMEA are solving the problem of the supply of raw materials and energy resources and their rational utilization on a planned and long-term basis, while fully respecting the principle that each country has a sovereign right to its own natural resources. Two years ago the States members of CMEA adopted a Comprehensive Programme for Further Deepening and Improving Co-operation and Promoting Socialist Economic Integration. This programme embraces all spheres of economic, scientific and technical co-operation. It takes fully into account the need further to improve the international division of labour and, on an international scale, makes it possible for every State to participate in full or in part in this co-operation.

189. CMEA is taking the initiative in establishing co-operation with other countries or groups of countries; co-operation among the States members of CMEA has produced and is producing notable successes in the fields of economics and technology and in meeting the needs of the broad masses of the population at a time when the economies of the developed capitalist countries are experiencing a period of severe shocks and growing signs of crisis.

190. Czechoslovakia is a country which has traditionally had to import almost all its raw materials but now, thanks precisely to this co-operation, we are able to secure the necessary raw materials from other CMEA member countries, in particular from the Soviet Union. Thus our economy can develop without interruption, without crises, and in a dynamic manner.

191. The discussion in the plenary Assembly at the present special session and the documents before us indicate the broad interdependence of the questions which constitute the subject-matter of our deliberations. Everything points to the fact that a solution should be sought on a truly multilateral basis, that is, in such a way that the solution will be in keeping with the legitimate interests of all countries irrespective of their social and economic systems. Such an approach could prove feasible if all Member States were guided in their international trade relations and in their trade policies by the principles adopted at the first session of UNCTAD.⁹ My delegation believes that the final documents of this special session should embody an undertaking along these lines.

192. The delegation of the Czechoslovak Socialist Republic fully supports the determination of the developing countries to complete the process of decolonization in the economic and social spheres. In this connexion, it supports the just demands of the developing countries that they are entitled to compensation for the damage inflicted by colonialism and neo-colonialism. Of course, the main responsibility for the backwardness of the developing countries rests with those capitalist States which caused it. Accordingly, it is those States which must make restitution for the material loss inflicted on the developing countries by exploitation, which they continue to practise.

193. The Czechoslovak delegation fully agrees with the demands of the developing countries for recognition of the principle that every country has the sovereign right to use its natural resources to strengthen and mobilize its domestic resources for the purposes of economic development. Moreover, nationalization is an expression of the sovereign right of every State to protect its natural resources.

194. The Czechoslovak delegation fully supports the right of every country freely to choose its political and economic system without foreign interference or pressure. We know that the multinational corporations are not only the main obstacle preventing the export earnings from the products of the developing countries going to those to whom they belong, but are also a tool in the hands of those States which are attempting to bring the national interests of the developing countries under their influence.

195. Czechoslovakia has always actively participated in United Nations activities designed to promote international economic co-operation with the developing countries. In this connexion, I should like to draw attention to the joint documents and statements which have been submitted by the socialist countries at various times in the United Nations and which also express the views of Czecho-

slovakia. The practice of international economic relations and the trends in the economic development of developing countries have fully confirmed the validity and pertinence of the principles set forth in those documents. If the aspirations of the developing countries to achieve more intensive economic progress are to lead to positive results, it would be useful for the developing countries themselves to take the necessary economic and political measures. I have in mind, first and foremost, the establishment of vitally important sectors of the national economy, the drawing up of national short-term and long-term plans, and also the introduction of scientific planning methods, the carrying out of radical social and economic reforms, the creation of State and co-operative sectors of the economy, and so forth.

196. In this connexion, I should like to stress the importance of taking measures to subordinate the private sector to over-all national interests, in particular the adoption of effective legislation to regulate the activities of foreign private capital and measures aimed at abolishing all inequitable economic treaties, agreements or obligations that limit national sovereignty.

197. It is a well-known fact that Czechoslovakia's economic relations are being developed in accordance with the principles of our peaceful foreign policy, with full respect for sovereignty and equal rights and in support of the economic independence of the developing countries.

198. Like a number of other speakers, I believe it is essential to adopt a decision in the field of international economic relations that will be in keeping with these principles. I also see this as the main purpose of the present special session of the General Assembly.

199. My delegation is confident that this session of the Assembly will be an important step forward towards the creation of just international economic relations and the strengthening of the economic independence of the developing countries.

200. Mr. SHARP (Canada): I have studied with some care the statements made so far in the general debate. We can all, I think, be encouraged by their spirit: they have reflected a willingness to work together to reach the pragmatic readjustments necessary in responding to the economic and political considerations of today. The fact that we already have before us at this early stage of our debate such a wide range of specific ideas and proposals can only facilitate our efforts to arrive at widely acceptable results. It is in this same spirit that I should like now to elaborate on the Canadian approach to this special session.

201. The international trade and payments system is under increasing strains—strains that have their roots in the growing pressure of demand on the non-renewable, as well as the renewable, raw materials of the earth. We have become starkly aware of a developing crisis in the most essential commodity of all: food.

202. This global economic situation touches each and every one of us in some way. None of us, as nation-States or as individuals, is or can be insulated. It is therefore appropriate that we should come together here at the

⁹ See *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No.: 64.II.B.11), third part, annexes A.I. 1 and A.I. 2.

centre of the United Nations system to discuss our common problems and to consider how they can be dealt with most effectively by co-operative action.

203. Three aspects of the global situation, all of them related to raw materials and development, are of particular concern at this time: the problem of food for those in greatest need; the effects of high energy costs; and the impact of inflation on the international trade and payments system.

204. As a substantial exporter of certain raw materials and a significant importer of others, Canada approaches these questions very much aware that importer and exporter interests are closely interrelated. It is seriously misleading simply to equate exporter and developing country interests, or those of importer and developed countries. Indeed, the common interests of exporters and importers, of developed and developing countries alike, in an effective international trade and payments system may be the most salient point to emerge from our discussions at this session.

205. Canada's approach is coloured by its own experience. Canada began its history as an exporter of primary commodities. That is what attracted the first explorers. They came for our furs, our fish, our lumber, and so on. The exploitation of our natural resources helped to promote both growth and development within our economy. Over the years, our economy changed to a more sophisticated structure, involving a balance between resource exploitation and industrial production.

206. Many factors have contributed to the growth and development of Canada. Let me mention just four: substantial foreign investment; access to technology, mainly through commercial channels; access to markets for our products; and a general sharing of the rewards of resources production among Canadians.

207. The importance of those factors in our development has made Canada an outward-looking country with high *per capita* exports and a heavy dependence on foreign trade. It has also persuaded us that a reasonably free international flow of the factors of production, whether capital, materials or technology, is of central importance to the process of industrialization and the raising of living standards.

208. Nor has our experience led us to believe that there are simple answers to the problems of development, or simply formulas that will ensure equity in relations between developed and developing countries. We are reinforced in this scepticism about simple answers by our own efforts to reduce economic disparities between far-flung regions and to reconcile the conflicting interests of industrialized and raw-material-producing areas within Canada. I am sure all present here know that Canada is a very large country; indeed, under most definitions it is almost a continent. So we encounter on our own soil the problems we are facing here on a world-wide basis. We find the problem infinitely complicated, requiring a wide variety of approaches to achieve results.

209. I can, however, give assurance that Canada has a strong interest in stable markets and a reasonable price structure for renewable and non-renewable raw materials,

including foodstuffs. We support international commodity arrangements in which both exporters and importers are represented. We favour the establishment of machinery to ensure that the decisions of multinational business corporations are consistent with the national interests of the countries within which they operate. We defend the right of capital-importing countries to define the terms for the acceptance of foreign investment. We do so in Canada. We believe that raw-material-producing countries have a legitimate interest in upgrading their resources.

210. In short, Canada recognizes the right of resource-owning States, of which we are one, to dispose of their natural resources in the interests of their own economic development and of the well-being of their people.

211. What has to be borne in mind is that the legitimate aspirations of resource-owning States can be achieved only within a healthy and dynamic world economy. The world may have to curb the rate of growth of its consumption of certain raw materials, but that should be done in a co-ordinated manner and not by acts which cause economic dislocation, unnecessary unemployment and declining incomes. That is why reasonable security of supply for consumers is the counterpart of the right of producers.

212. Abrupt and arbitrary actions affecting supply may seriously disrupt international economic co-operation. All of us, whether raw-material producers or industrialized countries, whether developed or developing—or a bit of both—have a responsibility to exercise our sovereign rights in a manner that does not run counter to the interests of other countries and peoples in the maintenance of a favourable economic environment.

213. That is all the more important if the world is to exercise prudence in the consumption of finite resources. It is extremely difficult, if not impossible, to plan rationally for the conservation of world resources within an unstable economic environment in which countries must constantly adjust to fluctuations in world prices and supplies.

214. I turn, then, to the three urgent problems I identified at the outset: food, energy and inflation.

215. In the final analysis, food-stuffs are the most essential of raw materials. We are acutely aware of that because the world faces a grave situation already marked by famine and distress. The World Food Conference, to be held in Rome later this year, was called in recognition of the need to find constructive international solutions to this most pressing problem. We attach particular importance to the work of that Conference; yet the urgency of the matter justifies some comments on my part now.

216. Canada has for years been a major exporter of food and a large contributor of food aid internationally. We shall maintain our food-aid contributions bilaterally and through the international mechanisms we strongly support. The expenditure of an additional \$100 million was approved by the Canadian Government last week to meet the emergency needs of developing countries, particularly for food and fertilizer. The world food problem, however, cannot be met by the exporting countries alone. It requires concerted action by all those countries able to contribute, and firm

support for existing mechanisms. Canada welcomes the recent contributions by Saudi Arabia to the World Food Programme. Such contributions are essential if we are to meet the crisis in food supplies in a number of countries.

217. Let us hope that nature will bless the world with good crops this coming year. But we must never again, if we can avoid it, permit the margin between famine and sufficiency to become so narrow. I shall not at this time expand upon the steps that must be taken; that is more suitable to the World Food Conference. Let me leave you with this thought. Only if the heavily populated developing countries achieve a higher degree of self-sufficiency in food can the future be faced with reasonable equanimity.

218. I turn now to the problem of energy.

219. The sharp rise in the price of oil and changes in supply and demand have had extraordinary effects throughout the world. As in the case of other raw materials, Canada has approached this situation as both a producer and a consumer, as both an importer and an exporter. Because we import as much petroleum into eastern Canada as we export from western Canada, we have gained no significant advantage in our balance of payments from these developments. We have not, of course, been insulated from international price increases. At the same time, in contrast with many less fortunate countries, we have not suffered a serious set-back.

220. In general terms, Canada favours an orderly framework for world trade in oil that would provide for stable prices at a reasonable level. Such a framework would reflect the cost of bringing in new conventional and non-conventional sources of energy in order to meet rising demand. Prices should yield a fair return to the producer without overburdening the consumer. In my own country, two weeks ago there was a federal-provincial conference in which the prime ministers of the provinces making up the Canadian federation met with the Prime Minister of Canada and worked out a reasonable arrangement for the pricing of petroleum and its products. As I tell my fellow representatives, we in Canada have had a little experience within our own country with the problems with which we are all grappling on a world scale.

221. The energy question of course goes beyond oil. It involves other energy sources and the technologies needed to exploit them. I understand that this session was not called primarily to deal with energy resources. They are, however, of such importance to the topics on our agenda that I wish to emphasize the need for a constructive dialogue to be engaged in on energy and energy-related problems wherever appropriate. Such a dialogue is needed particularly between the principal consumers and the principal exporters, whose decisions are crucial for the world as a whole and especially for the energy-poor developing countries. Canada, for its part, is willing to develop mechanisms for consultation between importers and exporters of uranium—and we are one of the principal exporters.

222. If the energy situation has had little direct effect on Canada's balance of payments, we, like other countries, cannot hope to escape the inflationary effects of rising

prices at a time when inflation is already a serious international problem. The terms of trade have in recent months shifted significantly in favour of commodity producers, as the prices of minerals and agricultural products have risen to unprecedented levels. But we are all consumers—of raw materials and manufactured products—and it is as consumers that the impact of world inflation is brought home to us most forcefully. I can see no easy solution to that problem.

223. Governments can help by pursuing responsible policies. It is inescapable, however, that current energy costs compel a restructuring of international markets which will inevitably take some time to work out. Every country will face challenges in adjusting its economy to the changed situation.

224. Urgent international action to meet this situation must include: the liberalization of trade arrangements; the growth of development assistance; and the systematic and progressive reordering of the monetary system in the IMF, so as to subject the creation of international liquidity to agreed disciplines.

225. In the face of those compelling priorities, Canada has reviewed its own commitments. Subject to Parliamentary approval, the Canadian Government intends to take several steps to help alleviate the situation of the developing countries most seriously affected.

226. We shall proceed with our own contribution of \$276 million to the fourth replenishment of the IDA.

227. We shall permit the advance commitment of our first two payments to IDA, if that seems desirable.

228. As I mentioned earlier, the Canadian Government last week approved an additional \$100 million, over and above its originally projected programme, to meet emergency needs in developing countries—particularly for food and fertilizer. For the coming year, Canada's development assistance expenditures are expected to reach \$733 million, as against \$571 million last year.

229. We are also reassessing our entire programme with a view to ensuring that our development assistance is directed to those in greatest need and in sectors where an urgent response is required. The immediate measures will include balance-of-payments support through quick disbursing grants and soft loans for essential commodities. Longer-term measures will include assistance for the development of energy sources. Such adjustments in development assistance programmes are difficult but, in our view, necessary.

230. In this context, the Canadian Government believes that all countries with appropriate resources have a responsibility to examine their own situation closely and take steps to alleviate the plight of those countries which are hard hit by the present energy situation. There are promising signs that countries which have benefited most from oil price increases will, in fact, be taking concrete steps to provide assistance on concessional terms.

231. A renewed effort of international co-operation is called for in which full use should be made of those

established and recognized international institutions which have experience and expertise in supporting development. The United Nations Development Programme, the International Bank for Reconstruction and Development, the World Food Programme, and the regional development banks are repositories of technical skills available now to the international community. As such, they offer a ready means of securing early and effective action.

232. Some of those institutions have already begun to adapt their operations to the new situation. There is every reason for them to carry forward this process of adaptation and to work out revised policies and criteria, new techniques and types of programmes, geared to present circumstances.

233. Finally, the Canadian Government has decided to bring into effect, as from 1 July 1974, its system of generalized tariff preferences in favour of developing countries. My colleague, the Minister of Finance, will be announcing the details of our approach in Ottawa.

234. These are some steps Canada is taking to help with the problems of concern to this special session. But none of them is as important, to my mind, as our intention to co-operate fully with other countries: to co-operate in needed adjustments to the international trade and payments system; to co-operate in matters of commodity trade; to co-operate in the reduction of trade barriers; to co-operate in support for the established development assistance institutions. There are mechanisms of international co-operation already established and in good working order. Let us use them.

235. Without close consultation in the appropriate bodies, there is little hope of maintaining an effective network of international economic relations. Conditions of disarray and sustained confrontation may yield short-term benefits for a few, but in the long run the consequences would be wasteful and dangerous for all countries.

236. Modes of international co-operation need constant adjustment in order to reflect existing trends and realities, adjustments which may be small or may be great. We may expect a reordering and readjustment of international economic relations to emerge from a range of multilateral consultations. I have particularly in mind: the current monetary negotiations and the multilateral trade negotiations; the continuing discussions and consultations on commodities and commodity agreements; the evolution of international codes of conduct in various areas of economic relations; the creation of particular mechanisms to meet urgent needs, such as the proposed special facility in the IMF, which we have encouraged the Managing Director to explore; and the evolution of new techniques of resource management, including conservation policies. We are obviously in the midst of a period of transition, in many respects of unprecedented scope.

237. This special session of the General Assembly is one important step forward in that process. I welcome this opportunity to improve our mutual understanding of the problems before us. The Canadian delegation, in addressing itself to the problems of raw materials and of development,

will be taking a positive and I hope also a realistic approach. It will seek, in promoting its own positions and proposals, to take full account of the interests of others. It will be guided by the conviction that our common interest is in a healthy and viable world economy.

238. Mr. MWAANGA (Zambia): I rise to join other more distinguished speakers who have paid fitting tribute to the President of Algeria, Houari Boumediène, who, on behalf of the non-aligned countries, formally requested the General Assembly to convene in special session to consider exclusively the all-important question of raw materials and development.

239. We believe that this session, notwithstanding the very limited time at its disposal, is capable of presenting a nucleus of greater awareness of the opportunities and challenges facing the international community today and particularly the possible benefits of a more rational, sane and just economic order.

240. Over the past three decades, impartial analyses of the international economic order have revealed, with dramatic starkness, deep-rooted imbalances and inequalities in the relations among States, particularly in those between the developed and the developing countries. The power to control and influence decisions, major and minor, which may affect the well-being of the entire international community, continues to reside in the developed countries. Consequently, the capacity of the developing countries to determine their own destinies has been severely limited.

241. It is not surprising, therefore, that three decades of neglect and injustice should breed increasing frustration among developing countries in the face of successive disappointments in such fields as trade and aid flows, transfers of appropriate technology and know-how, debt and monetary problems, all of which are dialectically interrelated. That trend should not be permitted to continue.

242. Interdependence among States is becoming increasingly obvious. The developing countries are understandably becoming excited by the prospects of increased participation in the international decision-making process. They demand their right to wield influence and exert control over those factors which affect their day-to-day lives. Like developed countries, they also seek to control the development and utilization of their own natural resources so as to minimize their vulnerability to external influences. These demands by the developing countries are intended to promote their own economic progress and that of the international community as a whole. New and better rules are, therefore, necessary to determine an equitable distribution of goods and services among nations. I believe that this is indispensable for the peaceful evolution and prosperity of all the members of the international human family.

243. It is not my intention at this stage of our debate to saddle the members of this Assembly with facts and details, with which they are fully acquainted in respect of the issues before us. However, permit me in passing to briefly spell out some of the basic problems to which this session should address itself.

244. Developing countries lack control over the means of determining the prices of their exports. They also lack

control over the prices of manufactured imports from developed countries. Furthermore, they face tariff and non-tariff barriers to the entry of their manufactured exports into the markets of developed countries. In the light of such deficiencies, developing countries continue to suffer from fluctuations in the prices and values of their primary exports. Given the excessive dependence of these countries on the proceeds from their primary exports, relative changes in their import and export prices have jeopardized their development efforts. Consequently, the vulnerability of developing countries to trade flows is a nagging source of frustration and resentment, especially when their earnings from trade are greater than the current values of what they receive in the form of aid, investment and additional liquidity.

245. The problems pertaining to trade have been aggravated by international monetary instability. Major key currencies in which most of the developing nations keep their reserves have had to undergo adverse changes. In addition, inflationary trends and balance-of-payments problems in developing countries have a detrimental effect on their development objectives.

246. We believe that the world is at the cross-roads on the way to a new era of economic relations between the developed and the developing countries. For many years the developing countries of the world have stood defenceless and have witnessed the grabbing and plunder of their raw materials and natural resources by the developed countries. Their repeated appeals for fair play in international trade relations have, more often than not, met with stubborn and arrogant indifference. Now, for the first time, the developing countries have both the opportunity and the capacity to assert their sovereignty over the exploitation of their own natural resources and obtain a fair and equitable share of the benefits of such exploitation, and thereby help in establishing a new structure of economic relations which would help narrow the otherwise ever-widening gap between the developed countries and the third world.

247. The importance, of raw materials to the economic development of export economies, which form the bulk of the developing countries, cannot be over-emphasized. My country, Zambia, for instance, derives 90 per cent of its export earnings from one commodity: copper. Other developing countries are in the same unenviable position.

248. It is for that reason that Zambia has welcomed the decision by OPEC members to draw attention of the world to the legitimate real value of their raw materials. We shall continue to support whole-heartedly any and all measures intended to remind the world that the exploitation of raw materials should benefit both the suppliers and the consumers in a fair and equitable manner.

249. There can, however, be no denying the fact that the oil crisis has had some crippling though unintended, effects, on the economies of most of the developing countries. It has been estimated, for example, that the increase in the oil import bill of developing countries in 1974 will be in the region of \$US10,000 million. In the case of my own country—Zambia—assuming that consumption will stay at the same level as last year, the oil bill for 1974 will be

\$US156.4 million as opposed to \$US37.4 million in 1973, thereby registering an unprecedented increase of over 400 per cent. These increases are, to say the least, crippling to us and to all developing countries which do not produce their own oil.

250. Another problem for developing countries is that the increased oil prices are likely to raise the prices of manufactured goods from the industrialized developed countries. At the same time, the importation of capital equipment and machinery cannot be avoided if developing countries are to continue to pursue their industrialization programmes, no matter how modest.

251. What I have said gives rise to an immediate and urgent problem: the burden that the steep and sudden price increases will place, and indeed has already placed, on the economies of the third world. The higher prices will obviously restrict consumption, which in turn must inhibit development and expansion. Additionally, they face balance-of-payments problems already accentuated by debts to foreign creditors who are in a great hurry to recover their money. This burden must be eased. The developing countries must receive preferential treatment, in addition to their own efforts, to enable them to survive economic stagnation.

252. I respectfully suggest that consideration be given at this session to the following ideas, in the search for ways and means of easing the effects of increased oil prices on the developing countries. Firstly, there should be an agreement in principle by the oil-producing countries that they would provide substantial relief to the oil-consuming countries of the third world to finance their oil import bills through a variety of means, including long-term soft loans for oil purchases. Secondly, the oil producing countries should set aside a certain proportion of their oil resources or funds to promote the economic development of the third world. Thirdly, our OPEC brothers should use their growing monetary power to strengthen the hands of the developing countries in discussions with the developed countries in formulating a new and just world order in international trade and monetary affairs. The extent, coverage and mechanics of implementing the foregoing suggestions could be worked out on a multilateral basis by oil-producing and non-oil-producing countries.

253. It is gratifying to note that there is already a demonstrated readiness among nations to negotiate multilaterally on issues pertaining to trade and monetary reform, food, population, the transfer of appropriate technology and the effects of the energy crisis, particularly on developing countries. We welcome this trend. Indeed, it signals a general resolve to settle problems in a constructive and co-operative spirit rather than in an atmosphere of division, confusion and confrontation and, further, it confirms the fact of international economic relationships and interdependence among States. Finally, it offers an ideal opportunity for the international community to redress the existing imbalances between developed and developing countries.

254. As is well known, my country joined with three other major copper-exporting countries in establishing, a few years ago, an Intergovernmental Council of Copper

Exporting Countries [CIPEC]. The noble objectives of our common organization may still be quoted today as a genuine summary of the profound aspirations of our countries. We recognize the exceptional importance of copper to our economies. We are conscious of the need to maintain a stable and fair price for both the producers and the consumers in time of war and of peace.

255. Our basic objectives are to increase resources accruing from copper exports to be used for our economic and social development, bearing in mind the interests of the consumers.

256. We cannot fail to observe, however, that unfair, unremunerative prices have been forced from outside upon our countries, in particular during and immediately after the Second World War and as recently as the 1970s. Recent copper price increases, when expressed in real, constant terms, have only caught up with previous levels prevailing over the years, without making up for the losses of great substance that our countries have experienced in the interim period.

257. It is against this grim background that CIPEC member countries, as well as other similarly concerned countries, are determined to preserve and to consolidate the recent improvement in average prices. While it is true that improvement resulted from outside forces, and in particular from spiralling inflation and speculation in industrialized countries, we in CIPEC will do our utmost to reduce the impact of these uncontrolled forces on copper prices, not with any aggressive intentions vis-à-vis consuming countries, whose economic well-being is of primary concern to mineral-exporting countries, but solely to recover, for our own development, the fruits of our efforts and the compensation for providing the world with our non-renewable resources.

258. Perhaps one of the most urgent tasks facing the nations of this world is to learn to share responsibilities and power so as to promote world peace at a higher level of prosperity for all. This sharing of responsibilities among all States, big and small, rich and poor, should be recognized as a genuine mark of interdependence and creative statesmanship.

259. It is our great hope that this special session of the General Assembly will seek to identify the causes of these problems with a view to devising suitable remedies to correct the imbalances in international trade and monetary affairs. To enable us to get down to the root causes there is an urgent need to establish suitable and effective machinery to look into those problems. It should enable every sovereign State to put forward its case in a clear, detailed and frank manner.

260. In the case of raw materials, the price of stabilization of primary products should be given priority treatment. If this could be arranged between developed consumer countries and developing supplying countries, it would be a significant step towards stabilizing the incomes of developing countries and this in turn would enable those countries to plan their development strategies within manageable and reasonable areas of certainty. Without the establishment of

an effective negotiation machinery, the results of this session are likely to be fully implemented.

261. It would be erroneous and unrealistic for any of us to claim that the issues before us are devoid of complications; but I submit that what we need in our actions is selflessness, objectivity and realism. The developed nations of this world should know that their peoples' fulfilment as human beings cannot be complete so long as injustice and exploitation continue to characterize their attitude vis-à-vis the less fortunate nations of the world. It should be realized that it is only through mutual co-operation and assistance that nations will be able to mould a more orderly and well-balanced future. We as countries of the third world seek to preserve our true independence without interfering with the rights of others, and at the same time we stand ready to co-operate with the rest of the world in resolving the fundamental issues which seem to threaten the very existence of nations. We in Zambia believe that, unless there is real political will to implement whatever decisions will be reached, our session could quite easily turn out to be an exercise in futility.

262. Let us, therefore, marshal all the resources available to us to bring about this political will. Let us all aim in one direction: that of creating and strengthening a more prosperous international community.

263. These are the problems that we face and it is now up to us to make the choice. We can recognize the need to work together to achieve a just distribution of the benefits accruing from the exploitation of our respective resources and to ensure that we do not let whole nations sink economically. We can seek to establish a fourth world in which the interests of the first, second and third worlds are consummated.

264. We can, on the other hand, continue to go our own ways in total disregard of each other's interests. We can let continue the present order of exploitation of the developing countries by the metropolitan Powers which have depended for their affluence on our cheap labour, on our goodwill and on our failure to recognize that we were dealing with economic colonialists who have no economic conscience and whose primary concern is to get more, more and more, regardless of our well-being.

265. The world's problems do not flow from a failure of analysis, or from a dearth of voices which can describe our common difficulties and dilemmas; nor again do they flow from a failure to perceive the solutions which are needed. I can only conclude that the world's problems remain where they began—in the arena of political will. We have all been saying for years that the terms of trade lie at the heart of the crisis of the third world. We have all been saying for years that the world cannot safely contain nations at extreme ends of the economic scale as a result of the inequitable distribution of wealth.

266. As we work out a new economic order, as we strive to build a better and more secure future for our peoples and nations, as we work out better terms of economic dealings amongst us and with the rest of the world, let us abandon the cruel and despicable attitudes of the past; let us abandon methods of pressure, looting, greed, selfishness

and economic blackmail, which have been used mercilessly by the metropolitan Powers with varying degrees of success.

267. It is my delegation's hope and prayer that this historic special session of the General Assembly will start us on a new and exciting venture of building a new social and economic order which will recognize and respond to the realities of the new world in which we live. This is imperative in the name of unity, solidarity and peace for mankind.

268. Mr. BLANCO (Uruguay) (*interpretation from Spanish*): I am most gratified at the wise decision of the General Assembly in electing you, Sir, to preside over the debates of this sixth special session. I had the honour to participate in the twenty-eighth session, also under your presidency, and at that time it was a pleasure for me to recognize once again the qualities of this eminent man of Ecuador and of Latin America, for so many reasons connected with my own country, Uruguay.

269. The General Assembly is meeting in special session to study the problems of raw materials and development.

270. Uruguay wishes in this forum to express its pleasure at the initiative taken by Algeria to have this item considered by the Assembly. In the first place, because the item is undoubtedly world-wide, the forum selected is a fitting one. This selection is in accord with the consistent support of my country for the United Nations as an essential concept in the process of the legal organization of international relations. And the shortcomings which are frequently pointed out, by my own country among others, are additional reasons for us to redouble our efforts to make this Organization an increasingly effective instrument in the service of its universal mission. Secondly, we are pleased that the item is so broad as to cover the most difficult questions involved in international economic relations. Its global approach alone in a single forum can create the over-all view that will harmoniously govern a process which is characterized precisely by the multiplicity of factors which constitute it.

271. Furthermore, this has been a matter that has been debated at length in the United Nations, in various forums and different organs, and from different points of view. It is now time to come to a final summary, to a picture of what action is to be taken. We must translate into effective steps the extensive doctrinaire and policy work that has been done. It is logical, then, that in this forum we should mould the conclusion of that work and obtain its concrete expression in practical and operative corollaries.

272. Today the situation is filled with urgent requirements of such magnitude that for most countries it will allow no delay.

273. The central item of our session, as it appears on the agenda, is raw materials and development. But, strictly speaking, it cannot be circumscribed to the literal significance of these words. It must be understood and it has been so understood in the documents distributed by the group of 77 developing countries and in the statements that have been made that it includes the entire question of the political and conceptual framework of which it is a part and

from which it cannot be separated without detriment to its technical significance and political scope. Furthermore, the many sources and varied factors that are implicit in the item can only acquire a true significance and dimension within a global approach.

274. Therefore, beyond the very facets and concrete terms of the agenda, the intention was to cover in depth a single and great problem, of which the proposed item is an access road and, at the same time, an essential part. I am referring to the organization of the international economy within the reality of an interdependent world. That reality shows beyond any doubt that there are no longer any isolated events. Both ethics and material needs combine to indicate the profound connexion of economic events and the delicate balance which associates them. In the world of today, as in the Christian doctrine, no one can find salvation by himself. To adopt solidarity as a policy and as a moral imperative or to come to it compelled to do so by circumstances is the only choice open to us.

275. This item as conceived is not new in our deliberations. My country, together with many of those represented here, has always struggled to introduce in the world of international economic relations principles and norms that would discipline so broad a subject, put its factors justly in order and channel their tremendous energy towards the promotion of a better life on earth.

276. The Organization has to find the spirit of many of these aspirations in the International Development Strategy. Also, activities designed to achieve similar purposes have been started in various forums of the United Nations family. Uruguay recognizes the merits of many of these endeavours and it has participated in many of them. But we cannot consider that the results have been satisfactory in terms of effectiveness to achieve the desired international order. It may be that there was not a sufficiently firm political will; or that the statements lacked practical common sense; or that there were so many different attempts that an over-all view to unite them in a single common action was missing.

277. But today the dramatic circumstances in the life of international and national economies may perhaps prod us to remove the obstacles and generate a process of action towards a new economic order: the unleashing factor for a profound transformation of the system.

278. The international community has acquired a full awareness of the need to reorder the structure of world trade in depth, which has been characterized so far by the inequality of choices offered to the industrialized countries, on the one hand, and to the developing countries, on the other. It has also acquired an awareness of the need to reform substantially the monetary system that was established in Bretton Woods—whose rules, based on rigid monetary parities and on the free flow of capital, have been destroyed by the depreciation of the international reserve currencies and by the wave of speculation that has shaken financial markets in the last few years.

279. This willingness to set up a new order is essential so that the interdependence of States in international economic relations, which is recognized as one of the most

significant developments of our time, will develop on the basis of equity and justice and will then be a positive and not a regressive factor to narrow the economic gap until it disappears, the ever-widening gap which separates the wealthy countries from the backward areas.

280. But this generalized awareness and the very principles which reflect it and which have been accepted unanimously in many international forums within the framework of the United Nations have been shaken today by new factors and by the urgent realities of the present time, such as the oil crisis and the revaluation of raw materials which are strategic for industry. The super-Powers cannot, as in the past, forge their own destinies with an individualistic approach. The dividing line between the strong and the weak no longer is an unassailable frontier. Economic and political power is not the exclusive privilege of a few, because in the family of nations, as in societies, wealth and poverty frequently change sides, bringing about the rise of new forces which become the instigators of profound transformations.

281. This special session of the world Organization has been convened to meet this challenge, which is deeply rooted in the economy and which finally imposes the political necessity to find solutions of solidarity on a world scale.

282. Let us accept this challenge without euphemisms and speak forthrightly to meet the expectations of this pressing humanity of which we are all a part.

283. It is our historical duty to assume our responsibilities fully and to recognize them wherever they exist. I trust that the industrialized nations will make a decisive contribution to the change that is required, because their economies have the strength and flexibility that are needed to adjust effectively to the new circumstances. Likewise I am convinced of the generous disposition of those nations of the developing world, which, because of the present circumstances, have succeeded in increasing their resources and broadening their perspectives. Likewise, I know that other countries such as mine will also be found to be active in building a world of solidarity, despite inevitable limitations imposed by momentary adversities.

284. The present situation is characterized by a complete change in the conditions of trade in raw materials—the upgrading of most of them, stagnation in the price of others, large-scale difficulties of supply.

285. This is reflected in the most diverse specific situations within each country.

286. This complex and varied picture, however, has one common denominator, that is, the stellar role of raw materials in the world economy. The new, original factor is the condition of dynamic agent which raw materials are assuming in the international economic picture. Far from depending on other elements, to whose vicissitudes they have been traditionally subjected, they now erupt decisively and dictate the basis for a new balance.

287. The variety of circumstances depending on which country one is dealing with explains that this surprising

transformation in the traditional order has different repercussions on national economies. Together with substantial benefits for some, there are marked negative effects for others.

288. Thus, in the case of my country, which bears immense burdens to an inconceivable degree, we are a net importer of oil and the payments this year for the same consumption will be two and a half to three times higher than in 1973; raw materials and industrial imports, with the same level of consumption, will mean multiplying by 2.5 the currency requirements of last year for that purpose, thus adding external factors to the domestic inflationary pressure; there is an acute scarcity of those same raw materials which are necessary for our local industry, which seriously affects the evolution of the production of manufactures and had an adverse impact on the employment and income in the peoples' sectors. At the same time, two large export items—meat and wool—not only are not helped by the rise in price but, as they are subjected to the weakening of the usual external demand, this causes a further deterioration in the economy.

289. All these facts occur in the middle of a situation which at the end of 1973 appeared to be encouraging, with the recovery of the economy in general as borne out by various indicators.

290. I have mentioned these details in connexion with my country because they reflect a situation which is not exclusively that of Uruguay. More than 20 States—between one sixth and one fifth of the Members of this Assembly—face a similar outlook.

291. Thus, together with the resurgence of the role which commodities play and will have to play in the new international economy, the present situation also shows negative effects in the national economies of a number of countries. Both coincide in a single solution: the need decisively to face the organization of the international economy under the impetus created by this grave situation.

292. Accordingly, it may perhaps be easier to encourage the political decisions which have so often been postponed and finally translate the declarations and the principles which we have adopted into deeds and practical conduct.

293. But there is no doubt that the two aspects we have mentioned—the decisive role of raw materials and the negative effect on various national economies—combine to require a new order; nor can there be any doubt that the immediate effects on the economies of several developing countries are of such magnitude that it would be neither sensible nor possible to wait for a final elucidation of that vast item so that only then under its shelter would needs be met. What is therefore required is urgent action at once to this end, without prejudice to the fact that the significant experience of the present crisis will teach us a lesson and will be taken into account in a permanent structure of the international economy.

294. Hence Uruguay affirms, through its proposals, the need for both aspects to be sufficiently covered in the conclusions of this session of the Assembly.

295. As regards the organization of the international economy, efforts to reform it must be applied substantially to the fields of trade and finance. The work which has been done and the present experience enable us to single out certain principles and actions in each of these fields, the adoption of which is necessary for the present emergency as well as for a more stable and lasting order of the economy.

296. What is required in the field of trade is to intensify mechanisms which will facilitate access of the traditional and new exports of the developing countries that are most acutely affected by the crisis to the markets of the developed countries; to contribute to the broadening of markets for the same products by the developing countries that have benefited most by the crisis by using their purchasing power, which has been increased by the rise in the prices of certain products; and to reach agreements for products which will in so far as possible ensure price stability and regular supply, bearing in mind the priorities and systems of regulation of the situation of the countries which have been the most seriously affected by the present circumstances.

297. These measures must be carried forward, without prejudice to the multilateral negotiations, within the framework of the General Agreement on Tariffs and Trade [GATT], by immediate action by the international community and by all the procedures that are available to it. For example, I believe that while this process continues, the General Assembly should recommend that the industrialized countries and the developing countries which have advantages at this time apply the measures suggested at once without waiting for over-all solutions on the reordering of the structure of international trade.

298. As regards reforms of the international financial system, two aspects have to be taken into account. First of all, we must move ahead in reforming the international monetary system, bearing in mind, as one of the basic concepts, the need to transfer real resources to the developing countries and, in particular, to those affected by the present crisis, but through a permanent machinery. This machinery would try to cover balance-of-payments problems which affect the developing economies, particularly those derived from financing imports indispensable to promote sustained growth, and to arrive at an effective application of the concept of creating additional resources for development.

299. It will be for the Committee of 20 to accelerate its work so as to bring about these long-awaited reforms. Without adequate financial cover the development of many countries will be permanently stifled and advances in trade will be compressed in any case and in every way by this limiting factor.

300. But, secondly, quite apart from a reform of the monetary system, the present situation is characterized by the concentration of the resources derived from the new prices of raw materials. At the same time, as I said, we must recall that more than 20 developing countries are severely affected by the other side of this same process since they are net importers of oil and raw materials which are essential for their industries and for feeding their people.

301. An adequate and broad approach to the question of financing must undoubtedly include the use of these new resources together with others from the industrialized countries, in accordance with existing agreements in order to compensate in this critical time for the disequilibrium in the balance of payments of so many developing countries which do not have sufficient monetary resources nor complementary credit capacity, and then to continue to function permanently in order to maintain a substantial and continuous flow of resources which are to be invested in development.

302. The appropriate instrument, in the opinion of my Government, would be the establishment of a special fund for emergencies and development, operated along the basis I have indicated. I believe that the Assembly could recommend that the countries which would contribute to the fund should agree on a formula for its establishment, the level of contributions and the mechanism for the allocation of resources.

303. I have indicated the measures which my Government considers essential for an effective reordering of the international economy on just and sound bases, as well as those measures which should urgently be adopted to counteract the serious difficulties now being faced in many developing countries.

304. But the variety of those measures and the diversity of sectors where they could operate doubtless would require co-ordinating machinery. Its objective would be to promote the implementation of those measures and to promote concerted and harmonious advance in every field, with decisions consistent among themselves.

305. The Assembly could consider the possibility of establishing a system of co-ordination that would make it possible to have a concerted effort on the part of the various international agencies and the community of nations in order to meet the present emergency.

306. Parallel with this, and with the use of the most efficient procedure possible, there should be a singling out of the most critical situations so as to take the necessary emergency measures, without prejudice to whatever general measures may be decided on.

307. It would be appropriate, moreover, for the Assembly to recommend to all organs of the world system a flexible policy for the broad use of existing machinery so as to give support to the economies that have suffered most severely during the present crisis.

308. To summarize, we propose the promotion, in GATT and IMF, of quick and decisive steps to reorder the international economy on the bases I have stated, which would contemplate present-day realities, both to meet the crisis and to promote development; the creation of a special fund for emergencies and development; the immediate utilization of surplus resources resulting from the same situation, by making the trade of the most seriously affected countries more dynamic; the prompt application, through existing mechanisms, of policies that will take into account the critical situation of many countries; the establishment of a system for the co-ordination of all

international action in these fields; and the immediate singling out of the most critical situations and the provision of the concerted assistance of the entire United Nations system.

309. Those are the ideas which Uruguay submits, in a constructive spirit, as its contribution to our deliberations.

310. The gravity and impact of the present situation affords us an unexpected opportunity and presents us with an open challenge to transform our statements, purposes and plans into a living reality. Now that many of the modes and methods that had been routinely followed have been

profoundly altered, there is the prospect of embarking on new roads—roads we had been dreaming of and advocating.

311. Today the time has come for action. Let us hope that courage, audacity and imagination will not fail us so that we may remain true to the ideals we proclaim.

312. The PRESIDENT (*interpretation from Spanish*): I thank the Minister for Foreign Affairs of Uruguay for his kind words.

The meeting rose at 7.15 p.m.