

question of international investment, despite the fact that by 1971 the production of transnational corporations had exceeded in value the total exports of all market-economy countries.

51. In order to promote a fairer distribution of the benefits of international investment, it would also be desirable to adopt the Charter of Economic Rights and Duties of States. The sovereignty of a State over its natural resources and its inalienable right to dispose of them freely were constantly undermined by various forms of neo-colonialism, some of which operated through the mechanisms of multinational corporations and some through different channels. Thus, on the flimsy pretext of the "protection" of the rights of a small minority against the risk of hypothetical future infringements, the Republic of Cyprus had been deprived of its inalienable right to the full utilization of its resources for improving the welfare of its whole population. Seventy per cent of the island's total gross product originated in the area now occupied by the Turkish army. The impressive economic achievements of the past 14 years had been destroyed overnight.

52. In order to combat the injustices of the existing international economic system, the developing countries must strengthen their co-operation and improve the organization and use of their consultancy centres and services;

currently, technological dependence tended to become a new form of economic dominance. To facilitate such co-operation and set the Programme of Action in motion, United Nations agencies needed a flexible approach and should use experts from the developing countries as extensively as possible.

53. Priority should be given to the implementation of the International Development Strategy, in view of the fact that so far the aid supplied by the developed countries had not reached the target of 1 per cent of their gross national product. At the same time, there should be a lowering of the interest rates paid by developing countries, a rescheduling of debt payments and even a cancellation of debts in the case of countries that were the victims of foreign occupation or aggression. However, such measures would not suffice if the exports of the developing countries were not given fuller access to the markets of developed countries. It was also vital that, through the current stage of multilateral trade negotiations, the developing countries should obtain a lowering of tariff barriers and the elimination of the various forms of non-tariff barriers which severely limited their export efforts. Furthermore, it was of the utmost importance to establish a link between special drawing rights and development assistance.

The meeting rose at 12.45 p.m.

1591st meeting

Monday, 30 September 1974, at 3.05 p.m.

Chairman: Mr. Jihad KARAM (Iraq).

A/C.2/SR.1591

GENERAL DEBATE (*continued*)

1. Mr. TAYLOR (Sierra Leone) said that his delegation attached great importance to the broad economic issues on which most delegations had expressed their views during the general debate in both the plenary meetings and the Second Committee. However, he would limit his comments to some of the problems of socio-economic development in the third world.

2. His Government had anticipated the work of the sixth special session of the General Assembly by proposing the inclusion of an item on the reduction of the increasing gap between the developed countries and the developing countries in the agenda of the twenty-eighth session (agenda item 108). The self-critical statements which continued to emanate from various bodies of the United Nations system attested to the persistence of a gap or specific binary gaps between those two groups of countries. The Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3202 (S-VI)), to which his Government had subscribed, would not suffice to reconcile existing dichotomies and, in the foreseeable future, there would continue to be a

distinction between the developed and the developing world. Despite the problems which arose in respect of definition and interpretation of the concept of the gap, the existence of specific gaps could hardly be denied. The qualitative difference between countries with a high *per capita* product and those with a low *per capita* product was reflected in a number of easily identifiable fields, such as manpower, the entrepreneurial sector, technology, communications, and value systems and motivations.

3. In attempting to reduce the magnitude of the gap, it must be recognized that there was an imperative need to raise standards of living to a desirable level and to increase the capacity to generate income. Even more important than the static, aggregative distinction between rich and poor was the contrast between the rate at which developing countries were building up the power to generate income and the corresponding rate in the developed countries. The traditional definition of the power to generate income as "wealth" or "capital" had undoubtedly led to the regrettable emphasis placed on foreign aid, promotion of private foreign investment and industrial development through import substitution. The basic problem was how to replace an almost wholly external growth dynamic, dependent on

aid from the developed countries, by a self-sustaining, predominantly internal growth dynamic. That was the challenge facing the Member States of the United Nations.

4. The principal, immediately relevant components of such a dynamic included the range, quality and quantity of skills available for the production and distribution of agricultural and industrial products, detailed knowledge of existing natural resources and of processes for their extraction, planning and management, the size and diversity of markets, an appropriate infrastructure, technology, and various other factors which stimulated material and social innovation. Although it was true that corrective measures could be taken at the national level, it was equally true that more positive action within the framework of the United Nations system could contribute substantially to the creation and development of those key elements in the developing countries. Unfortunately, that was not a fundamental objective of many United Nations projects and programmes. For instance, the UNIDO work programme for 1973 did not contain a single project designed to form the basis for an export-oriented industry. In the view of his delegation, United Nations efforts were often misdirected, and truly useful projects tended to be the exception rather than the rule. There was a need for projects such as textile quality and control centres, metallurgical research and development institutes, management training consultancy, centres for product adaptation and development, standardization, and industrial maintenance and repair. The organizations of the United Nations family should direct their resources to implementing intensive programmes over wide geographical areas in developing countries with a view to stimulating the conditions necessary for self-sustaining development.

5. Another very important question was that of the production of skilled manpower, since the prime lever for accelerated development was the capacity acquired by the people, through education, training and research, to apply science and technology, including management, to their resources for potential development. For instance, the intensive training programmes for industrial labour which were being implemented in one Latin American country could be equally successful in many developing countries. It should be possible for both UNESCO and the ILO to consider more effective ways of making available the specialists whose services were needed in such fields as metallurgical engineering, industrial chemistry, petroleum technology, forest products technology, fibres, plastics, and pulp and paper. In short, any strategy must be based on providing the people of developing countries with the kind of training which would help them to determine what action was necessary and to undertake that action themselves.

6. His delegation would comment at a later stage on subjects such as interregional trade, multinational co-operation and the mobilization of domestic financial resources. It should be borne in mind that the mobilization of domestic financial resources was not an end in itself; ways and means must also be found of converting those resources into modern capital goods and infrastructure services. Furthermore, it should be remembered that accelerated and diversified growth must be preceded by massive social change, which depended on psychological

attitudes, human aptitudes, absorptive dispositions, and factors derived therefrom. Although the United Nations system could do little to alleviate some of the strains and stresses which those changes in structures and values would inevitably produce, it could contribute a great deal more than it was doing at present, even within its limited financial resources.

7. Mr. RAJAONARIVELO (Madagascar) said that General Assembly resolution 3202 (S-VI), which clearly stated the joint position of all States with regard to the current international economic situation, was a step forward. Unfortunately, however, mere awareness of a problem did not suffice to solve it. The economic situation was too alarming for any more time to be spent on making theoretical and philosophical declarations. Any economic logic, whatever its motivations, must be based on clear and carefully weighed principles. The first stage of awareness must be followed by a second stage of putting into application certain practical, non-Utopian ideas.

8. The Programme of Action on the Establishment of a New International Economic Order should serve as the starting point for all the Committee's decisions. His delegation would support all resolutions aimed at implementing the recommendations of the sixth special session of the General Assembly. Although the Programme of Action contained all the measures necessary to enable countries to face up to any given situation, it provided only a framework; the ideas which it contained still needed to be translated into practical terms, and that could only be done once the magnitude of current international economic problems had been identified and assessed.

9. The current international economic situation was made up of two main elements, namely, general inflation and the oil problem. The developing countries were the first to suffer from the effects of inflation. According to the *Annual Report, 1974* of the World Bank, the *per capita* income of the poorest and most densely populated developing countries was not likely to increase by 1980. Prospects for economic and social progress in many developing countries were being seriously jeopardized by the readjustment and floating of currencies, world inflation and the increase in commodity prices, higher oil prices, grain and fertilizer shortages, and the slowing down of the economies of the industrialized countries. There was no longer any hope that the poorest and most densely populated developing countries could sustain an average growth rate of 6 per cent. In those circumstances, reduction of the widening gap between the developed and the developing countries became a dilemma.

10. The aim of the Special Programme adopted by the General Assembly at its sixth special session, in its resolution 3202 (S-VI), was to tackle that dilemma on a short-term basis. His delegation welcomed the establishment of the Special Fund for emergency relief and development assistance, to which an increasing number of States was responding in a positive way. Emergency measures to mitigate the difficulties of countries suffering from food shortages, drought, or damage caused by natural disasters must be taken forthwith, under simplified procedures. However, his delegation would have certain reservations concerning any excessive proliferation of such

measures on a long-term basis. The dialogue that was necessary if current obstacles to development were to be overcome could only take place between equal partners. Special funds were justified only in so far as they were designed to remedy short-term difficulties. It was in that spirit that his Government supported General Assembly resolution 3174 (XXVIII) which envisaged the creation of a special development fund for the least developed countries. The international economic crisis, whose roots were far deeper, could only be overcome by means of structural solutions. The principle of a new international economic order must be envisaged from every standpoint. For instance, the results of the World Population Conference held at Bucharest from 19-30 August 1974 must be taken into account, since the population problem could no longer be dissociated from the problem of economic and social development. In that connexion, his delegation supported the proposed measures to improve the organization of the work of the Economic and Social Council (A/C.2/289). The structural solutions to which he had referred included a change in mentality at both the international and national levels. The rural sector in Madagascar was being radically restructured in order to enable the population itself to manage and control the economy through the “fokonolona”, which was the natural administrative and sociological unit of the Malagasy farming population.

11. At the sixth special session of the General Assembly, the Minister for Foreign Affairs of Madagascar¹ had drawn attention to the basic injustices of the imbalance between developed and developing countries and had stressed the need for the developing countries to take a common stand vis-à-vis the rich countries. In the short term, assistance must be granted to the least developed countries, to those most seriously affected by the current economic crisis and to those stricken by natural disasters, and constructive dialogue must be established between the partners. In the long term, the developing countries' common stand might take the form of an association of producers. In the view of his delegation, it was essential to establish a producers' organization for each major product which would function on the basis of certain fundamental principles relating to the organization of markets, production prices and export prices.

12. The problem of oil prices seemed to be considered by all the market-economy countries as the second main component of the international economic crisis. Oil should be regarded in the same light as other commodities, since the increase in oil prices was directly linked to general inflation. The discrepancy which had existed in the recent past between the world prices of most commodities and those of oil had prompted the countries members of OPEC to take concerted action. The price of oil was only one of the many elements of inflation, the basic causes of which lay elsewhere and were still far from having been wiped out by the western countries. The present rates of inflation in countries such as the United States of America, Japan, Italy, the United Kingdom and France could not but be a cause of concern throughout the world. In accordance with section II of General Assembly resolution 3202 (S-VI), urgent measures should therefore be taken to check the

inflation already experienced by the developed countries, to prevent it from being transferred to developing countries and to study and devise possible arrangements within the International Monetary Fund to mitigate the effects of inflation in developed countries on the economies of developing countries.

13. His delegation was convinced that appropriate solutions to all those problems could be found if the role of the United Nations system within the framework of international economic co-operation was strengthened.

14. Mr. DATCU (Romania), recalling his delegation's commitment to work in the United Nations for the establishment of a new type of relations between States on the basis of democratic and equitable principles, said that such a plan required the building of a new world economic order. That objective, laid down at the sixth special session of the General Assembly, sought the abolition of inequitable structures based on the exploitation and domination of the weakest by the most powerful. The realities of international life dictated the need for a restructuring of economic relations among States; to that end increased international solidarity based on the common good was essential to enable every nation effectively to exercise its inalienable right to development. That was particularly true for countries which foreign domination and colonial dependence had kept on the periphery of the world economy.

15. As the situation affecting raw materials and energy in the autumn of 1973 had demonstrated, the international community had become more profoundly aware of the harmful effects which the persistence and the widening of the gaps between States would have on developing and industrialized States alike. The existence of such gaps hampered the development of material and human resources, and their repercussions generated political friction and instability on the world market. Accordingly, underdevelopment must be eliminated, particularly by closing the scientific and technological gap between States through broad international co-operation, the dissemination of acquired knowledge and experience, the stimulation of technological progress and the guarantee to countries, especially the developing nations, of unimpeded access to the advances of modern science and technology. Romania had consistently urged the elaboration of a unified long-term United Nations policy in the fields of science and technology and, while welcoming the efforts made thus far, hoped that the General Assembly would take positive action on Economic and Social Council resolution 1897 (LVII), which called for the convening of a conference on science and technology under the auspices of the United Nations. Such a conference would give a new impetus to the commitment of the United Nations in that field and would be a fitting complement to its efforts with respect to energy, the environment, population, food, the law of the sea, and industrial development.

16. His delegation welcomed the results of the special session of the General Assembly on the problems of raw materials and development. The Declaration on the Establishment of a New International Economic Order was of major significance for the promotion of equitable and mutually beneficial principles. The fact that the Declaration

¹ See *Official Records of the General Assembly, Sixth Special Session, Plenary Meetings*, 2216th meeting.

opened with a list of the principles on which economic relations among States should be based was highly significant. Firm respect for those principles could become an essential foundation for economic relations among all States.

17. His delegation would strive for the adoption, at the current session, of the Charter of Economic Rights and Duties of States, which would constitute a further affirmation of the political will of Member States to promote a system of economic relations free from pressure, interference, and discriminatory practices and barriers.

18. The World Population Conference, held at Bucharest last August, had shown clearly that States must take population questions into account in their economic and social development efforts. The constructive co-operation among States at the Conference to define guidelines for action augured well for future efforts in the field. The adoption of the programme entitled "For a more just world" (Conference resolution V) reaffirmed the international community's commitment to that ideal.

19. If such a world was to be established, every nation must be free to determine its own destiny and devote its full potential to economic and social development. Although a nation's own efforts were the most crucial for its economic and social progress, such efforts must receive substantial outside assistance. The International Development Strategy was an appropriate expression of the international community's commitment on the question. The elimination of the gap between States must be a major objective of all forms of international economic co-operation, to which end efforts must be made to establish the structures required for production and to increase the productivity of labour. That required fair relationships between the prices of industrial products and those of raw materials and the access of all States without discrimination to the sources of raw materials, energy, and other resources needed for development. Every effort must be made to translate the Programme of Action adopted at the sixth special session of the General Assembly into reality. The debates at the current session should contribute to the preparation of the seventh special session, devoted to development and international economic co-operation, scheduled for 1975. Romania's interest in the forthcoming special session was based on its desire, shared with other developing countries, to eliminate economic backwardness. His country had made significant progress during the 30 years since its liberation and various political developments and economic agreements with other countries in recent years had further strengthened mutually beneficial co-operation. The socialist character of Romania's social and political structure provided its relations with other developing countries with a basis for lasting friendship and solidarity in their efforts to bring about economic and social change and establish a new democratic world structure.

20. Mr. MADDY (Guinea) said that the efforts made thus far to restructure international economic relations had not fully lived up to the expectations of the countries of the third world. The difficulties faced by the developing countries as suppliers of inexpensive raw materials to their industrialized partners, who in turn supplied them with

manufactured goods and capital goods at exorbitant prices, had been compounded in recent months by natural disasters, giving rise to great concern. The current economic crisis had seriously affected the world economic system and had had a negative impact on the economic development of the developing countries. Accordingly, his delegation would support any proposal to enable the developing countries to participate fully and on a basis of equality in all negotiations undertaken with a view to improving the international economic climate. To that end, the dynamic measures adopted by developed and developing countries must be implemented; raw materials must be sold at remunerative prices; obstacles such as administrative restrictions must be eliminated; and the developing countries must be enabled to maintain effective control over their natural resources. The adoption and implementation of a Charter of Economic Rights and Duties of States would go a long way towards meeting those objectives.

21. The Second United Nations Development Decade had witnessed an increase in fruitful co-operation between the developing countries. Numerous economic agreements between those countries had been signed, contributing to economic and social progress. Guinea welcomed the agreement reached between his Government and those of Australia, Guyana, Jamaica, Sierra Leone, Surinam and Yugoslavia at the first International Conference of Bauxite-producing Countries which had been held at Conakry from 5 to 8 March 1974 to establish the International Bauxite Association. As the President of Guinea had indicated at that Conference, the objective of the Association was to redress iniquities in the interest of world peace and economic justice.

22. The sixth special session of the General Assembly had permitted the most far-reaching study ever made of major economic and social problems, problems which had confronted the international community with an unparalleled world crisis. General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) provided a framework for solutions to them and established the foundation for sound and equitable co-operation between developed and developing countries. He hoped that the reservations expressed by the industrial Powers concerning those important resolutions were not a sign of hostility. The special session of the General Assembly devoted to development and international economic co-operation, scheduled for 1975, would provide an opportunity to review the implementation of the principles laid down in those resolutions.

23. The objective of the assistance given to the developing countries by the organizations in the United Nations system should be to enable those countries to do without any aid. At present, however, insufficient aid was being provided to the least developed countries. The United Nations and international organizations providing development assistance must devote special attention to those countries by simplifying the transfer of resources and assistance procedures, which at times were too complicated.

24. Despite the progress achieved with respect to agriculture and food production, millions of people were already victims, or lived on the verge, of famine. The necessary steps must be taken to arrest that scourge. The situation explained the importance which the developing

countries attached to the World Food Conference to take place in Rome in November. His delegation firmly hoped that the Conference would give serious consideration to the selection of sites for the storage of food stocks and would study the most effective ways of enabling the developing countries to develop their enormous agricultural resources so that they could effectively participate in the establishment and replenishment of those stocks. Every effort must be made to enable the developing countries to be not passive recipients of international charity, but active and responsible participants capable of making a positive contribution to universal well-being.

25. The World Population Conference had once again demonstrated that fundamental differences persisted between the developed and developing countries with respect to population policy. Certain developed countries stubbornly maintained that a population explosion threatened to hamper economic and social development in the States of the third world. Guinea ranked the individual above all. The real problem was not a demographic one; rather, it was the failure to ensure proper planning and the rational utilization of human resources. In order to enable the developing countries to utilize their insufficiently-developed productive forces, efforts must be made to minimize the mortality rate and increase education and professional training—again on the basis of sound planning.

26. Mr. MILLS (Jamaica) noted the special significance of the Second Committee's role at the current session, in view of the fact that the main focus in world affairs was on the world economic order. A strong conviction had developed that the establishment of a system of economic relations based on equity and designed to diminish the gap between rich and poor countries called for a fundamental structural change in the economic order. The Declaration and the Programme of Action on the Establishment of a New International Economic Order which had emerged from the sixth special session of the General Assembly provided a logical framework for the study, negotiation and implementation of international economic activities and relationships and decisions relating to them. A considerable task lay ahead for the United Nations system and for individual countries, and in that respect his delegation welcomed the positive attitude towards the need for a new international economic order taken by a number of countries, as expressed in their statements, in particular Finland and Sweden.

27. The world community was also faced with a series of crises, notably in food supplies, energy, and the international monetary system. The Committee would have an opportunity to add impetus to the efforts being made to ensure a full and effective response to those grave difficulties, in particular, those faced by the countries most seriously affected. While those crises required immediate attention, they were also indicative of the urgent need for a better international economic order. He hoped that the Committee would pursue the matters before it constructively with a view to the implementation of the Programme of Action.

28. The programme of work of the United Nations system on economic matters during 1975 was a particularly heavy one, including as it did the mid-term review and appraisal of

the International Development Strategy and the seventh special session of the General Assembly. His delegation urged a rationalization of that work, with a view to the most effective use of the energies of the United Nations system, along the lines of Economic and Social Council resolution 1911 (LVII). The Council would be at the centre of those efforts and his delegation looked forward to seeing that body exercise its heavy responsibilities more fully. To that end, he urged support for resolution 1907 (LVII), submitted at the Council's fifty-seventh session by his own delegation and that of Japan, with a view to having the Council move towards the point where it was in continuous session, a logical development in the light of the growing focus on international economic affairs.

29. His delegation welcomed the work of the United Nations concerning the operations of multinational corporations or transnational enterprises and the measures which were being taken to ensure that they operated in a manner consistent with the interests of their host countries. That was a major step towards correcting some of the inequities in the relationships between developed and developing countries. He therefore looked forward to the establishment of the proposed United Nations machinery. His delegation also hoped that the Charter of Economic Rights and Duties of States would receive the unqualified approval of the General Assembly and appreciated the efforts of those who had worked on the Charter.

30. His delegation welcomed the initiatives which had been taken and proposed in order to meet the great crisis in world food supplies, and looked forward to the forthcoming World Food Conference which, it hoped, would provide a practical programme to deal promptly and effectively with the problem. Every country must contribute in accordance with its technological and material capacity. In view of the fact that efforts to improve world agricultural production had not produced the desired results, every effort must be made to assess those results, and the methods and assumptions used. More far-reaching steps must be taken than in the past and they must be part of the movement towards a fundamental restructuring of various mechanisms of the international economic system, such as those for production and distribution. A strategy was required which linked food, energy and inflation with such wider issues as those concerned with raw materials, trade, investment and the international monetary system.

31. Underlying those matters was a renewed concern about world population. The success of the recent World Population Conference could be attributed largely to the fact that it had taken place at a time when a combination of circumstances and events—for example, the world food crisis, the increasing economic crisis affecting consumers in particular, the convening of the sixth special session of the General Assembly and the adoption of the Declaration and the Programme of Action on the Establishment of a New International Economic Order—had commanded the attention of the international community. The Conference had presented an opportunity to translate the crucial dialogue on development into basic human terms.

32. The most basic human material requirements were food and shelter. Accordingly, the recent focus on human settlements was most welcome. The General Assembly

should agree to establish an International Habitat and Human Settlements Foundation, as had been recommended by the Governing Council of UNEP Environment Programme at its second session and endorsed by the Economic and Social Council at its fifty-seventh session, in its resolution 1882 (LVII). The establishment of such a foundation would go far towards achieving the broad aims outlined in the Declaration on the Establishment of a New International Economic Order. His delegation also awaited with interest the expected report on new criteria to govern lending and interest rates for housing and human settlements by international institutions.

33. Mr. CHELLE (Uruguay) recalled that his country's Minister for Foreign Affairs, speaking at the sixth special session of the General Assembly,² had pointed to the upheaval in the traditional economic order which had resulted from changes in the availability and price of raw materials. While Uruguay had faith in the efforts to establish a new global economic structure in the light of that situation, measures to achieve a solution should be founded on justice and should take account of the hardships suffered by individual countries. Thus, in Uruguay, as in other countries, the situation before the oil crisis had been that the economy had been flourishing, owing to increasing demand for its products from the industrial countries. With the increase in oil prices there had been a threefold increase in Uruguay's foreign currency outflow for that product alone, rises in the prices of imported manufactures, and a decline in foreign demand for Uruguayan goods, including the closure of the market for meat in the European Economic Community. The criteria contained in General Assembly resolution 3202 (S-VI), section X, subparagraph (c), constituted clear guidelines for the evaluation of the effects of the current economic crisis on the developing countries. Partial selection of criteria for that purpose would be contrary to the objectives of the emergency measures proposed at the sixth special session.

34. Uruguay believed that the focal point of the Second Committee's work should be the search for a more just equilibrium in international economic relations, of such a kind that the desire of all for equitable and profitable prices for their raw materials would not lead to even worse imbalances than those it was sought to eliminate. The Programme of Action on the Establishment of a New International Economic Order was at the centre of Uruguay's concern and that was why he wished to reaffirm the current critical situation of his country. Economic co-operation for development should be expanded and the industrial countries, without overlooking the fact that development was the prime responsibility of individual nations, should live up to their commitments in that respect. Particular attention should be given to the needs of countries which were relatively less developed economically and had inadequate markets as well as to those which had additional geographical disadvantages. Trade was one of the primary factors in development and should be an important objective of international co-operation. He also welcomed the concern shown by the Economic and Social Council over the long-standing problem of the role which trans-

national corporations could play in the development of their host countries.

35. Since legal and political equality was a basic concept of international law, it was inequitable that the principle of equality did not extend to the sphere of economic matters, where development potential clearly differed from one nation to the next. Consequently, the just distribution of profits among countries on the basis of their varying degrees of development should be the main goal of a new international economic order. Indeed, the required reforms should be not only technical and economic, but also political and social. Limited efforts at reform not based on concern for justice would only perpetuate the existing situation and constitute a permanent threat to peace. In that connexion, his delegation firmly supported the Charter of Economic Rights and Duties of States which it hoped could be concluded at the current session of the General Assembly. In the face of the rising tide of events, he looked forward to the forthcoming session of the General Assembly devoted to development and international economic co-operation.

36. Mr. JARPA (Chile), speaking in exercise of the right of reply, said that at the previous meeting the representative of the USSR had made an odious and slanderous allusion to his country. Everyone could see the real situation in Chile, which was a country with open borders, but the Soviets and their satellites were interested only in erecting a propaganda curtain to hide their dual failure there. The collapse of the Chilean Marxist régime, an affiliate of Soviet communism, had removed a base for eventual communist domination of Latin America and the southern Pacific and demonstrated the failure of the basic theses and tactics of that ideology. The USSR recommended its own economic system to others, but during the three years that that system had been applied in Chile, inflation had amounted to 1,000 per cent, foreign currency reserves had been exhausted, the country's indebtedness had risen to \$800 million, and production had fallen by over 20 per cent. The lack of vital supplies and the ruin of the economy were an edifying example to other developing countries of the cost of accepting the Soviet system. Chile had now regained complete sovereignty and independence and would never again permit outside interference in its domestic or foreign policy on any pretext.

37. Mr. AKSOY (Turkey), speaking in exercise of the right of reply, said that the allegations by the representative of Greece of Turkish intervention in Cyprus were unfounded. Turkey had acted only in exercise of its rights under international treaties, in order to prevent the annexation of the island to Greece.

38. He recalled that as early as 1963 the Turkish Cypriot community had been forced to take refuge in enclaves from brutal Greek Cypriot attacks. Turkish Cypriots had been forced to leave their farms and other possessions and subjected to an economic blockade. Since the Greeks had not allowed them building materials, they had been forced to live in tents. Thus the refugee problem in Cyprus was not new and was known to the Turkish Cypriot community. On the other hand, while he did not wish to minimize the extent of that problem, the Greek representative had exaggerated it, since there was a maximum of only 150,000 refugees.

² *Ibid.*, 2211th meeting.

39. Reference had been made in many of the Secretary-General's reports to the fact that the Turkish Cypriot community had been deprived of economic rights. Its members had been unable to buy goods as varied as cement and shoelaces under the pretext that they were strategic materials, and some Turkish Cypriot villages still lacked electricity or water. The Greek Cypriots had prospered by exploiting Turkish Cypriots as a source of cheap labour and had taken no account of their needs in the island's development plans. Turkey could sympathize with the problems Greece claimed it was suffering as a result of its moral obligation to aid the so-called Government of Cyprus, since Turkey had had to support the Turkish Cypriot community for the past 11 years.

40. The blame for the current situation in Cyprus lay on the fascists who had attempted to put an end to the non-aligned status of the island. Turkey wanted a non-aligned Cyprus. While the problem could more properly be discussed elsewhere, he hoped his comments would remedy the attempts made to obfuscate the situation.

41. Mr. CHRISTOFOROU (Cyprus), speaking in exercise of the right of reply, said that it was very difficult to quantify the economic effects of the Turkish invasion of his country, particularly in the areas now held by Turkish forces. However, the invasion had disrupted the entire economy and was estimated to be costing about 2 million pounds sterling per day in lost production. Virtually the entire labour force was now unemployed or seriously underemployed. About 40 per cent of the Greek population of the island had been displaced to refugee camps and were living there in lamentable conditions. Forty thousand households had been broken up and the loss in household goods alone amounted to an estimated £50-£100 million. Warehouses, factories and shops remained in Turkish hands. Livestock and the valuable citrus and other crops were endangered by inadequate care and one fifth of the State forests had been destroyed by bombing. The adverse effects of the invasion on tourism were expected to last for many years. The total damage was estimated at some £350 million, representing 11 years' expenditure from the general budget of Cyprus.

42. Mr. YANNOPOULOS (Greece), speaking in exercise of the right of reply, agreed with the representative of Turkey that the political aspects of Turkish aggression should not be discussed in the Second Committee. It was, however, clear that economic and social progress in developing countries was often frustrated by aggression by their neighbours.

43. It was paradoxical that the Turkish representative should have attempted to justify his country's aggression in

an organization devoted to peace. Furthermore, in speaking of the events in Cyprus in 1963-1964, he had omitted to mention that the Turkish Air Force had indiscriminately bombed villages and hospitals. While he was very sympathetic towards the economic position of the Turkish Cypriot community, under the law of the island, both Greek and Turkish Cypriots were free to move, trade and work where they wished. That the Turkish Cypriots had been unable to do so was the fault of the Turkish Cypriot leadership and of the so-called Turkish Cypriot "freedom fighters", who had prevented Turkish Cypriots from leaving the artificial enclaves without their permission and had fined those who traded with Greek Cypriots.

44. Mr. AKSOY (Turkey), speaking in exercise of the right of reply, said he was glad that the representative of Greece agreed that the question of Cyprus should not be discussed in the Second Committee, for all knew that the economic situation in the island was closely linked to the political situation.

Organization of work

45. The CHAIRMAN said that he had received a proposal that the following afternoon's meeting should be postponed until after the address by His Beatitude Archbishop Makarios, President of the Republic of Cyprus, to the General Assembly.

46. Mr. MOUSKY (United States of America) asked at what time the speech mentioned by the Chairman would be made.

47. The CHAIRMAN replied that the speech was to be the first in a meeting scheduled to start at 3 p.m.

48. Mr. HOSNY (Egypt) said his delegation, as a member of the non-aligned group, was in favour of the postponement of the Committee's meeting until His Beatitude Archbishop Makarios, President of the Republic of Cyprus, had addressed the General Assembly.

49. Mr. HEMANS (United Kingdom) supported the postponement, but proposed that the Committee's meeting should begin not later than 10 minutes after the end of Archbishop Makarios' statement.

50. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee approved the proposal by the representative of the United Kingdom.

It was so decided.

The meeting rose at 5.05 p.m.