

fair and remunerative prices for their products and ensuring independent sources for their development financing; the exploitation of that natural wealth by the promotion of in-depth industrialization; the mobilization of supplementary financial resources through aid from the rich and developed countries; the service of the developing countries' previously contracted debt to the industrialized countries or international financial institutions.

48. It should be noted that the OPEC countries had already given assistance to the countries most severely affected by the economic crisis and were in a position to continue doing so. For 1974 alone, the amount of grants and credits they had furnished to other developing countries under bilateral and multilateral arrangements, expressed as a percentage of their gross national product, far exceeded any amount of assistance the industrialized countries had contributed.

49. In conclusion, Algeria reaffirmed its profound conviction that the only road to safety lay in the establishment of genuine international co-operation, which implied the radical transformation of world economic structures and

precluded any spirit of domination or exploitation and any idea of returning to the previous order. Only a transformation of structures which followed the trend of history and was consistent with progress could ensure the harmonious settlement of the great economic problems of the day and safeguard peace and justice in the world.

50. Mr. UDOVENKO (Ukrainian Soviet Socialist Republic) said that at the end of the 1594th meeting his delegation had exercised its right of reply, as had other delegations, but that its statement was not mentioned in Press Release GA/EF/1533. He wondered whether that was mere chance or whether it represented discrimination by the Office of Public Information against the socialist countries. If Secretariat departments were adopting such an attitude, his delegation reserved the right to take appropriate measures. He would be grateful if the Chairman would convey his remarks to Mr. Akatani, the Assistant Secretary-General for Public Information, and he would like them to appear in the summary record of the meeting.

The meeting rose at 12.30 p.m.

1596th meeting

Thursday, 3 October 1974, at 3.10 p.m.

Chairman: Mr. Jihad KARAM (Iraq).

A/C.2/SR.1596

GENERAL DEBATE (*continued*)

1. Mr. BOTERO (Colombia) observed that during the sixth special session the General Assembly had concentrated on the study of a new international economic order. The oil crisis had shown that the existing economic structure was obsolete, and the events of 1973 and 1974 had marked the opening of a new era in world economic relations—and properly so—for justice had not always been the golden rule in the conduct of nations to date. His delegation hoped that the new rules would result in a better distribution of wealth and greater well-being for all peoples.

2. Only time would tell whether the Declaration on the Establishment of a New International Economic Order and the Programme of Action adopted at the special session (resolutions 3201 (S-VI) and 3202 (S-VI)) would be effective. However, the first review and appraisal of the International Development Strategy had shown that the results achieved so far were disappointing. While he did not wish to cite in detail General Assembly resolution 3176 (XXVIII), which recorded the failures of the developed countries in that respect, it was clear that the establishment of a new economic order required not merely declarations of intent but the political will to put them into effect. That political will in turn demanded that the political and social decision-makers within each country should be convinced of the advisability and value of the

commitments their Governments assumed. To that end, each country had to assess its own needs and its capacity to meet them before discussing them in international forums.

3. Colombia had made such an assessment and was willing to accept and apply the provisions of the Declaration and the Programme of Action as far as possible. Indeed, it had always favoured the broadest possible international economic co-operation within the context of respect for the equal sovereignty of all States, political and economic self-determination, and non-interference in the internal affairs of others.

4. Establishment of a new international economic order would benefit the entire world community. For the developing countries, it would result not only in advantages and new rights, but also in obligations and restrictions which were necessary for a more humane management of the world economy. His delegation hoped that the reservations expressed by certain developed countries concerning the Declaration and the Programme of Action would be reconsidered in the light of a real and sincere desire for harmonious and just co-operation among all nations and that those instruments would be resolutely implemented. His delegation firmly supported the adoption at the earliest possible opportunity of the Charter of Economic Rights and Duties of States. It also welcomed the efforts of the United Nations system, in accordance with

the Assembly's decisions at the sixth special session and with UNCTAD resolution 62 (III),¹ to assist the developing countries worst affected by the current economic crisis. He noted that the UNCTAD resolution made it clear that assistance to the poorest under-developed countries could in no case prejudice the gains achieved by the other developing countries.

5. The traditional distinction between rich and poor countries had lost much of its validity. The developed countries had come to realize that their economies were not strong enough to be proof against disturbances such as the oil crisis. They were beginning to experience pressures of the kind they had for so long exerted on the economies of the developing countries through such measures as the fixing of the prices of manufactures. The fact that both types of State were experiencing similar domestic economic difficulties showed that economic phenomena were interdependent and that the day of the isolationist approach to such difficulties was past. Isolationism, of course, could be the policy of one State or of a group of States which acted in concert with little thought for the consequences of their action on the other nations of the world.

6. His delegation hoped that henceforth all countries would be permitted to participate in bodies dealing with such matters as the world monetary system. In that connexion, he observed that countries previously considered under-developed or poor according to the traditional criteria of gross national product or *per capita* income had been invited to participate in international economic negotiations because of the tremendous financial potential they had acquired as a result of the rise in oil prices. A situation in which the wealthy nations of today could become the poor of tomorrow and vice versa could give rise to an international political crisis with awesome consequences. Bodies such as the United Nations, where the principle of equality and mutual respect was the rule, had a vital role to play in the search for a solution to that problem.

7. Mr. DIETZE (German Democratic Republic) said that history had proved the accuracy of the conclusion of Karl Marx that crises were the attendant phenomenon of the capitalist economic system. The current depression in the capitalist States was attributable not to the increased prices of oil and other raw materials but to the fact that over many decades economic processes had been deformed by the arms race. The capitalist countries attempted to offset expenditures on armaments by exploiting other peoples. National and international monopolies had traditionally blamed others—the workers and trade unions, in their own countries, and the developing countries, internationally—for causing crises. No monopolies had worried about the impact on the social and economic situation of the developing countries of fluctuations in the prices of raw materials and finished goods, which were dictated by those monopolies, and had been determining the relations between developed capitalist States and developing countries for 30 years.

¹ See *Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I.A.

8. Recognition of the real causes of the current economic situation in capitalist countries and its international repercussions was the point of departure for improving economic relations. The implementation of the principles of international co-operation contained in the Declaration on the Establishment of a New International Economic Order adopted at the sixth special session of the General Assembly would contribute to that improvement.

9. Frequent reference had been made in the general debate to the "global" economic crisis. For the sake of clarity he wished to recall that approximately 33 percent of the world's industrial production was accounted for by the socialist States in CMEA. Those countries had not experienced any decline in industrial production, nor had they experienced inflation, chaos with respect to prices, currency speculation or massive job insecurity.

10. Studies by the United Nations of recent world economic developments and statements made at the fifty-seventh session of the Economic and Social Council and during the current general debate indicated that the currency and monetary crisis and inflation in the capitalist countries were becoming more serious. He cited statistics indicating that the growth rate of industrial production in the capitalist industrialized States was declining. Unemployment had risen sharply, aggravating social conflicts. Price chaos and currency speculation in the Western world had caused growing instability, particularly in international trade relations. International financial monopolies had used currency manipulations as instruments to capture a share in markets, accounting in part for the official or *de facto* devaluation of the currencies of a number of Western countries.

11. All those phenomena had had negative effects on millions of working people and on the developing countries, hampering their social and economic progress. The economic crisis generated by the capitalist countries had spread inflation to the developing countries and had seriously depleted their currency reserves.

12. Any constructive discussion of international measures to prevent those phenomena from affecting other countries must focus on the sovereignty of States and their right to dispose of their natural resources. The difficulties confronting the developing countries resulted from the non-observance by some States of norms of conduct which were generally recognized and internationally binding, including the right of every State to resort to nationalization. Consideration should be given, in the context of the implementation of the resolutions and decisions of the sixth special session, to how the developing capitalist countries concerned should compensate for the losses they had inflicted on the national economies of other States through inflation and monetary manipulations. The investigation of the negative practices of imperialist international monopolies should also be extended to the activities of international banking monopolies. Governments ultimately were responsible for the activities of international monopolies and corporations.

13. The member States of CMEA comprised the most stable and dynamic economic region. Their progress had been admirable despite the very difficult situation they had

faced following the Second World War, and they had never exploited other peoples. Since the adoption of the CMEA Comprehensive Integration Programme in 1971, the member States had enjoyed further progress in the planned mutual integration of their national economies. New forms of co-operation enabled those States to plan and promote jointly entire spheres of production. On the basis of his country's stable national economy, the volume of its foreign trade in 1973 had been 20 times higher than in 1949.

14. Co-operation with CMEA also provided a stable basis for the development of the German Democratic Republic's economic relations with developing countries which it pursued in strict observance of the fundamental principles contained in the Declaration on the Establishment of a New International Economic Order. Agreements on trade, scientific and technological relations between his Government and those of developing countries had yielded remarkable results. In the first six months of 1974, the exchange of goods had increased by 25 per cent. The increasing number of industrial plants which were being established by the German Democratic Republic in developing countries would be instrumental in promoting their industrialization and export capacity. Priority would continue to be given to the establishment of complete plants, efficient machinery and agricultural equipment.

15. Taking into account its own needs, the German Democratic Republic was in principle prepared to increase its imports of goods from the developing countries and to grant favorable long-term outlets. Persons from developing countries received vocational training and advanced training in the enterprises and institutions of the German Democratic Republic, and training and research centres were being established in developing countries. His Government viewed its support of the developing countries as an act of solidarity. It also resolutely rebuffed attempts to place any responsibility for the aftermath of imperialist colonial rule and neo-colonial practices on the social countries.

16. In order to improve international economic relations it was essential further to stabilize political relations by extending the process of détente, to end the arms race and conclude disarmament agreements, and to ensure the consistent implementation of the resolutions adopted by the Assembly at the sixth special session. Recent experience had shown that progress towards peaceful coexistence and the enjoyment by peoples of the right to self-determination stimulated the development of mutually advantageous economic relations. The normalization of relations between his country and numerous States had also created favourable conditions for intensifying its economic, scientific and technological co-operation.

17. The achievements of the sixth special session, the World Population Conference and other international conferences proved that the pressing problems of international economic life could be dealt with in an improving international climate. Furthermore, economic, scientific and technological co-operation based on the principles of the Charter of the United Nations helped to consolidate peace and international security. In that connexion, the implementation of General Assembly resolution 3093 (XXVIII) on the reduction of the military budgets of

States permanent members of the Security Council by 10 per cent was most relevant, as was the Soviet proposal contained in a letter dated 7 August 1974,² for the conclusion of a convention on the prohibition of action to influence the environment and climate for military and other purposes incompatible with the maintenance of international security, human well-being and health (agenda item 103).

18. It was to be hoped that the remaining obstacles to the implementation of the decisions adopted at the sixth special session would be removed. Economic and political pressure by the developed capitalist countries would be ill-advised. In conclusion, he said that the measures proposed at the preceding meeting by the representative of Algeria had considerable merit.

19. Mr. HOSSAIN (Bangladesh) said that the Committee had the responsibility of determining the dimensions of a new and co-operative international economic order and of deciding on the possible response of the international community to the current economic crisis. Since his country's birth as an independent nation, the economic scene had been marked by unprecedented upheavals. The global economy had been beset by problems of shortage and inflation, while his country had started with an economy which had been severely dislocated as a result of the war of liberation.

20. The Office of the United Nations High Commissioner for Refugees had played a crucial role in rehabilitating the millions of refugees in Bangladesh and reconstructing its economy, which had barely begun to recover when disasters like drought and floods had placed further obstacles in the path of reconstruction and development. In addition, when Bangladesh had needed increasing quantities of food-grain imports to meet domestic demand, world prices had begun to rise very seriously affecting its balance-of-payments position. The increase in the price of oil had also severely affected the economy of his country. It was faced with an intolerable situation because it was required to implement reconstruction and development programmes, the cost of which was continually rising, and the relative prices of internationally traded goods had increased substantially. Moreover, the prices of Bangladesh's major exports had not registered any significant increase during the period when import prices had increased considerably and the worsening of its terms of trade had further accentuated its balance-of-payments problem. Currently, it had very little foreign exchange after having paid out large sums for imports of food-grains, and its programmes for economic recovery and development, which were dependent on its ability to import sizeable quantities of goods from abroad, could therefore not be implemented. Agricultural output could not be expanded in the near future because of his country's low land/man ratio and its inability to obtain fertilizer and other strategic agricultural inputs. It was true that the international community had made offers of assistance in 1972, but such assistance had not been sufficient to meet the country's needs. Many other developing countries had essentially the same problems as Bangladesh, namely, dependence on one or two commodities for foreign exchange earnings and on foreign sources for meeting

² A/9702 and Corr.1.

essential mass consumption needs, as well as a rigid productive structure. Those were factors which made them unable to respond to economic upheavals abroad and natural disasters at home.

21. His delegation noted with satisfaction that the international community was becoming increasingly aware of the problems of the international economic system and of the urgent need to remedy the situation. It was particularly glad that the United Nations, in General Assembly resolution 3202 (S-VI), had established a Special Fund to assist the developing countries most seriously affected by the economic crisis. Contributions from the resource-rich countries and the criteria established by the Assembly at its sixth special session would undoubtedly help to correct the imbalances in the external payments position of countries such as his own. The time had come for the international financial institutions to remould their strategies for assistance to developing countries. Those institutions would have to carry out their financial operations in the light of the economic and social goals and the priorities of the countries requiring assistance. They must learn that by following narrow economic criteria and a rigid operational procedure, they might be hampering the achievement of national goals.

22. For over two decades, the poorer nations had been sounding the warning signals of a crisis which would be the result of unequal and exploitative relations between developed and developing countries and of the legacies of a colonial past. The appeals of the developing countries for attempts to bridge the widening economic and technological gap between developed and developing countries and to correct the uneven distribution of international income had been considered merely as more demands for increased assistance, industrial investment, preferential treatment in trade, higher raw material prices, and monetary arrangements geared to the needs of the poor. Numerous instruments drafted and adopted to give effect to such demands had been only "paper victories" which reflected the numerical superiority of the developing countries. His delegation hoped that recognition of the basic weaknesses of the international economic order would not be only "paper recognition" and that it would be translated into practical action.

23. The objectives of the International Development Strategy, the resolutions adopted by the General Assembly at its sixth special session and the report of the Economic and Social Council on the work of its fifty-sixth and fifty-seventh sessions (A/9603) stressed the need for the establishment of an international economic order which would lead to a new international division of labour and resources for the benefit of all peoples of the world and make all countries aware of the problems which arose when one country adopted policies to serve its own narrow economic interests.

24. Cartels and monopolies also seriously affected international economic relations and few countries were more aware than Bangladesh of the problems which arose when economically powerful partners allowed their market forces, dominated by monopolistic elements, to take full advantage of their position in their dealings with poor countries. Unless countries agreed to regulate such productive forces and to take into account the long-term needs of

their economic partners, the poorer countries would continually be subjected to severe economic imbalances. The economic exploitation of those countries by the industrially advanced countries would continue until the poorer countries had diversified their economies in order to take advantage of the changing international market situation. Such diversification was, however, not an easy process. The capital inflow required for that purpose would be so great in Bangladesh that it could not hope for any dramatic changes in the near future unless the world community came to its assistance. If an international economic order was not evolved which would be responsive to its needs, all it could do in the face of widespread economic misery would be to move slowly towards a system where its dependence on the external world would be minimized. In the language of economists, such a solution was called "anti-trade growth" and it was certainly not the best one, but it would at least make his country's future less uncertain and its economy less vulnerable to outside pressures. Such a solution was also contrary to the provisions of the programmes formulated by the United Nations in the past few years. The cause of world peace and international understanding was not served when each country was striving to meet the needs of its own people on the basis of its resources alone. In such a situation, the gap between the rich and the poor, the technologically advanced countries and the backward ones, and densely populated countries and sparsely populated ones with an abundance of arable land could only become wider. The result would be a world which was ripe for confrontation, not co-operation.

25. His Government believed that all countries, particularly those which were capable of producing food and other essential items for mass consumption, should avoid adopting restrictive policies and that they should encourage increased production and trade with the poorer countries. Moreover, until the international community recognized the futility of the arms race, discussions about economic interdependence, the Charter of Economic Rights and Duties of States or indivisible human destiny had very little meaning. Of course, the world food shortage could not be met only by countries with large land areas which could be used for producing food or by those which possessed the necessary technology to increase their productivity. Bangladesh looked forward to participating in the forthcoming World Food Conference, where it hoped that a course of action would be mapped out for agricultural countries like his own which had very low productivity.

26. With regard to the World Population Conference, which had been held in Bucharest from 19 to 30 August 1974, his delegation was of the opinion that the need for a coherent and rational population policy was very urgent indeed, but such a policy could not be adopted unless all countries understood the economic and social consequences of high rates of population growth. The World Population Conference had made many policy-makers in developing countries aware of the need to study the various aspects of population growth and to adopt comprehensive plans to check rapid increases and meet the needs of their growing populations. His delegation also welcomed the increased awareness among Member States of the inadequacy of measures currently available for dealing with natural disasters. The time had come to launch a global and

integrated strategy for short-term relief measures, long-term reconstruction and rehabilitation schemes, as well as pre-disaster planning and prevention on a global scale.

27. His delegation noted with appreciation that the efforts of the international community were currently being directed towards concerted action to deal with key priorities and global crises in an organized institutional framework. The mid-term review and appraisal of the International Development Strategy, the continuing negotiations on the Charter of Economic Rights and Duties of States, the recently concluded World Population Conference and the World Food Conference to be held in November, the multilateral trade negotiations within the framework of GATT, the international monetary reform measures being adopted by IMF, and the Second General Conference of UNIDO, which would take place in March 1975, were some examples of the concern of the international community in that regard. Those and other initiatives, such as the seventh special session of the General Assembly to be held in 1975 to deal with development and international co-operation, were whole-heartedly supported by his delegation.

28. Mr. KUDRYAVTSEV (Byelorussian Soviet Socialist Republic) said that the twenty-ninth session was taking place in conditions dominated by a general move toward further détente. What had been seen earlier as a dangerous confrontation between States with different social systems was gradually being transformed into peaceful coexistence as a result of the efforts of the Soviet Union, the other socialist countries and all peace-loving forces. International détente was of advantage to all. The most important achievement had been a substantial diminution of the threat of nuclear war—an important prerequisite for international co-operation and for mutually advantageous international economic relations. It was therefore not surprising that countries in which the colonialists had blocked the advance of history for centuries should bring increasing pressure to bear on imperialism, attack neo-colonialism, racism and aggression, and make the fight to consolidate peace a primary foreign policy objective. The non-aligned countries were also making their contribution. The transformation that was taking place was of particular importance for them because détente was a major step towards the democratization of international relations and the removal of the West from its dictatorial position in international trade and monetary matters. Détente was a powerful barrier against the neo-colonialists' violations of the just rights of the countries of Asia, Africa and Latin America; it created the necessary conditions for putting into effect their plans to build a new life. It therefore had to be made irreversible. The Second Committee could play an important role in that process by doing its utmost to encourage international economic, trade and scientific co-operation based on equality of rights and mutual advantage.

29. Equality was one important issue to which the Committee should turn its attention; it was time to end the unequal economic relations inherited from the time when the major Western Powers held undisputed sway in the world market. Every State must be able to participate equally and with mutual advantage in international transactions without violations of sovereignty or interference in domestic affairs.

30. Effective disarmament measures could be of considerable assistance in solving the problem of development finance. The \$250 thousand million spent annually on the arms race could fund an abundance of development projects. In that connexion, the implementation of the Soviet proposal at the twenty-eighth session of the General Assembly that States permanent members of the Security Council should reduce their military budgets by 10 per cent and use part of the funds thus saved to assist developing countries was of great importance. The Soviet proposal at the current session of the Assembly (agenda item 103) to prohibit deleterious interference with the environment envisaged another form of disarmament; the proposed international convention would prevent the appearance of new means of waging war and contribute to the preservation of the environment.

31. Many speakers had pointed out that prevailing economic problems were a symptom of the profound crisis affecting the capitalist world. Rising prices and inflation were the most acute socio-economic diseases of the West. The efforts of the Western countries to extricate themselves from their crisis were futile; in fact, they had only exacerbated the contradictions within the capitalist system.

32. In the light of the objective process of historical development, the desire of many of those in Western trading circles to develop their economic and trading relations with the socialist countries was quite understandable, because such relations, based as they were on equality and absence of discrimination, were of advantage to all participants. The socialist countries did not seek unilateral advantages in the development of such relations. The development of trading based on equal rights would be equally advantageous to both trade partners. His delegation was profoundly convinced that the principle of most-favoured-nation treatment should be embodied in the proposed Charter of Economic Rights and Duties of States.

33. Much had been said about the pernicious influence of the transnational corporations on monetary relations and on markets. The supranational corporations utilized not only every device of trade and finance but also scientific and technological advances to maximize their profits. Moreover, they undermined a fundamental principle of international law—State sovereignty. Their activities were particularly harmful to the developing countries, whose economies were poorly protected against arbitrary action by their neo-colonialist exploiters. Evidence of violations of sovereignty and subversive activity by the transnational corporations could be seen in the events in Chile, where a fascist coup had been carried out with their assistance. Defenders of those corporations tried to present them as the benefactors of the developing countries, providing employment and salaries for the workers of those countries, but their good deeds amounted to plundering the natural and human resources of the developing countries and to untrammelled exploitation. Accordingly, to implement the anti-imperialist decisions of the sixth special session on strengthening the economic independence of developing countries was a task of great urgency. The new international division of labour and the principle of sovereignty over natural resources, including the right to nationalization and the right to establish control over the activities of

foreign capital, were of particular importance to those countries.

34. If the United Nations really wanted to help the developing countries, it should strive to have the principle of sovereignty over natural resources made universal practice in international relations. The colonialists and neo-colonialists should not only cease their interference with and violation of the sovereign rights of the developing countries; they should return to the peoples of those countries the wealth they had stolen. In their efforts to close the gap between themselves and the developed countries, the developing countries could not afford to relax their struggle against the last vestiges of colonialism, *apartheid* and neo-colonialism.

35. The energy crisis had revealed how the major imperialist monopolies exploited the developing countries. It had exposed the piratical nature of the aid given to the countries of the third world by the developed capitalist States, which was used as an instrument of pressure against oil-producing countries which took sovereign action. It was natural, in those circumstances, for many countries of Africa, Asia and Latin America to establish economic co-operation between themselves to protect themselves from the monopolies and help their own development. Developing countries should, of course, continue to create their own economic foundations and to raise the living standards of their people. Experience had shown that the greatest success came from far-reaching progressive reforms, the development of the State sector, State planning and control, and the State-controlled use of the private sector and of foreign investment in carrying out economic development plans. As his delegation had stated on previous occasions, and now reaffirmed, the industrialization of the developing countries was the primary means for their economic and social progress and true national economic independence.

36. The year 1974 had been marked by further achievements by the socialist countries in all fields, the programme of increased co-operation and economic integration being carried out by the members of CMEA had provided a firm basis for solving the economic problems of building socialism and communism. Byelorussia, like all the nations of the Soviet Union, had reached new heights in developing its economy, in science and culture, and in increased well-being for its people. Those achievements were durable because they were based on the application of socialist State economic development planning. The statistics available for 1974 showed that planned growth targets were being reached and surpassed. The steady growth of the economic power of socialism was playing a powerful role in creating just and mutually advantageous international relations that were of direct benefit to the developing countries. Socialist support helped nations fighting for true national liberation to secure their political and economic independence and eliminate colonialist and racist régimes. The socialist countries were assisting the developing countries through trade and finance and by economic, scientific and technological co-operation. Naturally, they were entitled to expect the co-operation of the developing countries, in the form of economic and trading terms no less favourable than those granted to other developed countries.

37. The fact that the socialist community of nations and countries that had set out on the road to independence had common basic interests provided a solid basis for the expansion of friendly relations between them. The unity of world socialism and the national liberation movements of the peoples of Asia, Africa and Latin America was a powerful force. Those in imperialist quarters, however, sought to breach that unity by every possible means. It was they which were propounding the infamous theory of poor and rich countries, which distorted the true position by ignoring the fundamental opposition of the capitalist and socialist systems and was designed to relieve the imperialist powers of responsibility for the impoverishment of the peoples of the developing countries.

38. Such was the importance of détente for the transformation of economic relations and for achieving and strengthening the political and economic independence of the developing countries that it was perfectly logical to conclude that those who wished to make economic and social progress must take a still more active part in the fight to extend and reinforce détente and to build a more secure peace between nations.

39. Mr. BA-ISA (Democratic Yemen) said it was evident that the current international economic crisis was a serious threat to international peace and security. The attention of the capitalist countries was alerted to a threat of that kind only when their own economies were endangered, but the developing countries had for a long time been issuing warnings about problems such as the slow rate of economic growth, unfair terms of trade and the inequities of the international monetary system. The developing countries could only hope to solve such other problems as population growth, food and housing shortages, illiteracy and disease; it was the capitalist developed countries which had the necessary means and resources to solve them. The gap between the developed and the developing countries was still widening and, unfortunately, when the developed countries did give assistance to the developing countries, it was often subject to economic conditions.

40. At the sixth special session of the General Assembly, the issue of the energy crisis had been placed in its proper context; it had been recognized that the crisis had not been caused by the developing countries which had raised oil prices, but, rather, by the developed countries which had built their prosperity at the expense of the resources of developing countries. Attempts had, of course, been made by the capitalist developed countries to throw the blame on the developing countries, but that was merely a manoeuvre to destroy the solidarity which they were eager to maintain in the Group of 77 and the group of non-aligned countries.

41. The Programme of Action on the Establishment of a New International Economic Order, adopted at the sixth special session of the General Assembly, now had to be implemented if economic justice was to be achieved. In that connexion, his delegation was of the opinion that those countries which had expressed reservations with regard to the Declaration and the Programme of Action should now withdraw them if they actually believed in economic justice and an equitable economic order. The industrialized countries must do everything possible to help the poorer countries, which could not realize their ambitions on their

own. At the same time, however, real progress in international relations required the developing countries to adopt measures to liberate themselves from dependence on the developed countries. His country had done away with the remnants of its colonial past and was now establishing agricultural co-operatives and fisheries, building new schools and providing free medical care for its entire population. In April 1974, it had adopted a new five-year plan and would rely on assistance from the socialist countries and various international organizations in order to implement it.

42. With regard to transnational corporations, which dominated the international economy and threatened to destroy the economies of the developing countries by interfering in their internal affairs, he stressed that the peoples of the developing countries, conscious of the dangers of such neo-colonialism, were becoming increasingly aware of the need to control their activities.

43. The détente in international relations could not be successful in a world where the gap between developed and developing countries was continually widening and where, for example, individuals in developed countries consumed more resources in six months than individuals in developing countries did in a lifetime. His delegation noted with satisfaction that great importance was being attached by the international community to current economic issues. Such concern augured well for the future. International gatherings such as the World Population Conference, the Conference on the Law of the Sea and the forthcoming World Food Conference showed that the international community was aware of the need to take immediate action to achieve economic progress in an integrated manner and without regard to selfish and narrow economic interests.

44. Mr. AKHUND (Pakistan) said that the general debate had clearly demonstrated that there was widespread concern about the state of the world economy. Spiralling inflation and industrial stagnation had combined to create a situation which even experts could not quite comprehend. Moreover, there was talk of a world-wide recession. The stability and viability of the existing economic system were no longer taken for granted. In the Declaration on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session, it was recognized that the interests of the developed countries and those of the developing countries could no longer be isolated from each other and that the prosperity of the international community as a whole depended on the prosperity of its constituent parts. Thus, the concept of economic interdependence was no longer questioned and, from every quarter, there were appeals for co-operation, not confrontation. Interdependence was, however, still little more than a figure of speech and it was to be hoped that it would not become yet another of the *clichés* which characterized debates in the United Nations.

45. Since the end of the sixth special session, discussions of economic issues had become confused by disagreements concerning the precise weight to be given to the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the status of the reservations expressed by a number of countries on one part or another of those documents. His delegation was of

the opinion that such arguments should be put aside and that attention should be turned to consideration of the nature and origins of the current economic crisis and the specific measures which needed to be taken to remedy the situation.

46. The world was witnessing the breakdown of a system which had worked well enough until the present time, but which had been established by, and largely for the benefit of, a relatively small number of countries to serve a relatively small market. It had provided stability in the industrialized countries for nearly 25 years and had enabled them to make extraordinary and, in some cases, miraculous progress. It had also helped the developing countries to build up some infrastructure and register economic growth. The system had thus been efficient within its own parameters, but it had not ensured the most rational utilization of the world's human and material resources. As an illustration of that point, he said that some countries had given subsidies to their farmers not to grow food grains in order to maintain an economic price level, and that natural gas had been and continued to be flared as waste instead of being used to produce fertilizers, while hunger prevailed in many parts of the world and famine threatened in some. Thus, if it was asked whether the existing economic system had served to promote the welfare of mankind as a whole and to ensure a minimum of social justice, the answer must be an unqualified No.

47. When it was stated that free trade and free exchange of goods and services were an ideal, it should also be recognized that the present system was far from that ideal. Free trade in any real sense of the word was not possible when glaring disparities existed among the trading partners. When the developing countries demanded greater access to the markets of developed countries, they were not challenging the principle of the freedom of international trade. They were merely appealing for the removal of restrictions, tariff barriers and other obstacles to free trade because the removal of restrictions on the products of the industries of the developing countries would lead to a more just, equitable and efficient division of labour, and because they believed that the provision of equitable remunerative prices to producers of raw materials would lead to the further expansion of international trade, to the benefit of all, rich and poor alike.

48. In that connexion, he recalled that, at the fifty-fourth session of the Economic and Social Council, he had referred to the anomalies which the existing imbalance in economic relationships had created and tended to perpetuate. Since that session, developments had occurred which had intensified the inequities. Thus, for example, the five-fold increase in the price of oil had confronted many developing countries, particularly those lacking natural resources or an adequate industrial base of their own, with a crisis verging on catastrophe. Mainly because of the increase in the prices of oil, fertilizer and capital goods, Pakistan's balance of payments would show a deficit of some \$592 million in 1974 and the figure for 1975 might well reach \$940 million. The sharp rise in oil prices had also caused great disruption and difficulty in the industrialized countries.

49. His delegation was of the opinion that the future would certainly be gloomy if the situation was left

uncorrected, but current problems did not lend themselves to simple solutions. The crisis had not begun with the increase in oil prices and it would not go away if the oil-producing countries decided to reduce oil prices from their present level. The energy crisis must be seen as only one, although the most serious, consequence of what the Secretary-General, in his introduction to the report on the work of the Organization, had described as “a profound malfunctioning of the global economy”.³

50. If each problem was tackled as it arose, such piecemeal tinkering might enable the world economy to creak along. For example, the recycling of funds from the oil-producing countries back to the industrialized countries had been proposed as a short-term remedy, but no long-term balance-of-payments solution could be found through the attraction of funds into short-term securities by means of high interest rates. Nor, for that matter, could investment in non-productive sectors of the economy provide an answer to the problems of inflation and recession. The solution lay in providing expanded markets for the goods, particularly the producer goods, of the developed countries to enable them to increase their exports to meet their external payments deficits. Given the necessary purchasing power, the developing countries could provide such expanded markets. They would, however, have to acquire such purchasing power, although, in many of them, infrastructure existed which could readily absorb substantial increases in investment. The long-term solution therefore lay in co-operation among the industrialized developing countries, the oil-producing countries and the remaining developing countries to evolve a mechanism whereby the interests of all of them would be served.

51. A viable long-term solution could be found only through concerted efforts to deal with all the main elements which were responsible for the malfunctioning of the world economy. In discussing the current situation, some delegations had referred to the inflation which had preceded the economic collapse of the 1930s. Whether or not the present situation could be compared to that of the 1930s, it was pertinent to point out that the solutions which had finally emerged at that time had been the result of a new approach to economic problems—a new approach which had been a break from the past in that it had taken a more comprehensive view of economic phenomena. It had indeed been a revolutionary approach because it had differed completely from theories and concepts and interests that had then been held to be sacrosanct. What was now needed was again a breaking away from past patterns of thought and the adoption of a more comprehensive and enlightened view of the long-term interests of all members of the international community.

52. He could not judge whether the Declaration and the Programme of Action on the Establishment of a New International Economic Order constituted such a comprehensive solution. Moreover, the reservations expressed by the major industrialized countries with regard to those documents must certainly be borne in mind. His delegation did, however, regard the discussions which had been held at the sixth special session and the results which had been

achieved as the first attempt to identify the basic factors which affected and shaped the international economic order. The comprehensive approach to the world's economic problems embodied in the Declaration was by no means an appeal for the overthrow of the present economic system and for its replacement by some system of world-wide regulation and control of economic relationships and activities. His delegation considered it rather as an exercise in rationalizing efforts to exploit fully the potential of the world economy. The dialogue which had been initiated at the sixth special session must continue. Although differences had emerged in the course of the discussions at that session and some of those differences might, for the moment, appear irreconcilable, there was still every reason to persist in the search for solutions which would protect the legitimate interests of each country while contributing to the welfare of all. The current debate, the forthcoming review and appraisal of the International Development Strategy and the special session of the General Assembly to be held in 1975 would provide opportunities, which his delegation hoped would not be lost, for constructive discussions of means of creating a more just and equitable international economic order. The available tools of economic science were adequate to analyse the present crisis and find remedies which would serve the long-term interests of all countries. What had been lacking until now had been the political will to adopt policies which called for short-term sacrifices.

53. In conclusion, his delegation paid a tribute to the outgoing Under-Secretary-General for Economic and Social Affairs, Mr. Philippe de Seynes, for his dedication to the principles of international economic co-operation for development.

54. Mr. MANSOOR (Afghanistan) said that the current economic ills resulted from the inequitable world economic order which had existed in the past. It had led to the widening of the gap between the developed and the developing countries, the concentration of wealth and technology in the hands of a few, stagnation for some and a slow growth rate for the majority of the developing countries. The sixth special session of the General Assembly represented an important step towards helping the developing countries, which produced two thirds of the world's raw materials, to attain their legitimate aspirations. The adoption of the Declaration and the Programme of Action on the Establishment of a New International Economic Order demonstrated the determination of the large majority of members of the international community to build a new and mutually advantageous economic relationship based on justice, equality and interdependence. Afghanistan, as a land-locked country and one of the least developed, looked forward to the implementation of the Declaration and the Programme of Action by all countries and hoped that the developed industrial countries would reconsider the reservations they had expressed concerning those decisions. The objectives of the International Development Strategy should be revised in the light of the progressive guidelines set out in the Declaration and the Programme of Action.

55. The inflationary trend which now afflicted nearly all countries was causing particular problems for the developing, land-locked and least developed countries, whose economies had been weak from the outset. In combating

³ See *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 1A*, sect. V.

inflation, the developed and industrialized countries should bear in mind the interests of the developing countries, as should those responsible for the reform of the world monetary system. In addition, the least developed countries, such as Afghanistan, benefited little from the generalized system of preferences and his delegation hoped that that would be borne in mind during the new round of trade negotiations. The principle of non-reciprocity in the trade of such countries was of vital importance and must be given proper consideration.

56. Afghanistan, being primarily an agricultural country, had embarked on a major economic and social programme designed to ensure self-sufficiency in the sphere of agriculture. Its efforts in that respect were, however, hampered by a lack of capital and technical assistance and his delegation therefore wholeheartedly endorsed the proposals for increased agricultural aid to the developing countries in addition to the immediate relief measures needed to cope with the world food shortage. It hoped that the World Food Conference would take appropriate action in that regard.

57. At its sixth special session, the General Assembly had included in the Programme of Action a Special Programme (resolution 3202 (S-VI), sect. X) in support of those developing countries most severely affected by economic crisis, a provisional list of which was established for the second session of the *Ad Hoc* Committee on the Special Programme.⁴ In the view of his delegation, Afghanistan should be included in that list, for its annual *per capita* income was only \$80, it had a high ratio of debt servicing and, as a land-locked country, had high transportation and transit costs.

58. The particular problems and needs of land-locked countries had been reflected in the decisions of many international bodies. Their right of free access to and from the sea had been recognized by the international community and General Assembly resolution 3169 (XXVIII) provided for a study on the establishment of a fund in their favour. The documents before the Committee described the circumstances of poverty and economic stagnation in the land-locked countries in general and even showed that the economies of some such countries, including his own, had become weaker in recent years. Another matter of paramount importance to his delegation was the question of special measures in favour of the least developed countries, a study on which under agenda item 12 (E/5467), was also before the Committee. He earnestly hoped that the Committee would take appropriate measures in favour of the land-locked and least developed countries at the current session. The funds those countries so badly needed could be made available by the implementation of the proposal put forward by the USSR for the reduction by 10 per cent of the military budgets of States permanent members of the Security Council.

59. Mr. JAIPAL (India) noted that in times of economic crisis it was the developing countries which bore the greatest burden. The developed countries were blaming the oil-producing countries for the present inflation and acute balance-of-payments difficulties. The increase in oil prices,

however, was the result, not the cause, of inflation. The causes of the current crisis were to be found in the colonial past of many developed countries, which continued to exploit the developing countries in order to maintain relatively high levels of affluence within their own borders. It was ominous that lip service was always paid to the concept of interdependence, as if the poor were necessary so that the rich might practise charity. More than two thirds of the world's trade took place among the developed countries themselves and more than three fourths of the world's income was generated in those countries.

60. It was no longer realistic to expect the developing countries to accept that what was good for the developed countries was also good for them, nor was it just for the developed countries to maintain the existing world economic structure solely because it suited them. In the interest of translating the concept of interdependence into reality, it was encouraging that certain developed countries were moderating their consumption. Also welcome was the assistance now being provided to the oil-producing developing countries with respect to heavy and sophisticated industries, and the increasing awareness that developing countries should participate in the decision-making processes of international financial and monetary institutions. However, it was remarkable that such changes had not come about until a group of oil-producing developing countries had been compelled to assert their legitimate rights. He wondered what other dramatic developments were necessary before the developed countries would accept a new design for a world economic order and a concerted and determined effort to establish it.

61. All too many declarations of intent—such as agreements on the provision of preferential access to the markets of developed countries to exports from developing countries, the transfer of resources under appropriate terms and conditions, access to technology on an equitable basis, and the establishment of a new international division of labour—had remained dead letters. Progress in their implementation had been disappointingly and, it appeared, deliberately, slow. The net results of various international conferences had fallen short of the high expectations of the developing countries. Perhaps the developed countries were deterred by their own domestic difficulties—which were of their own creation—from translating promises into action.

62. There was an increasing tendency on the part of developed countries to implement international development measures on an *ad hoc* basis, as if they constituted sporadic gestures of generosity unrelated to the International Development Strategy. Such assistance was dominated by the donor-recipient relationship instead of being based on international commitments freely undertaken.

63. The oil-producing countries should bear in mind the vast potential in the developing world for productive and profitable investment and the fact that, in the interest of the rational utilization of the world's resources, it was more important to increase production in areas where the demand for the basic necessities of life remained unfulfilled. Accordingly, they should not spend all their surplus resources in the developed countries.

64. The lack of progress in improving the international economic situation could be attributed to the will of some

⁴ See A/AC.168/6/Add.1.

to perpetuate existing systems for their own benefit and to their failure to promote the implementation of decisions adopted in the United Nations with respect to trade, aid and monetary matters. The emergency assistance operation inaugurated at the sixth special session of the General Assembly was seriously short of the target established for it. The responsibility for helping what were referred to as the "most seriously affected countries" rested with those countries which were responsible for the current economic crisis and not with the unfortunate victims of circumstances which were not of their creation and were beyond their control. The most seriously affected countries had been attempting to be as self-reliant as possible in a world in which they had come to expect certain standards of international behaviour with regard to trade and aid, yet they had found themselves completely at the mercy of market forces triggered in the developed countries.

65. The hopes of the developing countries for the accelerated growth of their economies had been shattered. India would have to spend nearly 80 per cent of its export earnings in the coming year on imports of oil, fertilizers and food. Emergency assistance to India and other developing countries with similar problems was of the first priority.

66. He feared that the Special Fund proposed in the Programme of Action might not be established at all. The Programme of Action was not receiving the support it deserved from the developed countries, despite the willingness of the developing countries to negotiate as necessary. The developed countries appeared to be more preoccupied with their own problems of adjustment. The existing trading arrangements were totally inadequate to cope with the problems of the developing countries and new systems would have to be devised to ensure the equitable distribution of the resources essential for the balanced growth of the developing countries, whose plans and objectives were refreshingly modest.

67. Looking ahead to the mid-term review of the International Development Strategy, it was essential to ensure that the basic concepts underlying the Strategy—including quantitative and time targets and firm commitments to implement agreed measures—remained intact and undiluted. In fact, it was essential to strengthen them by building into the Strategy more effective devices for ensuring international accountability and by modifying the institutional machinery of the United Nations to ensure the implementation of commitments undertaken. A number of changes should also be made in the Strategy in the light of recent developments: provision should be made for international action to ensure adequate supplies of scarce commodities for the developing countries at prices within their capacity; priorities should be altered with regard to areas and countries for which special measures were required; international co-operation should be extended to new areas to deal with transnational corporations; the current trend of moderation in the policies of some developed countries should be consolidated and lead to arrangements for the sharing of markets; some of the targets in the Strategy should be refined in order to give them greater operational significance; and, lastly, the Strategy should include measures to meet short-term emergencies as they arose.

68. Mr. JARPA (Chile), speaking in exercise of the right of reply, said that the representative of the Byelorussian SSR

had repeated the same insults and falsehoods as had been uttered by the representative of the USSR. The representative of Democratic Yemen had done likewise. That was interesting and instructive, because it proved the high degree of training received by all Soviet satellites: they all responded most faithfully to their master's voice, did not put forward a single original idea, and did not deviate in the slightest from the instructions they had received. The statement by the representative of the Byelorussian SSR gave an idea of the extent to which those who spoke of freedom and sovereignty could be subjugated. The Byelorussian SSR was not a free nation or a sovereign State; its presence in the United Nations was a fiction for the convenience of the USSR. It could at least have the good sense not to touch on certain subjects.

69. Assassination was not used in Chile as a political measure. It was a Stalinist procedure contrary to the historical traditions of his country. What had been said about transnational corporations was also untrue. Indeed, Chile had recently promulgated a special decree governing the activities of transnational corporations, taking into account the higher interests of the State and the spirit of regional agreements. He pointed out that the developing countries were in urgent need of additional capital and technology that was generally available only from other Governments or from private companies. There were dangers in using either source. Private companies, especially transnational corporations, endeavoured to extract the maximum return from their investments without taking into account the interests of the countries concerned. Contributions from foreign Governments, particularly those of the major Powers, were accompanied by political pressures that were prejudicial to the independence, sovereignty and interests of the developing countries. That had been the case in Chile in recent years when there had been Soviet intervention in its internal affairs. Chile had a tradition of democracy and freedom. In 1939 it had had a socialist Government; in 1946 there had been three communist ministers. It was perfectly normal to have liberal rulers in Chile, provided they respected certain basic rights and principles. But when a political minority acting under Soviet pressure had tried to establish a dictatorship in the country, the result had been unrest that had required military intervention to avoid war. It was only just and logical that Chile should wish to pursue its own course without the assistance of tutors from the USSR or elsewhere. Other developing countries were free to follow a path traced by others if they wished. He observed that when any country left the orbit of the USSR or of other major Powers, it was subjected to a campaign of political pressure, insults and slander and attempts were usually made to establish a political and economic blockade in an effort to reinstate the former control. Chile wanted to contribute to the action being taken by the developing countries, all of which had the right to express their own ideas and pursue their own destinies in freedom. He demanded that the Soviet satellites stop their daily slander of his country which was ample proof of their inability to coexist with other countries which had different ideas.

70. Mr. KUDRYAVTSEV (Byelorussian Soviet Socialist Republic), speaking in exercise of the right of reply, said he wished to stress the fact that the military junta in Chile was continuing to sell off the country's natural resources to

foreign and local capital. The State sector created under the Allende Government had been practically eliminated. The junta had returned some 200 enterprises nationalized under the Government of National Unity to their owners and was considering the return of another 100 or more. It had announced a decision to open a joint bank in which foreign capital would participate. Bloody repression of thousands of Chilean patriots and violations of civil rights aimed at putting an end to all democratic activities were the policy of the junta. The Chilean fascists, inspired by international reaction, were trying to destroy everything connected with the former Government of National Unity. It was no coincidence that the first major companies to be returned to their previous owners were those that had become a symbol of achievement in the public sector. The Chilean rulers behaved like the henchmen of foreign capital; those who provided foreign financial support were the real masters in Chile. Chile had boasted, in a statement at the 2247th plenary meeting, of the rising number of inquiries for increased foreign investment and of its invitation to groups of investors from abroad. As everyone knew, he who paid the piper called the tune.

71. It was also a fact that trade unions had been banned in Chile, that there had been drastic reductions in workers' pay, and that the Government had resorted to the use of forced labour. The result was runaway inflation, a steeply rising cost of living, and a reduction in the standards of living of the working people. The Government's deliberate policy of producing mass unemployment had resulted in an unemployment figure of 10 per cent of the working population; reports in the Western press indicated that a further 100,000 workers would lose their jobs. The junta was driving the Chilean people into poverty and was depriving them of their rights. The situation was not only a tragedy for Chile, it was also a blow to the greatest human ideal—a desire for freedom, independence and peace. That was why the majority of countries had condemned Chile.

72. The Byelorussian SSR had won the right to be a founder member of the United Nations in the fight against fascism, in which one out of every four Byelorussians had lost his life. The situation in Chile reminded him of the time when Hitler's forces were lording it over Byelorussia. No matter what the representative of Chile replied, he could not whitewash the crimes being committed against the Chilean population.

73. Mr. BA-ISA (Democratic Yemen), speaking in exercise of the right of reply, said that the representative of the fascist coup d'état was repeating the same lies he had

repeated before. It was a fact that terrorism existed in Chile; no further evidence of foreign interference or of the power of transnational corporations was needed. To illustrate his point, he quoted extensively from an article that had appeared in the Western press concerning CIA (Central Intelligence Agency) and ITT (International Telephone and Telegraph Corporation) involvement in Chile's internal political affairs. Despite an earlier assurance from the United States Secretary of State that no action had been taken on proposals to intervene in Chile, it had recently been learned that the sums of money involved had indeed been approved, the final \$1 million having been approved only one month before the coup d'état.

74. Mr. JARPA (Chile) suggested that the representative of the Byelorussian SSR should look for his information in reports prepared by international organizations. He would then realize that the economic crisis in Chile had occurred before the change of Government and not after. It often happened that in countries where there was no freedom of information, people were behind with the news.

75. As to the representative of Democratic Yemen, he (Mr. Jarpa) had interviewed a representative of the United States Congress who had said that there was no evidence to relate the change of Government in Chile with CIA activities. The report referred to in the article quoted by the representative of Democratic Yemen had covered the period from 1962. The representative of Congress to whom he had spoken had also recognized that much of the money that had been approved had not been used in the end because reports submitted in 1970 had shown that no amount of money would change a single vote in the Chilean Congress. It had also been clearly established that the money had been spent on publicity to defend the image and position of the United States Government. The suggestion that the Chilean people had been bought for a few million dollars was an infamous accusation from a country that would sell its soul for a few dollars. Such a thing had never happened in Chile. His delegation could not recognize representatives from the bloodiest tyranny ever known—the Soviet Union, which did not even allow the International Red Cross to visit its concentration camps.

76. Mr. SANDERS (United States of America), speaking in exercise of the right of reply, said that his delegation rejected Democratic Yemen's interpretation of the press article quoted.

The meeting rose at 6.20 p.m.