

2074th meeting

Friday, 15 July 1977, at 3.20 p.m.

President: Mr. L. ŠMÍD (Czechoslovakia)

E/SR.2074

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (*continued*) (E/5937 and Corr.1, E/5937/Add.1 and Add.1/Corr.1 and 2, E/5937/Add.2 and 3, E/5937/Add.4 and Add.14/Corr.1, E/5977-5980, E/5995, E/5996, E/CEPAL/1027)

AGENDA ITEM 11

Assessment of the progress made in the implementation of General Assembly resolutions 2626 (XXV) entitled "International Development Strategy for the Second United Nations Development Decade", 3202 (S-VI) entitled "Programme of Action on the Establishment of a New International Economic Order", 3281 (XXIX) entitled "Charter of Economic Rights and Duties of States" and 3362 (S-VII) entitled "Development and international

economic co-operation" (*continued*) (E/5939 and Corr.1, E/5942, E/5970, E/5974, E/5981, E/5985, E/5991, E/5992, E/5994, E/5999, E/6001, E/6016)

1. Mr. SHERZOI (Afghanistan) said that, although there was no doubt that the developing countries had been helped by the developed countries through bilateral and multilateral channels, the increase of the economic gap between the two groups of countries was ample proof that only a fundamental structural change in the international economic system would narrow that gap. The real cause of failure to establish a new economic order was the lack of a sincere political will on the part of the developed countries to implement the decisions and commitments reached at the two special sessions of the General Assembly and at other international gatherings.

2. The fourth session of the United Nations Conference on Trade and Development had taken place at Nairobi in 1976 and had considered a range of important issues,

including the problems of world commodity trade. The majority of the developing countries were dependent on exports of raw materials and had supported an integrated programme for commodities to deal with the unstable and low prices governing their trade. They had proposed the establishment, under that programme, of a common fund to finance buffer commodity stocks that would smooth out the effects of fluctuations in demand for the commodities of the developing countries and ensure an equitable return for producers and fair terms for consumers. Those proposals had been unacceptable to some of the most affluent countries of the developed world and negotiations at various intergovernmental levels had produced no comprehensive results.

3. A third area in which the international community had failed to make the necessary progress was that of the serious problem of the external debt of the developing countries. The industrialized countries could play a constructive role in the transfer of resources by declaring a moratorium on past debts, which could be either re-scheduled or cancelled. Canada had taken an important step in that direction by transforming all its past loans into grants and stating that all future assistance to developing countries would be in the form of grants.

4. It had been hoped that the Conference on International Economic Co-operation would constitute a turning-point in international economic relations, on the basis of the recognition of interdependence and the political commitment by the international community to just, equitable, and therefore lasting, international economic relations. That obviously called for the restructuring of the present system and required political determination and fundamental changes, but unfortunately the Conference had ended without significant success and it had been obvious that the measures announced were not commensurate with the magnitude of the important problems facing the developing countries.

5. In the allocation of the resources of the fund formed with contributions of \$1,000 million under the special action programme established by the Conference on International Economic Co-operation, priority should be granted to the most disadvantaged of the low-income countries, i.e. those which had been recognized by the international community as the least developed among the developing countries or which were land-locked; his delegation, after negotiations with other members of the Council, might present a draft resolution on the subject.

6. Transnational corporations might play a significant role in the economic development of the least developed countries. Their activities should be governed by an international code of conduct drawn up by the United Nations. The countries in which those corporations were based had an obligation to ensure that their activities would contribute positively to economic development and were free from corrupt practices, particularly illicit payments.

7. Many nations had suffered and some were still suffering from colonial rule and alien domination; their problems needed the urgent attention of the international community, and consequently its financial assistance. In

addition, the "front-line" States in those areas of the world were faced with enormous economic difficulties, because of their support for the liberation of those territories. His Government therefore supported ECWA resolution 40 (IV) (E/5969, p.26) concerning international assistance to Lebanon for the reconstruction and development of that country.

8. The distinct geographical disadvantages of land-locked countries were well-known, and important decisions had been adopted by the United Nations and its agencies in order to help with their problems. Unfortunately, the decisions had not yet been implemented. For example, the members of the Board of Governors of the United Nations Special Fund for Land-locked Developing Countries, which should have become operational during 1977, had not yet been elected.

9. His country would certainly need international bilateral and multilateral assistance. Since the establishment of the republican régime four years previously, important political, economic and social decisions had been taken for the further development of the country and a new Constitution had been promulgated envisaging the effective participation of its people in the future political, social and economic progress of the country. A seven-year multi-dimensional development plan of unprecedented magnitude for the country had been put into operation, aiming at the maximum mobilization of natural, financial, human and institutional resources, with a view to achieving self-reliance and social and economic independence. The objectives had been determined on the basis of an analysis of existing problems and taking into consideration the aspirations of the people. Their implementation would create favourable conditions for the human and material development of the country and by 1982/83, the final year of the plan, the net national product was expected to reflect an average annual growth of 6.2 per cent. He thanked all the friendly countries and international organizations which had contributed to the implementation of the plan.

10. The problems of human settlements were of great importance. Subjects of vital concern to his Government were the improvement of rural housing, the increase in urban population while the rural population was decreasing, and the settlement of the nomads. On the basis of the decisions adopted by the United Nations, it had determined its national policy and had outlined important short-term and long-term programmes. At the United Nations Conference on Human Settlements, held at Vancouver in 1976, it had been included among the countries that should receive international financial aid for the training of personnel and it was to be hoped that the commitments made there and at the ESCAP Regional Conference on Human Settlements, held in May 1977 at Bangkok, would be fulfilled in the very near future.

11. The severe drought which had struck three provinces in the northern part of his country had severely threatened agriculture and the life of the animal stock on which the provinces were to a large extent dependent. Agricultural and livestock products formed an important item in the country's exports and if the situation was not remedied it would have a severe impact on the economy. Bilateral and

multilateral assistance was urgently needed, particularly from the United Nations and its related agencies, especially the Office of the United Nations Disaster Relief Co-ordinator and the World Food Council.

12. In view of the complexity and interdependence of the problems of the world economy of today, it was no longer possible to impose solutions. What was required was a new pattern of co-operation which would make it possible for the developing countries to rely on their own resources. Those countries which were in a position of affluence would have to make the necessary concessions and yield to the legitimate aspirations of the developing countries. The gap between the developed and the developing countries was a great challenge to the international community and it was encouraging that so many governmental and non-governmental organizations were dealing with the problem. He hoped that at the current session the Council would be able to play a positive part in the process.

13. Mr. MWANGAGUHUNGA (Uganda) said that the general economic recovery which had begun in the second half of 1975 in the Western countries had continued in 1976 and that production in the industrialized countries had in general increased by between 5 and 6 per cent. The average increase in the developing countries, including the oil-exporting countries, had been much less, an average of 4 per cent, and they continued to suffer from the lower prices for their commodities and the decline in the volume of their exports, leading to a balance-of-payments deficit. The economic analysis presented to the Council by the Executive Secretary of ECA (2071st meeting) had shown a most sombre picture, especially for the least developed countries of Africa.

14. His country was one of the least developed of the developing countries, as well as being land-locked, and had suffered greatly from the world economic instability of recent years. There had been a modest improvement in 1976, however, when the GDP in real terms had decreased by only 0.4 per cent compared with the 2.2 per cent decrease in 1975.

15. In the face of so many problems, it was disheartening that the international community's search for solutions had achieved no tangible results over the past year, especially in the stabilization of commodity markets. If any headway was to be made on the issues discussed by the United Nations Conference on Trade and Development at its fourth session, political will was needed, especially that of the developed countries. There was now a slight hope that the world community was beginning to recognize the need for an integrated programme for commodities. Together with other members of OAU, his country was committed to an integrated programme and believed that a common fund for financing buffer stocks would give impetus to negotiations in that field. The developed countries should stand by their commitment to maintain stable funds for various commodities as an autonomous and key source of finance for stabilizing prices and markets.

16. His delegation, although greatly disappointed at the results of the recent Paris Conference on International Economic Co-operation, had always maintained that talks

about such crucial issues as development and raw materials should take place under the auspices of the United Nations, with participants placed on an equal basis. Long-term solutions for the developing countries must be found within the framework of the Programme of Action on the Establishment of a New International Economic Order. With political will, satisfactory results for the economic and social welfare of all parties could be achieved. The failure of the old economic order to meet modern challenges was obvious and the ills facing the world economy had imposed a demand for change. That demand represented a challenge to humanity to find a new order based on justice and equality to deal with the problems of poverty and deprivation facing the developing countries. The search for a solution was long and arduous but all countries had a common stake in development and stood to gain from a better world.

17. The success of the new order would be greatly aided by a restructuring of the old institutions and it was unfortunate that the work of the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System was making such slow progress owing to lack of political will on the part of some developed countries which seemed unwilling to change a system created by them for their own benefit.

18. His country had participated fully in the various activities connected with the United Nations Conference on Human Settlements, for it regarded human settlements policies as offering the most comprehensive approach to development. The environmental dimension was extremely important and development must focus on man as both the subject and the beneficiary of changes. The Vancouver Declaration on Human Settlements, 1976³² and the recommendations for national action³³ of the Conference were fundamental, and there again it appeared to be political will and total commitment which were lacking in implementing the provisions. His delegation had shown a flexible approach to the issue of institutional arrangements in the field of human settlements and had supported the establishment of an intergovernmental body having close relations with UNEP, headed by an Under-Secretary-General reporting directly to the Secretary-General and responsible for the United Nations Habitat and Human Settlements Foundation. The intergovernmental body should report to the General Assembly through the Economic and Social Council. Strong operational regional units should be established for implementing human settlements policies, including the recommendations of the Vancouver Conference. The Council should make efforts to resolve most of the issues so that at its thirty-third session the General Assembly could take the necessary decisions.

19. As world population increased, the world community should spare no effort to increase food production. The problem in Africa had been well documented by ECA. Concerted efforts were needed by the producers of agricul-

³² *Report of Habitat: United Nations Conference on Human Settlements* (United Nations publication, Sales No. E.76.IV.7 and corrigenda), chap. I.

³³ *Ibid.*, chap. XIV.

tural implements and machinery to make them available to farmers at reasonable prices.

20. His country had been a member of the Commission on Transnational Corporations since its inception and had played its part in the formulation of programmes of work. It continued to take a keen interest in the work leading to the formulation of a code of conduct to regulate and control the activities of those corporations, especially in developing countries. He hoped that, in line with the resolution adopted by the Commission at its third session in May 1977 condemning the actions of transnational corporations which continued to collaborate with the racist minority régimes in southern Africa (see E/5986, para. 14), the corporations would in future comply with all relevant United Nations resolutions. The home countries of transnational corporations should also comply with such resolutions. Some progress had been made in the related work on the problem of corrupt practices, but work on the drafting of an international agreement to prevent illicit payments in international commercial transactions should not begin until sufficient progress had been made on all the issues involved. The question of convening a conference of plenipotentiaries to conclude the agreement should be considered by the Council after the *Ad Hoc* Intergovernmental Working Group on the Problem of Corrupt Practices had had an opportunity to do further work. It was hoped that the Council would be able to take action at the summer session in 1978.

21. Co-operation among developing countries was an important factor in their development and should not be impeded by influences outside the developing countries. As a land-locked country, Uganda welcomed the creation of the United Nations Special Fund for Land-locked Developing Countries and appealed to all countries to pledge generous support to the Fund at the Pledging Conference to be held in New York in November 1977.

22. Mr. CASTELLANOS (Venezuela) said that no-one could be entirely satisfied with the outcome of the Conference on International Economic Co-operation. It was clear that only a sustained and combined effort by the entire international community could solve the vast and interrelated economic problems with which the world was faced. The industrialized countries now seemed to realize that they could not solve their own problems if at the same time those of the developing countries were not solved. The Conference had strengthened the unity of the developing countries, which had important instruments for negotiation and were prepared to use them reasonably but firmly. It was encouraging that the work begun at the Conference was to be continued within the forum of the United Nations, and it now lay with the General Assembly to adopt suitable decisions.

23. As far as energy problems were concerned, it was at the General Assembly, and not at the present session of the Council, that that question should be dealt with, since the problem called for a global and multi-disciplinary solution.

24. An essential part of the establishment of the new international economic order was the restructuring of the economic and social sectors of the United Nations system.

It was a matter of great concern to his delegation that the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System had so far been unable to fulfil the mandate given to it by the General Assembly. It was important that the system should be so restructured as to be able to deal effectively with the problems of international economic co-operation.

25. As a result of the Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the resolution on development and international economic co-operation, a new relationship between the developed and the developing nations had come about. The efforts being made were not simply to narrow the gap between them but to achieve a more equitable international distribution of economic wealth based on fairer methods of trade. The General Assembly, at its sixth special session, had recognized the new relationship when it had proclaimed the establishment of a new international economic order based on the restructuring of the trade and payments systems which had hitherto benefited certain privileged countries to the detriment of the vast majority of the world's peoples.

26. The economic growth of the developing countries was, of course, mainly their own responsibility. Nevertheless, those countries should not be expected to conform to patterns incompatible with their own political and economic needs and aspirations. It was in order to protect and promote those aspirations that the developing countries were organizing regional and subregional producers' associations. Their aim was not to disrupt any existing economic or political systems but to put an end to undue dependence on them.

27. It was essential, for the effective implementation of the new international economic order, that the developing countries should have reasonable security for their programmes through greater access to world markets. Progress in that matter during the past five years had been haphazard and the developing countries feared the development of a new wave of protectionism, which would affect them adversely, although they would have had no hand in the structural problems which had brought it about.

28. Progress in the transfer of technology to the developing countries had been meagre, although some developed countries had envisaged systems and reconstruction programmes as part of their own national legislation. There was also a regrettable tendency towards having recourse to bilateral assistance programmes and retaliatory measures whenever developing countries took steps to protect their sovereignty.

29. His delegation was convinced, therefore, that, although the developing countries themselves were responsible for their economic growth, the developed countries must contribute to it; as the President of Venezuela had said recently, the developing world would long continue to be an essential source of supply for the developed world's needs and an outlet for the developed countries' manufactures, and the consequent interdependence must be so organized that all would benefit.

30. Mr. FASLA (Algeria) said that, during the three years since the General Assembly's adoption of the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the international community had been striving to restructure international economic relations on the basis of equity, justice and co-operation and to put an end to the imbalance in North-South relationships which had hitherto prevented three quarters of mankind from achieving progress and prosperity. The need for a new international economic order was now stronger than ever, the more so since the recent protracted negotiations, both within and outside the United Nations system, had proved disappointing. The Conference on International Economic Co-operation had not resulted in any of the structural changes hoped for in the world economic system or responded to the developing countries' legitimate and realistic requests and aspirations. The only possible benefit arising from that Conference was perhaps an increased awareness and a clearer identification of the problems, whose examination should be continued within the United Nations system.

31. The dialogue had certainly not been broken off; indeed, that would have amounted to an acknowledgement that mankind was unable to face its problems or to discard narrow and immediate interests in order to work for a future in which the basic needs of life were guaranteed to all. The dialogue would, however, be meaningless unless it went beyond expressions of intent and produced a genuine and political will to bring about fundamental changes in present relationships, in accordance with the principles of the new international economic order, resulting in specific measures to implement both the Programme of Action adopted by the General Assembly at its sixth special session and the Charter of Economic Rights and Duties of States.

32. The developed world was called upon to provide, not occasional emergency schemes or assistance to prevent disaster in a particular region, but true international action based on the principles of the new international economic order and the implementation of a sustained programme to help the developing countries. Such action, by freeing the third-world countries from uncertainty and anxiety and giving them a fair share in decisions relating to the world economy, would make it possible to reduce the gap to which the Norwegian representative had referred (2064th meeting), which was intolerable and inhuman.

33. Since the seventh special session of the General Assembly in 1975, the developed countries had for the most part managed to overcome the economic crisis, but the developing countries in general continued to suffer from the inflation and recession in the developed countries and from the protectionist measures which the latter had adopted. The developing countries had suffered from market fluctuations in the value of the raw materials and foodstuffs on the export of which most of them relied and from the excessive rise in price of the manufactures and services they had to import. The resultant debt problems had not been solved by any of the subsequent conferences; in 1976, the external debt had amounted to \$190,000 million. The Kingston and Manila meetings on monetary reform had merely legalized the *de facto* situation arising from the current world economic structure; even the

multilateral machinery to adjust chronic balance-of-payments deficits was mainly centred on the rich countries' needs.

34. Although famine had ceased for the moment to threaten certain regions, the problem of assuring even a subsistence level was still the foremost worry in many developing countries. The entry into operation of IFAD and the World Food Council's decision at its third session to create reserve food stocks were welcome measures but fell far short of attaining the objectives of the World Food Conference held at Rome in 1974 and of responding to the hopes of the developing countries.

35. Even the modest aims of the International Development Strategy for the Second United Nations Development Decade had not so far been attained, because the developed countries' undertakings had not been followed by action. The limited success achieved had been essentially due to the developing countries' own efforts. Official development assistance had not even attained half of the 0.7 per cent target. As the representative of Iran had pointed out (2065th meeting), official development assistance from the richest countries had been falling constantly, in terms of GNP, since the 1960s and was in danger of falling further. Such an assistance programme would clearly work only when all went well, as the recent crisis in the Western countries' economies had shown. The Declaration and the Programme of Action on the Establishment of a New International Economic Order, and the Charter of Economic Rights and Duties of States, had in fact revised the concept of the Strategy and it was essential that the qualitative and quantitative objectives should be reviewed to bring them into line with those developments. The recent important studies carried out on the structural changes required in international economic relations were no substitute for political measures by Governments, which alone could bring about the desired changes.

36. His delegation attached great importance to the United Nations Conference on an International Code of Conduct on Transfer of Technology, to be held in 1978. Such an instrument should put an end to the *de facto* monopoly by the developed countries of science and technology and make the latter a factor of economic and social progress for all peoples. The developing countries would spare no effort to ensure the success of the United Nations Conference on Science and Technology for Development, to be held in 1979, whose main purpose would be to strengthen the technological capacity of the developing countries.

37. In according high priority to the establishment of a code of conduct for transnational corporations, the international community had acknowledged the urgent need to regulate the activities of those corporations so that they would cease to be a source of conflict and tension.

38. His delegation fully appreciated the work that the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System had carried out under its able Chairman.

39. The Council would be failing in its task of promoting the economic and social emancipation of peoples if it failed

to recommend more specific assistance, by the international community and the United Nations system, for the millions of people, particularly in Africa and Palestine, who were still the victims of foreign domination and colonialism, as well as for the "front-line" States which were sharing the burden with those peoples.

40. An essential part of the new international economic order was co-operation among developing countries. That co-operation was illustrated in the action programmes adopted by the meetings of non-aligned countries, the Conference on Economic Co-operation among Developing Countries (Mexico, 1976), the Arab-African dialogue and the assistance given by OPEC nations to other developing countries through bilateral or multilateral arrangements. The regional commissions, too, played an increasing role in such work and deserved further resources. Such co-operation demonstrated the determination of the third-world countries to achieve economic freedom in order to provide a future free from poverty, illiteracy and disease for their people. International co-operation could never, of course, replace countries' own national efforts in development, which called for sacrifice and the mobilization and optimum use of all national resources.

41. In facing the arduous tasks ahead, it was important for the international community to spare no effort to overcome the utter poverty still endured by half mankind. There must be collective and individual efforts to redress the imbalance between North and South; the speedy development of the countries of the third world must be the main concern of the international community and every effort must be made to establish the new international economic order without delay. The foremost requirement was the necessary political will, particularly on the part of the developed countries.

42. Mr. HARRIMAN (Nigeria) said that progress in world economic and social development, particularly in achieving the objectives of the Second United Nations Development Decade, had so far fallen short of the expectations of the vast majority of people. The development objectives and action programmes established by the General Assembly had prescribed only minimum measures to improve the lot of mankind in the third world. It was the legacy of former policies of exploitation and neglect, not any innate capacity or lack of will in the third-world countries, which prevented them from using their resources fully in the promotion of equality and interdependence in international and economic relations.

43. As the Executive Secretary of ECA had pointed out, Africa had fared worse than other regions of the third world; between 1960 and 1975, the annual GDP growth rate had been only 4.5 per cent, while imports had risen at 10 per cent per annum and exports had declined by 2.8 per cent per annum, with a corresponding increase in indebtedness. It was sad that trade and market considerations should be allowed to outweigh mankind's basic need for food, education, health and a decent environment. The President of the World Bank had pointed out that many people of the third world were victims of malnutrition, illiteracy and disease. Although the measures and policy aims relating to the Second United Nations Development Decade and the

establishment of the new international economic order and the specific proposals of the conferences on environment, food, population and water resources were reasonable, the industrialized countries had not yet shown the political will to commit themselves to the third world's development. His delegation was convinced that the targets set for the Second United Nations Development Decade could have been achieved.

44. The continued existence of racist régimes in southern Africa meant that the newly independent countries of that region had to expend valuable resources for their defence, in addition to the cost of dismantling the colonialist infrastructure left by the former administering Powers. Indeed, the legacy, in Africa, of slavery and colonialist fragmentation had left that continent with problems totally different in intensity and scope from those elsewhere in the third world. Transnational corporations continued to pursue monopoly interests and to collaborate with the remaining minority racist régimes, to the detriment of the legitimate aspirations of the majority of the people. Policies designed to improve international collaboration in trade, investment and technology transfer were still being frustrated, and certain international institutions, particularly IMF and GATT, seemed to be unaware of the plight of the third world. The industrialized countries too, despite the obvious interrelationship of development with trade and finance, were still half-hearted in their support of the third world's economic growth. Measures such as the provision of a common fund for financing buffer commodity stocks, and the provision of additional liquidity by IMF for the developing countries, had been discussed but not implemented. Similarly, the debt problems of the poorest countries had been debated but no action had been taken.

45. In order to ensure the third world's social and economic development, it was essential to provide measures for the transfer of science and technology from industrialized countries on suitable terms and to ensure the flow of development finance, access to markets, the protection of commodity export earnings for third-world countries and access to capital markets.

46. The conduct of international economic relations, and the question of related matters such as co-operation in the use of energy, must be subjected to democratic decision-making in a manner consistent with the ideals embodied in the Charter of the United Nations. The recent and regrettable tendency to discuss matters at unrepresentative conferences outside the United Nations system should be resisted. The subject of energy did not warrant a treatment or a degree of dedication different from that given to other subjects; the third world countries thought that the subject should be related to all the others, such as the problems of hunger, disease, the transfer of technology and the democratization of decision-making in the multilateral financial institutions. In that connexion, his delegation looked forward to the consideration of the Secretary-General's proposals but felt that the new energy set-up should be treated as an integral part of the new international economic order.

47. His delegation thought that the Council should examine the matters he had mentioned closely during the

remainder of the current decade, as a basis for action proposals for the next decade. It fully supported the projects proposed by the Council of Ministers of OAU at its eleventh extraordinary session, held at Kinshasa in December 1976. His Government had joined those of other African countries in proposals to strengthen ECA, which was in a unique position to act as a focus of regional and subregional co-operation in Africa. The proposed transport and communications decade in Africa would be an ambitious development programme which the international community, particularly the United Nations system, should support actively. The programme would represent the first regional, and in most cases the first subregional, attempt to replace former colonial fragmentation by an integrated system. His delegation would submit to the Council, at the current session, a proposal designed to involve the United Nations system in the process.

48. The third-world countries were fully aware of their own responsibilities in the restructuring of their social and economic systems and had collectively prepared action programmes for co-operation in trade and development. In the West African subregion, such efforts had already demonstrated the will to succeed. Those countries, however, needed the support of the industrialized countries and international organizations for technical assistance and capital to support regional projects. His delegation appreciated the efforts of countries such as Sweden and the Netherlands, which had exceeded the target prescribed for the current development decade and it welcomed the development assistance commitments announced at the Conference on International Economic Co-operation, the debt relief announced by Canada and the measures put forward by the OPEC nations in their bilateral and multilateral relations with other third-world countries.

49. There was an urgent need for a radical restructuring of the basic institutions concerned with international economic relations within and outside the United Nations system. Dynamic growth could be achieved only through enlightened public opinion and decisive political commitment, particularly in the industrialized countries. Those countries must discard their long-standing self-interests and recognize that the plight of territories still under foreign domination, particularly in southern Africa, was a threat to international peace and security. Failure by the developed countries to take a global view of international economic problems could lead to disaster.

50. The third world had for long enough been urging the imperative need for a new international economic order. It knew that there was general awareness of that need and it realized that the political problem inherent in the economic system of the market-economy States was unfavourable to rapid change in many sectors. It had to be recognized, however, that a more equitable distribution of economic affluence would benefit all and was not incompatible with the interests of those who at present had the economic advantage.

51. Mr. EL-FATTAL (Syrian Arab Republic) said that, as the Secretary-General had said, the task of the Council at its sixty-third session was not only to provide a comprehensive diagnosis of the world economic situation, but also to

make an in-depth appraisal of performance in relation to the objectives set for the Second Development Decade. It was the duty of the Council to study the causes of past failures and to analyse the reasons for the present economic and social crisis, in an effort to define a strategy for the third development decade within the framework of the new international economic order.

52. The North-South dialogue and the various meetings held in connexion with the implementation of the resolutions of the fourth session of the United Nations Conference on Trade and Development, especially those relating to the Integrated Programme for Commodities and the common fund, had not achieved any real breakthrough. Moreover, the debt problem of the developing nations had been entirely neglected, as had the protection of their export earnings and the regulation of the transfer of technology. More ominously, attempts had been made at the Paris Conference on International Economic Co-operation to confuse the issues, especially with regard to energy questions. In 18 months, the North-South dialogue had produced only the most modest of results.

53. The fact that the rich nations were becoming richer and the poor poorer demonstrated that world economic conflicts would lead ultimately to confrontation if they were not resolved through the concerted efforts of all States. Economies could not longer be separated from politics. The current distribution of wealth and labour was not very different from that prevailing in the colonial era. Terminology might have changed, but facts and power relationships had remained the same.

54. The resolutions adopted at the sixth and seventh special sessions of the General Assembly and the Charter of Economic Rights and Duties of States were not mere recommendations but contained obligations to be fulfilled in good faith. Whenever, therefore, a delegation declared that it maintained its reservations regarding those obligations, it was undermining the concept of interdependence and the global approach on which the new international economic order was based.

55. In his delegation's view, interdependence meant mutual dependence, and the corollary of a situation of mutual dependence was a just balance between the rights and duties of States. The Syrian Arab Republic was among those which believed that interdependence meant the responsibility of the rich developed nations towards the developing ones, and that the application of the principle of interdependence should be geared towards meeting the needs of the suffering masses, even though that might entail some sacrifice on the part of the rich.

56. The third-world countries were asking for a central role in the application of the principle of interdependence. It was not enough to say that they wanted a common fund for commodities, if, owing to existing power relations, the developing nations had no say in decision-making with regard to the fund. So far, the negotiations on individual commodities within the framework of the Integrated Programme for Commodities had proved to be procedural rather than substantive, indicating that the developed countries had approached the negotiations on a power-

related basis and not in accordance with the interests of the millions of people who toiled to produce the commodities.

57. The report of the Secretary-General on the progress achieved by Governments in the implementation of the Charter of Economic Rights and Duties of States (E/5999) clearly showed that the net flow of real resources to the developing countries had fallen far short of the targets set for the Second Development Decade. In 1975, only Sweden and the Netherlands had attained the official development assistance target. As far as concessional aid was concerned, the report showed that only that of the OPEC countries had attained 1.35 per cent of their GNP in 1975, a figure substantially higher than the corresponding percentage in the developed market-economy countries.

58. The external debt of the developing countries had grown to the staggering figure of \$180,000 million. That problem must be resolved at the third part of the ninth special session of the Trade and Development Board, to be held at the ministerial level in March 1978.

59. The Syrian Arab Republic had made self-reliance and co-operation among developing nations the basic objectives of its economic policy. When the Council came to discuss the ECWA report, his delegation would give facts and figures about the Syrian effort to create a self-reliant economy closely linked with the over-all interests of the Arab nations.

60. His delegation was glad to note that the historic process of economic co-operation among the developing nations had actually started to produce concrete results at the subregional, regional and, interregional levels. The foundations of that process had been laid at the Summit Conferences of Non-Aligned Countries at Algiers in 1973 and at Colombo in 1976, at the Mexico City Conference on Economic Co-operation among Developing Countries in 1976 and at the first Afro-Arab Summit Conference at Cairo in March 1977. At that Conference, some OPEC countries had decided to assign the equivalent of \$1,500 million to finance projects to assist African developing countries.

61. The racist régimes of Israel, Southern Rhodesia and South Africa were becoming daily more aggressive. That fact could be attributed, on the one hand, to the aid they were systematically receiving from the developed market-economy countries and, on the other, to the steadily rising tide of the national liberation movements. The new international economic order and the International Development Strategy would remain an abortive endeavour unless the bastions of racism and aggression in the Middle East and in southern Africa were forced to restore the rights they were usurping to their legitimate owners. The Declaration on the Establishment of a New International Economic Order emphatically reaffirmed the right of the colonial peoples to self-determination. In addition, one of the duties laid down in the Charter of Economic Rights and Duties of States was that of eliminating colonialism, neo-colonialism, *apartheid* and racial discrimination as a prerequisite for economic and social development.

62. While his delegation welcomed the Secretary-General's suggestions concerning the establishment of an

energy institution within the United Nations, it wished to stress that that question could not be considered in isolation from the new international economic order as a whole. The question of energy should remain an integral part of the negotiations on all other key issues.

63. His delegation deeply appreciated the work of ECWA and wished to congratulate the Executive Secretary on his comprehensive report (2071st meeting). The Syrian Arab Republic supported the activities of ECWA and its resolutions, particularly those relating to the participation of the Palestine Liberation Organization and of Egypt as full members of ECWA, and to the reconstruction of Lebanon. He was confident that the Council would whole-heartedly support those resolutions, which expressed the unanimous will of the ECWA member States.

64. Mr. EL-SHAFEI (Observer for Egypt), speaking at the invitation of the President, said that, when the International Development Strategy for the Second United Nations Development Decade had been formulated in 1970, it had been hoped that the Decade would witness decisive measures towards bridging the intolerable gap between rich and poor. Unfortunately, the inequalities between the developed and the developing countries were widening. The most disappointing aspect of all was the failure of the industrialized countries to contribute adequately to the development process.

65. His delegation wished to pay a tribute to the small number of Governments in the developing countries which had attained the target for official development assistance and to the Arab oil-exporting countries which had generously exceeded the official development assistance level. At the same time, it should not be forgotten that three years of the Decade still remained and that the commitments undertaken in 1970 were still valid and binding; he hoped that the remainder of the Decade would be utilized to redress the present dismal performance.

66. The strategy for the third development decade, to be planned at the thirty-second session of the General Assembly, would be no more successful than that for the Second Decade, unless the basic resolutions were translated into obligations and commitments for immediate action. The new strategy for the third decade should be elaborated within the framework of the new international economic order; the existence of a strategy based on that concept would provide a powerful unifying theme for international development co-operation during the next generation and would render the demand for the new international economic order more irresistible. The new strategy should also define more precisely the role of all countries, and the developed countries in particular, in the process of international co-operation for development, in which basic needs should be given top priority.

67. His delegation had been disappointed at the modest outcome of the Paris Conference on International Economic Co-operation, which had not made the anticipated breakthrough towards the establishment of the new international economic order.

68. It was true that the main responsibility for the development of the developing countries rested with the

developing countries themselves; the current decade had witnessed a sincere and continuous effort on the part of those countries to improve and consolidate their self-reliance and accelerate their social and economic development. The developing countries, however, were subject to a number of constraints beyond their control, such as the debt burden, which would reach the alarming figure of \$180,000 million before the end of 1977, and the fact that the average rate of growth of agricultural production, at 2.5 per cent, was identical with the growth rate of the population. Industry was growing at an uneven rate, with little or no hope of achieving the target of 25 per cent share in world industrial production by the end of the century. The growth in *per capita* GNP was well below expectations, and a number of developing countries and territories were still subjected to colonial and neo-colonial exploitation, foreign aggression, alien occupation, racial discrimination and *apartheid*. Those factors had an extremely negative impact on the development of the third world.

69. He noted with satisfaction the attention given by the Security Council and the General Assembly to the "front-line" States—Zambia, Botswana, Lesotho and Mozambique—which were exposed to continued aggression from the racist régimes of Southern Rhodesia and South Africa. Egypt, too, was a front-line country facing a similar racist and aggressive régime, which still occupied a vast area of Egyptian territory. It therefore keenly appreciated the problems of the front-line countries and the need for the international community to give them substantial support.

70. The international community should also continue and strengthen its action of solidarity in support of the recovery efforts and economic development of the drought-stricken countries. Another of the Council's duties was to give full and concerted support to Lebanon in its reconstruction efforts after the tragedy which that country had suffered.

71. The Egyptian Government was deeply convinced of the vital role of the regional commissions, which, with their competence and long experience, should be given a major role in accelerating the process of development at the subregional, regional and interregional levels.

72. Like the Secretary-General of the United Nations, the Egyptian Government attached great importance to the problem of energy. It was convinced, however, that the consideration of that question could not be treated in isolation, but rather as an integral part of the negotiations on all other key issues concerning the establishment of the new international economic order.

73. Mr. FREEMAN (Observer for Liberia), speaking at the invitation of the President, said that the international economic situation was bleak and threatened man's very survival. Social inequities and the flagrant denial of human rights continued in certain regions of the world and had assumed dimensions which adversely affected the lives of countless underprivileged people. Many were the victims of prejudice and hatred on account of their race, colour or creed.

74. That undesirable situation should be rectified immediately by the sympathetic understanding and effective

influence of all people of good will. Social injustice could no longer be tolerated. National policies which encouraged and fostered inequality, prejudice, hatred and persecution must be prohibited. The observance of human rights must be regarded as a sacred obligation.

75. Nevertheless, there was some consolation in the fact that the situation had proved to be transitory. Happily for all concerned, some of the under-developed nations which had been potentially dependent on some of the developed nations were now in a more fortunate and prosperous position. The former state of dependency was rapidly disappearing, thanks to the effectiveness of the United Nations, the States Members of which had agreed to work together towards better international understanding and co-operation. The system by which one nation became dependent on the "benevolence" of another was giving way to a new system in which multilateral negotiations on the basis of equality were the order of the day.

76. Nations were making strenuous efforts to explore and develop their natural resources and to promote better investment possibilities, with a view to utilizing and sharing the profits on a more equitable basis. In short, the nations of the world were making a concerted effort to make the world a better place to live in, with a wider horizon of progress, development and peaceful coexistence.

77. Liberia, Africa's oldest republic, had established an "open door" policy in order to encourage the development of foreign investments in Liberia. Under that system, foreign concessionaires investing in identified development projects in domestic-based industries, such as agriculture, fishing, forestry, manufacturing, mining and quarrying, were exempted from paying duties on the majority of imports required for the maintenance and operation of projects and were given attractive tax incentives, such as a five-year tax holiday and complete repatriation of capital, including dividends and profits.

78. Liberia welcomed foreign investments because the country could not generate sufficient capital to develop many of its available raw materials and agricultural products. Industries manufacturing products that could be sold locally, as well as exported abroad, were in great demand. Although Liberia had a growing economy, many of its commodities and most of its luxury items had to be imported, so that retail prices were often prohibitively high and out of the reach of the average citizen.

79. In order to include the majority of Liberians dwelling in rural areas in the mainstream of economic development, the present Administration had embarked on an integrated programme for the development of rural schools to function as centres of community activities. A Social Service Administration had been instituted to provide expanded social benefits to more Liberians. Reinforcing the open-door policy, President Tolbert had repeatedly encouraged all government agencies to continue to make Liberia's business climate even more attractive to foreign investors from all parts of the world. Liberia's open-door policy and Investment Incentive Code were the basis of the Republic's encouragement of the free enterprise system. Foreign

investors and companies could operate in Liberia as an entirely foreign entity, or in partnership with Liberians, or as a joint venture with the Government.

80. Although Liberia was not a member of any multilateral trading group, it had recently become a signatory to the Lomé Convention with the European Economic Community, and to the Economic Co-operation Treaty creating the Economic Community of West African States. It also had a Customs union arrangement with Sierra Leone.

81. The Liberian delegation welcomed the statement made by Mr. Andrew Young, the representative of the United States of America, at the sixty-third session of the

Council (2063rd meeting). The formula of practical aid which he had suggested could help to solve some of the most urgent economic and social problems of the present-day world.

82. His delegation wished to reaffirm its faith in the Charter of the United Nations and the noble ideals embodied in it. It appealed to all nations, in the midst of present vicissitudes, not to stress only the material aspects of life, but to give some thought to spiritual values, which in the final analysis could completely satisfy the highest human aspirations.

The meeting rose at 6.30 p.m.
