



**President: Mr. Salim Ahmed SALIM**  
(United Republic of Tanzania).

**AGENDA ITEM 3**

**Credentials of representatives to the eleventh special session of the General Assembly (continued):**

- (a) **Appointment of the members of the Credentials Committee;**
- (b) **Report of the Credentials Committee**

1. The **PRESIDENT**: The draft resolution recommended by the Credentials Committee in paragraph 19 of its report was adopted without a vote in the Committee. May I take it that the General Assembly likewise wishes to adopt the resolution without a vote?

*The draft resolution was adopted [resolution S-11/2].*

2. The **PRESIDENT**: I shall now call on those representatives who have asked to be allowed to explain their position.

3. Mrs. **NGUYEN NGOC DUNG** (Viet Nam) (*interpretation from French*): The delegation of the Socialist Republic of Viet Nam does not intend to call in question the decision of the General Assembly, which was just adopted by consensus, on the report of the Credentials Committee. Nevertheless, we do wish to denounce the non-representative character of the so-called delegation of so-called Democratic Kampuchea. The champions of that genocidal régime were toppled by the people of Kampuchea on 7 January 1979.

4. In line with its position of principle on this problem, my delegation staunchly supports the message dated 19 August 1980 addressed to the President of the eleventh special session of the General Assembly by Mr. Hun Sen, Minister for Foreign Affairs of the People's Republic of Kampuchea, which has been circulated as document A/S-11/16 and which states:

“... that the Revolutionary People's Council of Kampuchea, which is in complete charge of all of Kampuchea's internal and external affairs, is the sole authentic and legal representative of the people of Kampuchea”. [A/S-11/16, annex.]

5. Having said that, my delegation would like to enter a formal reservation regarding the validity of the powers of the so-called representatives of so-called Democratic Kampuchea in this session of the Assembly and to request that this statement be included in the records of this meeting.

6. Mr. **TSVETKOV** (Bulgaria) (*interpretation from French*): With regard to the report of the Credentials Committee, I have asked to be allowed to make the following statement on behalf of the delegations of the Byelorussian Soviet Socialist Republic, the People's Republic of Hungary, the German Democratic Republic, the People's Republic of Poland, the Czechoslovak Socialist Republic, the Union of Soviet Socialist Repub-

lics, the Ukrainian Soviet Socialist Republic and the People's Republic of Bulgaria.

7. The aforementioned delegations recognize the Revolutionary People's Council of the People's Republic of Kampuchea as the legitimate and sole Government of Kampuchea, because it is the Revolutionary People's Council which is fully exercising real and effective power in the country over its external affairs and is the faithful interpreter of the authentic feelings of the people of that country. Consequently, our delegations would like once again to express our position of principle that only those who have the official authorization of the Revolutionary People's Council of the People's Republic of Kampuchea hold full power authorizing them to represent the people of Kampuchea in the United Nations and in other international organizations. No one—least of all the people representing the criminal clique which was toppled by the people of Kampuchea, that clique which committed bloody and incalculable crimes—can assume that right by himself.

8. Mr. **CHAN YOURAN** (Democratic Kampuchea) (*interpretation from French*): The delegation of Democratic Kampuchea energetically opposes the presence of the Socialist Republic of Viet Nam at this eleventh special session of the General Assembly of the United Nations. That presence only does damage to the prestige of the United Nations, encourages the violation of its Charter and the establishment of the law of the jungle in international relations, which damages the establishment of the New International Economic Order.

9. Indeed, the whole world knows that Viet Nam is busy waging a war of aggression and racial extermination against Democratic Kampuchea, an independent, sovereign State and Member of the United Nations since 1955. Two hundred fifty-thousand soldiers and 50,000 civilians have trampled underfoot the principles of the United Nations Charter and those that govern international relations and continue to do so.

10. Furthermore, for nearly two years now Viet Nam has imposed on the people of Kampuchea a colonialist and fascist yoke of the most barbarous kind ever known in the history of mankind. To this day, nearly 3 million men, women and children in Kampuchea have fallen victim under it to conventional, toxic and chemical weapons and, especially, to the famine that the Vietnamese aggressors have deliberately created. Millions of others have become refugees in their own country. These millions of displaced persons, both inside and outside the country, have created for the international community a burden without precedent in history, requiring an effort that could have been better directed to the economic development of the country and of the most seriously affected nations.

11. Furthermore, Viet Nam has committed aggression against Thailand and is contributing to increasing the tension and destroying peace and security and stability in South-East Asia. It has obstinately, arrogantly and cynically refused to implement resolution 34/22 of the General Assembly which calls on it to cease its acts of

aggression in Kampuchea and to withdraw its troops so that the people of Kampuchea can exercise their sacred and inalienable right to manage their own affairs without any foreign interference.

12. Given the heroic resistance of the entire Kampuchean people and their national army under the leadership of the United Front for the National Salvation of Kampuchea and the authentic Government of Kampuchea, the regional Vietnamese expansionists find themselves in a total military, political and economic impasse with regard to Kampuchea. It is well known that these Vietnamese regional expansionists can at the present time pursue their aggression and crimes against Kampuchea only thanks to Soviet aid of more than \$US 3 million a day. Without that immense and criminal aid, the 250,000 Vietnamese soldiers and the 50,000 Vietnamese civilians could not remain very long in Kampuchea, and without their presence the Vietnamese régime installed in Phnom Penh would fall like a house of cards.

13. That is the present situation in the war of aggression waged by Viet Nam against Kampuchea which we wish to recall here today, and it is not the treacherous and grotesque manoeuvres embarked upon here or elsewhere by the Vietnamese expansionist imperialists and their masters to gull international opinion that will change the facts of their aggression and their crimes against Democratic Kampuchea.

14. Mr. SOUTHICHAK (Lao People's Democratic Republic) (*interpretation from French*): My delegation did not object to the adoption of the draft resolution contained in paragraph 19 of the report of the Credentials Committee. However, we wish to point out that the Lao People's Democratic Republic officially recognized the People's Republic of Kampuchea as soon as it came into being. We have unswervingly adopted this position at every international conference, and therefore we cannot now, when the situation in Kampuchea is progressively returning to normal under the People's Revolutionary Council of Kampuchea, change it in this regard.

15. On the contrary, we believe that it would be desirable, in the interests of peace and stability in South-East Asia, for the international community to cease interfering in the internal affairs of the Kampuchean people by seeking to impose upon them a genocidal régime which the people have definitely overthrown and instead grant recognition to the People's Revolutionary Council, which, since 7 January 1979, has been their sole, authentic and genuine representative.

16. In consistency with our position and, in particular, with the ideals of peace and non-interference in the internal affairs of other States, according to the Charter, we do not and will not acknowledge, either at this or future sessions, that the so-called clique of the criminal Pol Pot-Ieng Sary, which claims to represent the Kampuchean people, has any rights or powers.

17. I request that this reservation of my delegation appear in the official records of this special session of the General Assembly.

18. Mr. LECHUGA (Cuba) (*interpretation from Spanish*): I simply wish to place on record that we reject the representation of the so-called delegation of Democratic Kampuchea since it is well known that it represents nobody, least of all the people of Kampuchea, which this already non-existent Government oppressed and against which, furthermore, it committed the crime of genocide. The only legitimate Government of Kampuchea, as we all know, is the People's Revolutionary Council of the People's Republic of Kampu-

chea. The maintenance of this abnormal situation is only detrimental to the United Nations since its authority and even responsibility are impaired by acceptance of a group which, as I said, no longer represents the interests of its people.

## AGENDA ITEM 7

**Assessment of the progress made in the establishment of the new international economic order and appropriate action for the promotion of the development of developing countries and international economic co-operation (*continued*):**

- (a) **New international development strategy for the third United Nations development decade;**
- (b) **Global negotiations relating to international economic co-operation for development;**
- (c) **Other matters**

19. Mr. GAUCI (Malta): In a particularly demanding year for a President of the General Assembly in his arduous duties, it is my pleasure once again to express my compliments and appreciation to our President for his masterly performance. As he continues to guide us in the closing days of his term as President of the Assembly, I feel certain that his leadership will leave an indelible imprint on the annals of the United Nations. During that term of office, despite all odds, he refused to bow to the counsel of despair and frustration and, instead, with serene determination pointed out proper courses of action to enable us to surmount the difficulties facing the international community.

20. Perhaps most symbolic of our collective aspirations was the culmination, during his presidency, of the saga of Zimbabwe in a significant triumph of patient persistence, popular self-determination, racial rapprochement, independence and universality. On behalf of Malta, I extend warm congratulations to the Government and the people of Zimbabwe and wish them continuing success, assuring them of our co-operation at all times in the future as in the past.

21. As we survey international economic co-operation over the past five years, the conclusion of the Secretary-General seems inevitable. He said: "Indeed in a number of fundamental aspects of the new international economic order, progress has been negligible." [See *A/S-11/5 and Corr.1, annex, para. 368.*] The disillusionment arising out of this assessment is as deep as it is widespread. To us here at the United Nations, it is just a laconic phrase, no sooner uttered than dulled by repetition; to millions of people throughout the world, it is another dagger in their despairing hearts.

22. For those of us most directly involved in what has, with decreasing legitimacy, been called a dialogue, the sense of frustration is particularly sharp. Again we share with the Secretary-General the awareness that our so-called agreements have proved in effect to be more rhetorical than substantive and that, after so many years of attempts, even the modalities we have evolved for the major negotiations are weak and insufficient.

23. If there has been an absence of even a slow but noticeable cumulative positive movement in the endeavours to establish a New International Economic Order, the root cause must however be sought at much deeper levels than those of rhetoric and modalities. Time and again in our discussions the notion of political will recurs. Surely, a sincere political will must exist to face what, in the words of the representative of the United States, Mr. McHenry, constitutes "the greatest danger

to world peace in the coming decade", which he describes as arising "from the amalgam of economic, social and political problems that make the developing countries a tinder-box and invite outside Powers to fish in the troubled waters of third-world instability". There might be disagreement as to some of the assumptions behind that analysis, but its sharp awareness of the dangers inherent in the aggravating economic problems of the developing countries is common to all.

24. Here there is most certainly a compelling and noble basis upon which a collective political will can be forged, to which no electorate can fail to respond and for which no country or group of countries can conveniently shirk responsibility. Our collective task is to embark upon a programme of substantive common action in the economic field, whose results would undoubtedly benefit both the developed and the developing countries. Even at this late stage in our discussions, one could perhaps still argue that what so far has eluded us is a convergence in our different approaches, a coming together of what is being sought from one side and what is being offered from the other. But we must at least ask ourselves why it should take us so long even to embark on wide areas of common ground.

25. This lack of convergence manifests itself in the fundamentally differing evaluations which have been given concerning the specific international agreements reached in the course of the past few years. One thinks, in this respect, of the IFAD, the Common Fund for Commodities and the limited but concrete modifications in the operations of the IMF. If one considered those agreements in isolation, one could conclude that some progress is being registered. However, if one measures them in terms of the impact they have had, or may conceivably have, on the existing structure of international economic relations, there is no doubt that not only have we not registered significant progress but, on the contrary, the grim reality is that the situation for the developing countries is progressively deteriorating.

26. The traditional bias in the patterns of world trade is now aggravated by increasing protectionism in the industrialized world. Problems arising out of the rigid control over money and finance of a privileged few are compounded by the disarray in world financial markets through speculative fluctuations in exchange rates. The illogical and unjust international division of labour is being further entrenched by panic-induced safeguard measures based on short-term considerations in many of the major industrialized economies. The financial burdens on developing countries arising from price rises in such vital imports as capital and manufactured goods, raw materials, energy, food and services and technology are now beyond the limits of tolerance.

27. If we were to be objective, therefore, we could only conclude that we have in fact moved away from, and not in the direction of, a new just and effective international economic order.

28. At this special session the international community is giving itself two—probably unrepeatable—opportunities to resolve this impasse on the launching of the New International Economic Order.

29. For some time now, intensive preparations have been under way for the elaboration of a new international development strategy and the drawing up of an agenda and procedures for the launching of a new round of global negotiations. While there are a number of significant complementary aspects in these two initiatives, they do contain fundamental differences.

30. The strategy itself is an exercise in the traditional mould. Those parts of the draft text which have already been cleared are cast in the usual language of vague commitment of earlier agreements, while repeating and reaffirming resolutions whose contents we have all long forgotten. The question we must all ask ourselves at this stage is whether there is any whole-hearted commitment for the implementation of the measures being agreed to on paper. Are we not now at a stage when we should at least look introspectively at our actual experience of past negotiations and attempt to discern solid evidence that we are not merely repeating the tedious, unproductive patterns of the past?

31. There are a few major areas in the draft of the international development strategy on which agreement on the objectives and policy measures to be pursued is still proving difficult to achieve. Those areas relate mainly to the questions of energy and of money and finance. On these questions major disagreements also persist in the discussions on the agenda for the global round. Some would see in this a significant element of linkage between the international development strategy and the global round. Beyond the obvious similarities, however, it is not useful to pursue this type of linkage. The agreements to be reached in the strategy are by definition normative and cover an extended time span. The language in which they are couched is essentially generic; the nature of the commitment entered into is imprecisely defined.

32. These global negotiations are intended to be much more specific, action-oriented and time-bound. The commitments entered into within the context of the negotiations must be much more precise; the nature of these commitments and how they are to be defined are in themselves major issues in the discussions on this particular subject.

33. One element of controversy during the long, dreary and largely futile preparatory work which has been undertaken on the agenda for the global round has been the question of the relationship between the conjunctural issues facing the world economy and the more long-term structural issues. It has been the consistent position of the Group of 77 that most of the current international economic disarray stems from the structural inadequacies of the present international economic system.

34. The poverty, illiteracy, malnutrition and ill-health which prevail among the majority of mankind can be directly traced to the lopsided international trading patterns which exist, to the entrenched inequity in the current international division of labour, to the rigid control over international wealth and transactions by a minority of powerful vested interests, to the biased concentration of technological research—all too frequently within areas of irrelevance—and to the voracious appetite for allocation of much-needed resources to weapon systems of mass destruction.

35. The alleged dichotomy between immediate and long-term measures does not exist in practice. We are not lacking ideas, or even detailed agreements in certain cases, on what should be done on an emergency basis—be this in such areas as trade deficits, debt, food, security or disease-eradication.

36. No new programmes require elaboration. All that is required is that what has been agreed to in the past be implemented with enthusiasm and goodwill. Time and again, for example, resolutions have been adopted identifying specific problems in the developing world and proposing concrete solutions. As an island develop-

ing country, Malta has been particularly concerned with the programme of action envisaged for this disadvantaged category of countries. The Secretary-General's report contains the following comment illustrating the fate of such proposed action:

"In its resolution 34/205 the General Assembly invited UNDP and other competent institutions to co-operate with UNCTAD in the programme of activities envisaged in paragraphs 4 and 5 of resolution 111 (V), and called upon the regional commissions urgently to identify appropriate action in favour of the developing island countries in their respective regions. UNCTAD is pursuing the programme of studies in collaboration with other organizations." [A/S-11/5 and Corr.1, annex, para. 313.]

37. Having taken the trouble to delve deeper into this particular subject, because it is of immediate interest for us to do so, we find that no concrete action has in fact been undertaken in terms of paragraphs 4 and 5 of UNCTAD resolution 111 (V).<sup>1</sup> Somewhere along the line the initiative launched over 16 months ago has been stalled. Unfortunately, that happens all too frequently.

38. That is only one example—perhaps a minor one but indicative of many others. This situation strengthens our conviction that what must now be tackled are the root causes of this malaise—those causes which time and again lead us to prescribe remedies which we never really intend to apply, for which indeed very often we do not even have the proper mechanisms which would ensure effective implementation. And if we try to devise these mechanisms, we somehow stray from our objective and deviate our energy on procedural issues, losing sight thereby of our original objective.

39. This question of mechanisms relates in many ways to the controversy over the question of procedures for the global round. Much has been said about the wisdom of dealing with specific issues in the appropriate forums. The developing countries have explained their concerns with these arguments. First of all, in a number of instances the structures of the particular forums are themselves elements of controversy. Secondly, we are supposed to be already agreed that the global negotiations must be conducted in a coherent and integrated manner. It is furthermore the objective of the developing countries to ensure that all States participate equally in these negotiations, on a full basis. The exclusive utilization of separate forums will be to negate these objectives. No doubt agreement could be reached to utilize the existing forums as appropriate, within the general framework of the global negotiations. But we can hardly be expected to agree to operate within those mechanisms whose structural reform is one of our most immediate objectives.

40. Given the complexity of the controversies which engulf us, the question must now be posed whether any optimism is warranted even at this very late hour of our deliberations. Among an alarming combination of disheartening factors there are two positive elements which can perhaps be identified.

41. First of all, there is the growing acceptance in the developed world of the analysis by the Group of 77 of the inequities within the present international economic system and their harmful effects for all concerned. This sense of urgency inspiring the collective action of the developing world is increasingly being shared by influ-

ential elements in the industrialized world. This development has not yet, however, reached the stage where the powerful vested interests resisting change have been completely overcome. It is steadily bringing about the isolation of those vested interests in so far as it highlights the fact that the structural changes demanded by the developing countries constitute the most effective remedies to the disorder which has crept into all the major economies.

42. The second positive element resides in the role being assumed by oil-producing developing countries. There has been much misunderstanding of that role. In the industrialized countries voices persist in seeking to put the blame for the current international economic disorder upon the shoulders of the oil exporters. It is not out of any herd mentality that the developing countries refuse to follow the logic of this analysis. It requires no argument to convince anybody that the oil exporters did not play any role in creating the rules of the game of the current international economic system within which they are now forced to operate.

43. There is indeed a grim irony in the fact that in the single instance in which the rules of their own game—as devised by them—have proved to be to their detriment, the industrialized economies are raising a cacophony of complaint. In fact, what is unique and historic in the role being adopted by the large majority of oil exporters is that they are showing their willingness to utilize their newly acquired strength to seek to bring about changes in that very system which is working in their most immediate interests. It is in the perspective of this analysis that the solidarity of the developing world assumes the relevance and vitality which constitute the most encouraging aspect of international economic relationships at the present stage.

44. The same solidarity which underlies the common endeavours of the developing world in North-South negotiations finds reflection in the equally important endeavours towards collective self-reliance. There is a clear and deep-rooted awareness emerging among all developing countries that their common objectives of achieving a restructuring of international economic relations can only gain strength and credibility through effective measures of South-South co-operation.

45. Within its obvious framework of shared problems and objectives the developing world contains its own measure of differences in economic potential and achievement. Our full awareness of this reality and our expressed willingness to meet the challenges it imposes add even further to the effectiveness of our collective endeavours. In particular those of us in the developing world who are small and weak look to those of our brothers blessed with a more promising potential for understanding, help and support.

46. At the global level many projects for economic and technical co-operation among developing countries have been proposed, and in respect of some of these proposals encouraging developments have already emerged. Malta is participating most enthusiastically in these developments.

47. It is our belief that measures of regional and sub-regional co-operation among developing countries constitute an urgent and necessary dimension of our common endeavours towards collective self-reliance. In its own region of the Mediterranean, Malta has taken a leading role in harnessing the immense potential which exists for schemes of regional co-operation. We have sought to promote and to launch such schemes within the context of the Non-Aligned Movement and the Group of 77. We have also been in the forefront of

<sup>1</sup>See *Proceedings of the United Nations Conference on Trade and Development, Fifth Session, vol. I, Report and Annexes* (United Nations publication, Sales No. E.79.II.D.14), part one, sect. A.



endeavours to ensure that our brothers in the developing world are given a direct and effective role in measures towards peace, security and co-operation in Europe, which we consider to be integrally related to peace, security and co-operation in the Mediterranean. We have sought to cement our regional endeavours through a consistent policy of close and enduring bilateral relationships with all of our neighbours.

48. The collective endeavours of the developing countries, be it at the regional, interregional, subregional or global levels, are spread over the whole spectrum of development activities, including the increasingly critical field of the development of additional sources of energy.

49. None of us is under any illusion about the problems which have still to be overcome. In its own region of the Mediterranean, where Malta has striven with others to overcome so many of the problems which were to be anticipated, we are unfortunately currently witnessing problems being laid in the path of co-operation among developing countries from a source and in a manner entirely unexpected.

50. We remain convinced, however, that throughout the development world the immense fund of perseverance, tenacity and goodwill will prevail, not only against what we hope are the temporary obstacles which may emerge from time to time from within but also against the formidable obstacles still entrenched in the structure of international economic relationships as they exist at the present time.

51. By the end of this decade the children born in the early days of the initiatives for the launching of the New International Economic Order will be on the threshold of maturity. They will in a most literal sense be taking over the legacy we shall have prepared for them. They will judge us as we have judged our forefathers—by the results achieved, and not by the force of our rhetoric, nor even by the sincerity or otherwise of our intentions. It is reasonable to assert that the decisions which we take or fail to take at this special session will have a significant bearing on the course of international economic co-operation over the coming decades. In many ways this special session therefore constitutes a last opportunity, a watershed, for us to prove that the methods we have so far advocated in theory but not yet applied in practice—the methods of reason, of the peaceful exchange of views, of mutual respect and understanding—are valid. If we permit those methods to fail, we can only expect that those who come after us will have to choose other methods.

52. Mr. TAYLOR (Grenada): On behalf of the People's Revolutionary Government and the people of Grenada my delegation wishes to express to Mr. Salim our warmest greetings. We are confident that with his deep commitment and proven ability he will guide these deliberations in a manner which will guarantee their success.

53. The people of Grenada join with all freedom-loving peoples of the world in welcoming Zimbabwe to the United Nations. We hail the decisive victory of our brothers and sisters in Zimbabwe under the leadership of the Patriotic Front. We know that that victory over the murderous, racist, fascist clique and its imperialist supporters demanded long, hard and dedicated struggle. That victory serves to strengthen the bonds between all oppressed peoples struggling against imperialism, colonialism, neo-colonialism, *apartheid*, racism and fascism. That victory is a lesson for us all.

54. We strongly support the view that the existing international economic order, which is characterized, *inter alia*, by inequality, domination and dependence, must be speedily replaced by a new order based on democracy and equity. As we echo the call for this New International Economic Order, we must also offer a principled assessment of the main reasons why progress towards achieving the objectives of a new order has been limited. In general we agree that the reasons are those that are presented as “stumbling blocks to progress” and discussed in the Secretary-General's report [A/S-11/5 and Corr.1, annex, chap. I, sect. E]. However, we strongly endorse the view put forward by Mr. Rao, Chairman of the Group of 77, that the fundamental reason relates to a lack of political will which has been, and remains, the major constraint [2nd meeting, para. 90].

55. As we now meet to deal with the new international development strategy and the global round of negotiations, we urge those who “hold the steering wheel of the world economy” not to reverse or to zigzag but rather to move forward towards the promotion of mankind's socio-economic progress and the total elimination of inequity, exploitation and material deprivation the world over. We must ensure that the policies and programmes which are adopted here move beyond mere declarations of good intent and manifest themselves concretely in activities geared towards meaningfully restructuring the world economy.

56. This debate is taking place at a time of severe tension in the international political and economic arena. Poverty and material deprivation still characterize the lives of millions of people in the developing countries. And for us there can be no development in a world in which 1,294 million people in the least developed countries have an average *per capita* annual income of \$200. There can be no development in a world in which for those dispossessed millions the life expectancy at birth is 50 years. There can be no development in a world in which in the least developed countries 62 per cent of the people are illiterate. There can be no development in a world in which for millions in those poor countries there is one doctor for every 9,900 persons and one nurse for every 8,790 persons, and 72 per cent of the population have no access to safe water. In short, there can be no development in a world in which such horrendous conditions plague millions of the world's dispossessed people.

57. Many developing countries continue to exist as raw-material appendages of the developed capitalist economies. Simultaneously, those developing countries still function merely as markets for the finished products of the developed capitalist world. In our own experience, 95 per cent of our merchandise exports are primary agricultural commodities sold mainly to three developed capitalist countries. At the same time, all the commodities we need—consumer goods, intermediate products and all means of production—have to be imported. Until recently, all our imports were obtained from the developed capitalist States. Our Government is consciously seeking to reduce imports of non-essential commodities and to reorient the suppliers of necessary imports towards those which can offer us better prices and more favourable credit terms.

58. Integration into the world capitalist economy has left our country, like all colonies and former colonies, with a deformed economic structure. We feel that the meaningful economic transformation of poor, developing countries must combine internal with external processes, which are closely interconnected. Our experi-

ences have taught us that failure to deal positively with the external or international aspects creates serious problems for the internal processes.

59. The foregoing analysis is of even greater relevance for small States in the international community. We recognize that for countries like ours the small scale is the context in which the development process must occur. We also recognize that, given that objective limitation, any serious development effort implies that our economy must be export-oriented, with export promotion and export sales given high priority. The small scale, however, also implies that what may be insignificant levels of assistance in the context of large-scale economies could play a major part in the development thrust of mini-State economies.

60. We sincerely feel that the work of this special session will not be complete if the special disabilities experienced by small States remain unalleviated.

61. We wish to select, for brief discussion, three issues from the myriad critical problems facing our peoples today.

62. First, we refer to the issue of primary commodity trade and development. This has been characterized by unequal exchange, price instability and many other imperfections. Primary producers have had little opportunity to maximize the benefits available in the processing, transporting and distribution of their own commodities. The compensatory financing facility of IMF and the European Economic Community's Stabex scheme, although in operation, suffer from certain inherent limitations. We are very concerned that in the vital area of strengthening and stabilizing commodity markets there has been little progress. We therefore urge the speedy implementation of the agreement on the Common Fund for Commodities to stabilize primary commodity prices at remunerative levels, and we endorse the call for the second-window facility of the Common Fund to provide financing for the processing and marketing of primary commodities—sooner rather than later; today instead of tomorrow.

63. Secondly, as numerous reports have indicated, there are glaring deficiencies and numerous shortcomings in the over-all flow of development finance to poor, developing countries. The World Bank, in its most recent report, has issued a challenge to the developed world in its statement to the effect that

“... there remains a clear need for additional resources to allow the developing countries to adjust to changed external conditions and at the same time maintain acceptable growth. Without such resources, the chances of successful adjustment in 1980-1985 will be much reduced; consequently, the recovery projected for 1985-1990 would be weakened and longer-term development goals jeopardized”<sup>2</sup>

64. Poor, developing economies need programme loans to assist them in their development processes. Poor, developing countries need export credit finance to facilitate the extension of credit, so as to promote their exports. And, as we have already indicated, our countries need financing to stabilize commodity prices.

65. However, as we have heard in this session, official development assistance is still less than half of what was targeted and all indications suggest that no improvement will take place during the next five years. Our delegation supports the call of the Brandt Commission for a rapid growth in aid to poor countries. We urge the

developed capitalist countries, however, to ensure that that assistance is given in a principled and genuine manner, geared only towards promoting genuine economic development in the recipient countries.

66. Simultaneously, we call on those developing countries committed to the New International Economic Order to recognize the need for a new domestic economic order, to get our internal development processes under way. In that context, we must always be ready to use our resources productively and in the interest of the majority of our peoples. We must always be ready to fight against the neo-colonialist domination of our economies. We must always be ready to exercise control over imperialist monopoly concerns which threaten our development efforts. For us poor developing countries there can be no meaningful development without both a New International Economic Order and a new domestic economic order.

67. Thirdly, issues related to co-operation are very important for developing countries. Our historical experience has tied us economically and politically to imperialism. Those relations continue to be unequal, one-sided and exploitative in character. We cannot, therefore, fail to recognize the significant advantages which accrue to the developing countries when we work collectively and evolve common policies and programmes to promote the economic welfare of our peoples.

68. We also recognize, as stated in the Secretary-General's report [*A/S-11/5 and Corr.1*], that there are numerous benefits to be derived by developing countries from widening and deepening our economic relations with the world socialist community.

69. Our delegation strongly supports the view that the public sectors of poor developing countries must play a leading role in the development processes of those countries. Developing countries must not allow the centrally planned nature of the economies of the socialist countries to act as a constraint in the development of meaningful economic co-operation. On the contrary, elements of that feature of economic management must be introduced to help to solve our economic and social problems. Economic co-operation with socialist countries, therefore, provides us with a basis for developing our planning processes and mechanisms.

70. Poor, small, developing countries like Grenada are committed to winning the economic war against poverty and material deprivation. But as we struggle towards those principled objectives, there are those among us who display patterns of behaviour which can be interpreted only as neo-colonial and imperialist. Their activities are geared towards halting the progress of mankind and reimposing economic and political relations characterized by exploitation, inequality and dependence. Grenada has been and continues to be adversely affected by such wicked and unprincipled acts.

71. Our country strongly supports all those proposals which seek to halt the arms race and to end the wasteful military expenditure of more than \$450 billion. We endorse all genuine measures for the promotion of international peace and security. We desire a world system in which mankind can survive and in which exploitation and material deprivation are banished forever.

72. Allow me to repeat the words of our esteemed Prime Minister Mr. Maurice Bishop, spoken at the thirty-fourth session of the General Assembly:

“Winning the economic war against imperialism and its concomitants—poverty, high unemployment,

<sup>2</sup>See *World Development Report, 1980*, Part I, p. 31.

poor health, and the alienation of the people from the fruits of their labour—requires us to conduct struggles on both the domestic and international planes. As sovereign Governments we are separately responsible for our own programmes of economic transformation, but our international solidarity and co-operation are critical for meeting our goals.

“The present distribution of world economic power, wealth and living standards is manifestly unjust. It derives from the long history of imperialist expansion and control of the third world. We seek to change this order and to substitute for it a new international economic order, but we must be clear about our conception of it.”<sup>3</sup>

73. Mr. MANSOURI (Syrian Arab Republic) (*interpretation from Arabic*): I should like first of all to communicate to Mr. Salim the pleasure of the delegation of the Syrian Arab Republic at seeing him preside over the meetings of this eleventh special session of the General Assembly. His wide experience in presiding over the thirty-fourth regular session and the seventh emergency special session, and his achievements thus far, make us confident that he will be able at this current session to lead us to further success and progress towards the establishment of a New International Economic Order which would meet the needs of the majority of the world's peoples.

74. On this occasion we should also like to congratulate the Republic of Zimbabwe on its admission to the United Nations after the bitter struggle waged by its people, under the leadership of their militant leader, Robert Mugabe, against the colonialist occupation which was based on racism and exploitation. We should also like to express to the great people of Zimbabwe our best wishes for prosperity and progress and to reaffirm the readiness of the Syrian Arab Republic to co-operate with this militant people in the continued realization of our common objectives.

75. Numerous speakers who have preceded me at this rostrum have expressed their views on the world economic situation, which is characterized by dissension and instability both as regards the international economy and world politics. There is no doubt that today the international community faces one of the most serious crises since the economic depression of the 1930s. It is incumbent upon this Assembly at its special session to demonstrate its ability to shoulder the greater part of the responsibility for the vast activity required to overcome the world economic crisis.

76. We have no doubt that this special session is vitally necessary. It is timely too, in that it provides an opportunity for the countries of the third world to demonstrate their solidarity and unity in carrying out a joint action designed to change the pattern of existing relations based on the exploitation by the minority of the overwhelming majority of the world's people. Justice, equality, freedom, independence and the maintenance of international peace and security are the ideals on which the United Nations was founded. Moreover, the economic and social development of developing peoples and countries was foremost among the objectives set forth in the Charter.

77. We note that, although more than a quarter of a century has passed since the establishment of our Organization, injustice, poverty and exploitation still hold sway over three quarters of the globe, in contrast

to the prosperity and wastefulness in the remaining fourth. This is a fact which has been confirmed by United Nations statistics. In spite of the numerous attempts made by the United Nations since the sixth and seventh special sessions of the General Assembly [*resolutions 3201 (S-VI), 3202 (S-VI) and 3281 (S-VII)*], and in spite of General Assembly resolution 33/198, we note that only limited progress has been achieved in implementing the Declaration and Programme of Action for the Establishment of the New International Economic Order proclaimed and endorsed by the General Assembly at those two sessions. The determination of the General Assembly to formulate a new international development strategy and to initiate global negotiations on international economic co-operation for development [*resolution 34/138*] has not yet been translated into practical terms. The report of the Director-General for Development and International Economic Co-operation, contained in the annex to document A/S-11/5 and Corr.1, which is before the Assembly, describes the modest steps taken towards the implementation of the objectives of the Declaration on the Establishment of a New International Economic Order. The report also refers to the fact that the negotiations conducted towards the achievement of this objective have led to very meagre results which fall short of the desired goal.

78. We must refer to the fact that efforts have been made by the developing countries during the sixth and seventh special sessions of the General Assembly, as well as the Paris sessions of the North-South dialogue, held from 30 May to 2 June 1977, and the fifth session of UNCTAD, held at Manila from 7 May to 3 June 1979, to convince the developed industrial countries to co-operate in the establishment of the New International Economic Order. Yet, despite these efforts, those countries have continued to place obstacles in the path of the desired co-operation and have clung more and more to the advantages they enjoy under the existing monetary, trade and economic system, which is itself far removed from justice and is based on exploitation. Thus, it is only natural that General Assembly resolutions have not been implemented and that the Paris and Manila conferences should have met with failure. We have no doubt that a continuation of this situation would inevitably lead to the widening of the gap separating rich from poor countries and would further deprive the developing countries of the means for the achievement of economic development, particularly of the right to acquire modern technology, which is indispensable for that development.

79. We must also refer in this connexion to those who are responsible for this situation and to unmask before world public opinion the unacceptable practices of some developed industrial countries in co-operation with transnational corporations which infringe on the sovereignty of developing countries and violate the principle of non-interference in the internal affairs of States and the right of peoples to self-determination. They force these countries to sell their primary products at very low prices at a time when they are increasing the prices of their manufactured goods; this has begun to threaten the economies of the developing countries with dislocation.

80. We should like to draw attention to the danger of believing the arguments put forward by some of the developed industrialized countries, which seek to attribute the causes for the economic crisis and the current international inflation to the so-called energy crisis and to blame the developing oil-producing countries for

<sup>3</sup>See *Official Records of the General Assembly, Thirty-fourth Session, Plenary Meetings*, 27th meeting, paras. 35 and 36.



this situation. The energy crisis is not an independent phenomenon, nor is it isolated from other problems. It is an outcome of the continued imbalance between supply and demand. The unjustly low prices of oil for a long time in the past also helped to favour rapid industrialization in the developed countries, whereas we note that the prices of the manufactured goods exported by these countries to developing countries have soared.

81. My delegation would like to refer to the fact that, in the sphere of international economic co-operation, it is necessary to emphasize the importance of the principle of equality and mutual benefit and the rights of countries to choose their social and economic development system, to exercise true sovereignty over their natural resources and to adopt the necessary decisions concerning the establishment of external economic relations, as well as the right to control and organize foreign investments and to control the activities of monopolies. The issue of national independence and international security are closely related to the requirements of development and international economic co-operation. The struggle of peoples against economic exploitation, particularly against neo-colonialism in its economic form, is closely related to the struggle of countries of the third world for their political and economic independence.

82. My delegation is of the view that developed countries must be more positive in their co-operation and must extend further assistance to the development programmes of developing countries, instead of trying to obstruct those programmes. Any progress or development achieved by developing countries would without doubt be reflected in closer relations between these countries and the developed countries.

83. Numerous speakers have painted a dark picture of the present international situation and of the threatening famines and shortages of foodstuffs. My delegation, therefore, would like to refer to the need for the international community to concentrate its efforts on increasing the production of foodstuffs and primary goods and to increase co-operation between the developing and the developed countries in order to promote the production of those items, as well as other raw materials, for the benefit of all mankind. In this connexion, we must underline the importance of using the surplus of primary goods to boost development at the regional level, first, and later throughout the world. We must also point out, in this respect, the fact that hundreds of millions of dollars are spent annually on armaments and to serve the military economy of countries engaged in such activities. Such expenditure does not come within the framework of development and does not serve the purposes of development. My delegation hopes that a small portion of the expenditures of the developed countries on military equipment will be shifted to assistance for the many developing countries in Asia, Africa and Latin America, the majority of which are in need of only a few million dollars in order to carry out some of their development projects.

84. If this session is to succeed in achieving its objectives, some political steps and practical measures should be taken in order to reduce the differences of view and to advance the process of global negotiations.

85. We think that it is necessary for those negotiations to be comprehensive and to cover all the pending issues and problems. At the same time, we see no reason to study the issues in isolation at this stage, because that is likely to impede our progress towards the achievement of our objectives. This special session of the General Assembly should also adopt the objective proposed by

the Group of 77, which calls for a development target of 0.7 per cent during the 1980s.

86. We should like to reaffirm that it is necessary to establish an atmosphere of co-operation and consensus between the group of developed countries and the group of developing countries in order to create increased mutual confidence in trade and economic relations and, consequently, to ensure respect for the political and economic sovereignty of all countries.

87. Within the framework of that co-operation, we must also concentrate on the need to ensure closer co-operation among the developing countries and, in particular, within the framework of the group of Non-Aligned Countries, in accordance with the Declaration adopted by the Heads of State or Government at the Sixth Conference of Non-Aligned Countries, held at Havana from 3-9 September 1979, which called for collective self-reliance. We have no doubt that numerous developing countries themselves possess the potential and the necessary expertise to be able to assist other developing countries and to exchange experience in this field.

88. In conclusion, I should like to say that the world today is looking forward to the outcome of this important economic session and to the recommendations and resolutions to be adopted. Those decisions will have a far-reaching and positive impact on the progress of the new world economic system which is sought by the international community as a first step towards ensuring greater co-operation for the development of the developing countries and to establishing an integrated community of mankind based on a more just and equitable economy for the benefit of all the peoples of the world seeking a better life and a brighter future characterized by prosperity and justice.

89. The establishment of justice and equality among all peoples calls for an end to injustice and occupation and for the implementation of the right of all persecuted peoples to self-determination. In this context, the region of the Middle East at the present time cannot experience any real measure of economic prosperity until the forces of Israeli aggression withdraw from the occupied Arab territories and until the people of Palestine are able to exercise their right to self-determination and establish their independent State.

90. Mr. PIZA ESCALANTE (Costa Rica) (*interpretation from Spanish*): At this stage of the debate when practically everything has already been said and, given the frustrations which this Assembly seems to be expressing, I wonder whether there is any purpose in adding more words to the endless chorus of so many poor peoples, who are demanding an urgent and radical change on behalf of understanding, solidarity and justice, and of so many wealthy Governments which are resisting that change, blaming inequality on the former, calling for a "realism" which is no more than justification for short-sighted selfishness or, at best, when they feel generous or have pangs of conscience, confusing justice with charity.

91. Despite all that, perhaps it would not be out of place to make some specific remarks which will at least represent the discharge of a responsibility and which might contribute to clarifying the picture we all see before us.

92. In this respect, I think we should begin with a reaffirmation, or rather a redefinition, of the very concepts on which this Assembly turns, because apparently we do not always all have the same thing in mind when we try to assess the results of the long struggle for



a New International Economic Order or, to that end, to lay the foundations for a new development strategy. Our understanding of our respective responsibilities and commitments is not the same when we undertake negotiations for international economic co-operation and we do not always have the same idea of what that New International Economic Order, to which we all proclaim we aspire, should be.

93. With respect to the development strategy, we are not yet quite certain as to whether we all agree on the meaning of "development", which is so often confused with mere "growth" or carried to the simplistic extremes of "developmentism"; nor do we know whether we agree as to where the sovereign responsibility of each people ends in determining its own development model, which is an essential part of its right to self-determination, and where the responsibility of the international community and of the States which constitute it begins.

94. As the Vice-President and Minister for Economy of Costa Rica, Mr. José Miguel Alfaro, stated at the recent ministerial meeting of the Group of 77, for our country, situated clearly among the countries of the third world and clearly committed to representative democracy with freedom, to fundamental human rights and to the principles of the United Nations, to speak of economic development is meaningless unless it is conceived as being part of an indivisible whole, together with social, cultural, spiritual and political development for each people and for each human being, within a broad concept of integral development. We believe that development is hardly worth-while unless it means the simultaneous enrichment of all the potentialities of men and women, to serve whom is the sole justification of any collective effort; nor is it worth-while to have economic growth which does not go hand in hand with equitable distribution and neither has meaning without the active participation of each people, each community, each person in the collective efforts and benefits.

95. So that when we speak of the international undertaking for development, we reject any paternalism that would seek to impose given development models on peoples; and we therefore believe that what we are trying to do on the international level is to establish conditions to make development possible on the basis of a more universal idea of justice—no less, but no more.

96. Likewise, we believe also that when we are determining the obligations and responsibilities of one side or the other we have to rule out the idea of "charity" in international relations, an idea which is frequently encouraged by both the developed countries to soothe their conscience by offering their alms to the poor, and by many of the latter, who hasten to stretch out their hands begging for alms.

97. We urgently need to replace words such as grants and aid in the very language of our negotiations: by co-operation and community, in a world which must feel its solidarity because of its demonstrable interdependence. Therefore, we must conduct these negotiations with a clear sense of collective effort, on a footing of equality, based on mutual respect, mutual interest and justice. Let us not forget the warning of the illustrious former President of Venezuela, Mr. Rafael Caldera, who said the following in this Assembly:

"In this age of economic globality and interdependence among nations, no one must attempt to become rich through the impoverishment of others lest the resulting undertow end by undermining the basis of his own wealth. We all know that in a sea of misery

islands of prosperity will not survive." [3rd meeting, para. 138.]

98. To close this chapter of reaffirmations or redefinitions, allow me to add that this globality and this interdependence, in turn, have both a horizontal dimension, since the fate of each people is linked to that of others, and a vertical in-depth dimension, since global economic solutions are inseparable from social, cultural and political solutions. Therefore, we believe it is not possible to separate the quest for a new international economic order from the total undertaking to build a new international order, considered in its entirety.

99. It is within these conditions that we conceive the responsibility of this special session at which, as the Secretary-General said in his opening statement:

"This Assembly is therefore faced with a central task . . . It must bridge the growing chasm between declarations and intentions on the one hand, and the realities of hardship and suffering on the other. Rarely has it been so important to match words with policies and actions. Exceptional efforts are required from all parties involved. There has to be a meeting of minds for concrete progress to be achieved." [1st meeting, para. 36.]

100. In this hall and in working groups we have been adjured—or warned—that we should be realistic. Now let us be realistic.

101. What is happening with respect to the international definition of development and co-operation brings to mind what occurred not long ago in the liberal national societies, where socio-economic inequalities, encouraged by a mistaken concept of freedom, increased daily, so that the rich became richer—even without intending to—and the poor became poorer—without deserving to—thus creating tensions and conflicts, which were either solved with intelligence and generosity under the sign of social justice or ended up in violence and revolution when the powerful classes resisted the demands of true freedom and justice.

102. This is the same thing that may occur when reflected in terms of peoples and Governments, and it is already boiling up in the field of international relations: the enormous inequalities between the rich States, which are growing increasingly richer, and the poor States, which are becoming poorer and poorer, beaten down by the colonialists and neo-colonialists, who may be called imperialist or hegemonistic if we want to use generalizing adjectives. Through a monopoly of technology and the manufacturing industries, markets, transport, propaganda, international monetary resources, they have launched the world on a race in which the poor countries are falling further and further behind and which can be reversed only by heroic, intelligent and forthright action.

103. At the end of the Second World War, for example, the wealthier countries had a *per capita* income 10 to 15 times higher than that of the poorer countries; whereas today, barely a generation later, the poorest have barely doubled their *per capita* income in absolute terms—which means that they have become relatively poorer; on the other hand, the *per capita* income of the rich has grown tenfold. Once again, the rich nations are resisting the demands of international justice. In the name of freedom, they have recourse to typical repressive expedients, contrary to the very idea of freedom, such as protectionist barriers, preferential multings which are more or less disguised in conventions, concessions giving them the lion's share secured through economic or political blackmail, politically or

economically tied aid, etc. On the pretext of equality, they monopolize access to markets, fix the price of both what they buy and what they sell; they maintain control over such powerful economic mechanisms as IMF, in which through their weighted vote they perpetuate the inequality; in the name of justice they defend their privileges and foreign investments and transform that which should be solidarity and co-operation into mere charity. When the developing countries cry for justice, they respond with simple programmes of selective assistance for the poorest countries, thus showing a certain willingness to admit that they should approach the level of development of the intermediate nations, but not to make it possible for either group to rub shoulders with them in the exclusive club of the privileged.

104. In some of these areas my country, like practically all the other developing countries, not only has many scars but is still bleeding from its wounds.

105. To mention only one example, the undemocratic voting system in the IMF and the principles which first saw the light at Bretton Woods, and were later refined, have imposed on Costa Rica, through special contingency terms for credit to alleviate its balance-of-payments problems—and these problems were caused by our imported inflation and the arbitrary reduction in the prices of our exports—consequences which have compelled us to lower our development rate to 1 per cent annually and to suffer a rise in unemployment from 2.5 per cent to approximately 5 per cent.

106. We are a peace-loving country and have given abundant proof of our conviction that the great and small problems of mankind can and should be solved in peace, through dialogue and mutual understanding. Therefore, in indicating these similarities, with the inherent danger of their leading to conflicts, we are not expecting violence; we are simply drawing attention to the danger so as to emphasize most strongly the need to make that collective effort for which this special session was convened, a session which promised more than it seems likely to achieve.

107. To be complete, this collective effort must be made in three equally important directions: in the North-South dialogue, that is, between the developed countries of the first and second world and the developing countries of the third world, so as to establish equitable conditions for the co-operation for development of the former with the latter; in the South-South dialogue, of the developing countries among themselves, to define the terms of their reciprocal co-operation; and in the East-West dialogue, among the centralized planned economy countries and the market economy countries so as to find the mechanisms and define the principles that would make coexistence possible and the concerted effort of both in promoting development.

108. The only one of these three dialogues which has so far given any real hope of positive achievements is the second, on South-South co-operation, of which there are some encouraging examples. We are happy to mention, on the one hand, the sustained growth in the contributions to development by the oil-exporting countries and, on the other, something that is very special for us since the final document was signed in Costa Rica, a great honour for us, in the presence of our President. What I am referring to is the joint declaration of the Presidents of Venezuela and Mexico, Luis Herrera Campins and José Lopez Portillo, on 3 August 1980, establishing a programme of energy co-operation for the countries of Central America and the Caribbean, as an outstanding contribution by both States to co-operation among developing countries with a view to

achieving collective self-reliance in that important part of the third world.

109. Since 19 December 1977, when the General Assembly, in its resolution 32/174, established the basis for global negotiations on economic co-operation and for the adoption of an international strategy for development in the decade of the 1980s, there have been three general developments in the world situation.

110. First, there has been a deterioration in the economic situation in all the various categories of countries. This deterioration was reflected mainly in high levels of inflation, in a sluggish economic growth and in a rapid rise in unemployment.

111. Secondly, the hardest hit by this deterioration have been the so-called developing countries, including the least advanced. They have suffered most, in part because of the inherent weakness of their economies, but also, and mainly, because of the manner in which the most developed countries have reacted to protect themselves against the crisis. Thus, the terms of trade of the former have declined and their external debt has risen to alarming levels, with the consequent widening of the gap between the two.

112. Thirdly, the economic interdependence of the economies, which, in any case, is an objective factor, has intensified as a result of specialization and the increase in production, mainly in the developed countries, and of the world-wide homogenization of consumption which resulted in the concentration of capital and the expansion of transnational corporations.

113. Costa Rica is aware that, because of their urgency and gravity, these three developments not only call for immediate action but are leading to violence and despair among one third of the world's people who are languishing in unbelievably wretched conditions. Aware also that these developments have contributed to a further deterioration of peace and security, Costa Rica welcomed the convening of this special session of the General Assembly and took immediate steps to co-operate in the regional efforts that were being made with the valuable collaboration of the secretariat of the Treaty for Central American Economic Integration (SIECA) and the Latin American Economic System (SELA). Indeed, Mr. Alfaro, Vice-President and Economic Minister of Costa Rica, presided over the joint meeting of SELA and SIECA; and Costa Rica welcomed SELA's attainment of observer status with the United Nations. Lastly, as a country of the third world and a member of the Group of 77, Costa Rica was ready to submit positive proposals for joint action which would put the new international economic order, with all its implications, on the path to becoming a reality.

114. In a speech in a general debate such as this, it is not for me to repeat our over-all positions or to point to specific individual efforts towards achieving the aims that have brought us here. I simply wish to conclude by emphasizing the need for and urgency of the forthcoming dialogue, which should be constructive and civilized and at the same time frank and not overly optimistic, which we are still in time to develop through peace and concord if we display only a little understanding, generosity and good faith in seeking justice, which is ultimately the touchstone of every human and social activity.

115. I should like to extend to President Salim my warmest congratulations and gratitude for the skill with which he has presided over our Assembly in the year

which is ending and to quote from him during the first meeting of the current session:

"The future of humanity will be a result of human design—for better or for worse. And the future of humanity will be one—one for the world as a whole. A closely knit network of environmental, technological, economic, socio-political and security interrelationships binds all mankind organically together, despite our heterogeneity and our pluralism, differences in régimes and uneven levels of development. None of us—not even those who at present are the strongest and richest—can disengage ourselves from the others and choose goals or take options independent of the key imperatives of mankind." [*1st meeting, para. 22.*]

116. I have left until the end the enthusiastic welcome which the delegation, Government and people of Costa Rica, which I have the honour to represent, and I personally, extend to independent and sovereign Zimbabwe on its admission to the family of the United Nations. We joined in their sacrifices when it bathed the road to freedom with the blood of its sons; we celebrated their victory as though it was our own when their struggle was crowned with success, and they imposed the civilized ways of dialogue and negotiation, leaving a living lesson to all mankind from which we should all learn. May God help them to grow in peace and preserve their freedom.

117. Mr. MILLS (Jamaica): My delegation and Jamaica pay tribute to Mr. Salim once again as he carries out the responsibilities of President of this Assembly. He has again demonstrated those high qualities of dedicated leadership which he has shown so often in international affairs and which we associate also with his great country, the United Republic of Tanzania. I should like to add my own personal tribute to him as he presides over this momentous eleventh special session of the General Assembly.

118. The opening of this session was marked by an event of great significance to all of us and to the international community, the admission of Zimbabwe to membership in the United Nations. As we observed this ceremony and as we listened to the moving address of Prime Minister Robert Mugabe [*4th meeting*], my delegation shared with others the feeling of pride in the achievement of the people of Zimbabwe, whose victory was our victory, and we were deeply aware of the relevance of the struggle of Zimbabwe to the issues which face us in this special session, for the central issue is liberation from cultural, political and economic domination.

119. My delegation's contribution to this debate comes towards the end of a series of statements in this hall. The Minister for Foreign Affairs of India spoke on behalf of the Group of 77 at the outset. As I speak, we face grave difficulties and differences in the committee which is working in an attempt to reach agreement on the form and content of the round of global negotiations and on the new international development strategy.

*Mr. Salim (United Republic of Tanzania) resumed the Chair.*

120. The session opened in an atmosphere of deep concern, indeed of apprehension, arising from the awareness of the signal importance of the moment and of the issues involved, and also of the lack of evidence that the long-standing resistance to the demand for real change in the relationships between industrialized and developing countries was lessening. Thus we were con-

fronted by the serious gap between the realities of the present world situation and the willingness of the world community to take constructive action. Yet, in spite of the dismal results from past efforts at negotiation on the subject of the New International Economic Order, developing countries entered into the work of this session with fresh energy and determination and a willingness to try once again to lay the foundations for a vigorous and concentrated set of negotiations towards achieving the restructuring of international economic relations. Such a restructuring is the only basis on which an equitable and viable global economy can be built. This determination was expressed in the communiqué of 22 August 1980 issued by the Ministers of the Group of 77 [*A/S-11/19, annex*], who met shortly before the commencement of the present session.

121. Speakers in this debate have described the serious state of the global economy. Many have commented on the events of the past few years related to the various negotiations on the New International Economic Order and the analytical report presented by the Secretary-General is particularly comprehensive and penetrating in this regard. And here I wish to place on record the appreciation of my delegation for the high quality of that document.

122. My country has been actively involved in these events and has had the opportunity to express its views on many occasions.

123. We have seen over the years the evolution of attitudes and reactions on the part of the industrialized countries to the various propositions and initiatives advanced by developing countries in respect of the New International Economic Order. What is remarkable is how much has changed and yet how much has remained the same. To anyone who has been associated with these deliberations and negotiations from the outset, the past two weeks have been—at least in some respects—like a journey into the past.

124. There have indeed been some changes. No one—no responsible individual or Government—could fail to be affected by the events we have witnessed in recent years. There are clear signs that the world has come to a significant point of history, when some of the features of past events and relationships appear in a new light and the prospects and choices for the future are laid before us. Many of the statements we have heard here and elsewhere, including those by leaders and representatives of industrialized countries, reflect this new perception. And it must be acknowledged that some of those countries have recognized the validity and the inescapable logic of the essential statement which is contained in the call for the new international economic order. It is to their credit that they have done so.

125. But it is a matter for great regret that others have failed or refused to read the signals and to hear and heed the voices of history. For the demand for change and the concept of the New International Economic Order are not inventions of the developing countries, the Non-Aligned Movement or the Group of 77. Nor was the demand for the sweeping away of the colonial system. It may be that, in giving voice and expression to this demand for change, we have not been as effective as we might have been. But the issue will not go away. It remains, irrespective of what happens in this session and whether or not we initiate an effective global round of negotiations in 1981.

126. This session represents an opportunity for all of us once again to decide whether we join in a constructive effort to try to shape the course of the future or face the chaos and the terrible dangers which would await us.



127. The Brandt Commission, which can hardly be described as a surrogate of the Group of 77, has laid the options clearly before us. Its report<sup>4</sup> strongly reinforces the general thesis of developing countries and makes far-reaching proposals on the question of structural change.

128. The immediate question is whether at this special session we shall again miss the opportunity of making a really significant step forward. Time is running out. What we need most of all is real agreement to move into a positive and constructive and concentrated negotiating exercise with frank and open discussions.

129. What we do not need is an appearance of agreement—a masking of fundamental differences—for the sake of avoiding the acknowledgement of failure and the danger of confrontation. We have done that before. If this session is a failure, we must acknowledge it; and those among us who genuinely desire change must seek new approaches to the achievement of this aim.

130. I spoke earlier of changes in perception which have been observed over recent years, and my delegation believes that there has indeed been some movement in this regard, particularly in some industrialized countries. We have also observed the degree to which industrialized countries seem more and more to be speaking the language of developing countries on some broad aspects of the issue of global economic relations. Many such statements have been made at this session. But the failure on the part of many industrialized countries to reflect these sentiments in concrete terms when we come to the negotiating table has been, and is at this session, a source of deep frustration. Instead, we are faced with the same old objections, the same tactics and the same resistance to change in international economic structures and relationships.

131. We are being told again at this session, as we have been urged so many times before, that we should deal with immediate emergency issues and put aside those “impractical proposals” of ours for restructuring the global economy.

132. Others put this more delicately. They tell us, as we were told five years ago in respect of the seventh special session of the General Assembly and have been told since, that we should distinguish between those matters on which there are prospects of agreement, those which are more difficult, and those on which there is little or no chance of agreement. We should, it is suggested, concentrate on the first group.

133. We accept the need to deal with immediate issues and to make progress wherever it is possible. But some who advance these approaches have no intention or desire to negotiate the fundamental issues of structural change. We cannot accept this.

134. We are told that nothing can really happen now because of the state of the global economy or because elections are about to be held in some countries. Those are songs we have heard before.

135. We are told again that it is impossible to negotiate with 120 countries. The truth is that the Group of 77 has made a great contribution to the negotiating process in the United Nations system by way of its ability in various forums to choose spokesmen and negotiators who act on behalf of all of us.

136. We are told that the agenda should be neutral. A neutral agenda on these issues would in effect be a denial of the purposes and aims of the new international economic order. As in the cases of decolonization, civil rights and the rights of women, the agenda for the global round cannot be neutral.

137. Failure to surmount these procedural and other obstacles has inhibited progress in dealing with serious economic and political problems and has brought the world to the level of tension and crisis it is now experiencing. But it is quite clear that the procedural questions are closely linked to the substantive issues and differences.

138. Such limited progress as has been made has come with painful slowness and, under these conditions, further changes will inevitably be made in such areas as the international monetary system and international approaches to the debt problem of developing countries. But they will come grudgingly and after further frustration and a great deal of suffering on the part of the peoples of the developing countries.

139. It was therefore against that background that developing countries proposed the initiation of a round of global negotiations. This proposal implies far-reaching changes in the organization and conduct of the work of the community of nations and of its international institutions. The circumstances demand it. It is in essence a move to bring real focus and cohesion to the consideration of issues which are interrelated.

140. Progress on some major issues has been seriously inhibited, particularly by the virtual insulation of major institutions and crucial aspects of international economic activity from the central dialogue, and from the new perceptions which have been emerging with regard to national and global development.

141. As we strive to establish a sound framework for global negotiations, we should be mindful of our recent experience in the matter of the establishment and operation of the Committee of the Whole Established under General Assembly Resolution 32/174. This experience—and especially the considerable resistance to the idea of such a body, and to its competence—is being repeated here at this session in many ways.

142. The truth is that the global round offers a much-needed opportunity to face in a responsible manner the deep crisis in international economic activity and in relations between industrialized and developing countries. It will provide an opportunity for real and constructive negotiations and for the frank expression of those deep differences which divide us.

143. It will allow us for the first time to approach such issues as money and finance, and energy, in a coherent manner and acknowledging the varying interests involved in these matters. It will also give us the opportunity to deal effectively with the critical situation of the least developed countries.

144. We have very little time left to us in this session. A year ago, at the thirty-fourth session of the General Assembly, many delegations spoke of the fact that we were about to enter a new decade, one full of dangers and doubts for the international community, and yet representing a moment of real opportunity. We have, in the time remaining in this special session, a chance to translate those concerns into constructive action and to take hold of the opportunity which is still available to us.

145. The PRESIDENT: In accordance with the decision taken by the General Assembly at its 5th plenary

<sup>4</sup>*North-South: A program for survival*, report of the independent Commission on International Development Issues under the chairmanship of Willy Brandt (Cambridge, Massachusetts, The MIT Press, 1980).

meeting, I now call on the Permanent Observer of the League of Arab States, Mr. Clovis Maksoud.

146. Mr. MAKSOU (League of Arab States) (*interpretation from Arabic*): I should like to take this opportunity to welcome the admission of the Republic of Zimbabwe to the United Nations.

147. The struggle of the people of Zimbabwe has led to the great victory of the aspirations of that people to independence and freedom. It is a model for all national liberation movements. The brief experience in this regard has proved that if liberation movements are determined to achieve their aim of liberation, the colonialist and racist entities will inevitably be defeated when confronted by the march of the peoples. That has taken place in Zimbabwe, and the people of Palestine will certainly have a similar experience.

148. I wish also to offer our congratulations to the President of the General Assembly, Mr. Salim, on his great success in presiding over the Assembly at such a critical time. We are proud to see a man of such wisdom conducting the deliberations of this session.

149. This eleventh special session of the General Assembly provides, in our view, the opportunity to initiate and perhaps achieve a dialogue of consequence. This dialogue presumes interdependence and has, as a purpose, the reorganization of the world economic order. The need for this dialogue cannot be overstated. It is a need dictated by the dynamics of change and by the obvious and glaring requirements of the international economic system. Dialogue presupposes the will to rectify the imbalance, in the hope of achieving more equity and justice; both in the realm of production and in the realm of consumption. It is not at all necessary to repeat what is obvious—except that our commitment to what is obviously needed must be reaffirmed. Hence, the principles which we so eagerly proclaim must become the yardstick by which we measure our achievements.

150. During this debate, attempts have been made to lay the blame for the economic dislocation on the oil-exporting countries and the Arab members of the Organization of Petroleum Exporting Countries (OPEC) in particular. The perceived impression, as conveyed by industrial countries, is that oil-exporting countries have been oblivious to the sufferings and needs of the third-world countries. This divisive attempt to separate Arab oil-producing countries from their actual and organic sense of belonging to the third world is not only false but also mischievous. It is in fact an underhanded attempt by the advanced countries to cover up past injustices and exploitation and the present indifference to the legitimate objective of the third world in general.

151. If there is to be a dialogue and if it is to be constructive, it cannot be predicated on half-truths, cover-ups or distortions. In the search for the elements of a new economic order, dialogue must be the mechanism by which collective responsibilities are based on collective and mutual obligations and accountability.

152. The Arab world belongs, as I said, to the third world. We are a rich nation of poor people. Seventy-five per cent of the Arab people have a *per capita* income of less than \$1,000 per year. Within our nation there are several Arab States which are oil-producing and oil-exporting. But oil is a depletable source of our current wealth. It is intended as a force to overcome our poverty—but not only that; it is intended also to ameliorate conditions in those countries and societies with which we historically share political and economic disenfranchisement. Needless to say, our common experience in the process of development has rendered us

aware not only of our shared values but of our common objective. We look at the world from the same vantage point; we are eager primarily to join the twentieth-century economic order, in the same way as our liberation struggle enabled us to join it politically. In that respect, we have a vested interest in the credibility of this dialogue, and more emphatically in the effectiveness of its outcome.

153. In order to achieve the desired goal, let me explain what is, in our view, required. We share with the least developed countries the perception that the Western industrial world's constraints undermine the potential of regional economic co-operation. The least developed countries are inhibited from developing export industries because they are concerned about losing markets as a result of trade barriers that have and might be erected. The new protectionism has impeded the exports of the least developed countries, which are dependent on the imports of the industrially advanced countries.

154. Most of the third world is composed of primarily agricultural countries, and to develop that agricultural potential it behooves the industrialized countries to expedite the transfer of technology in order to enhance agricultural productivity so that the least developed countries may become less dependent on food imports, which are seriously depleting their income.

155. It has been claimed that the main cause of inflation is the rise in the price of oil. It is true that the adjustment of oil prices has contributed 1.5 per cent annually to the rate of inflation, but it is also true that the price of manufactured goods, foodstuffs and medical equipment constitutes the basis for the galloping inflation noticed during the past 10 years.

156. Since 1973 inflation rates have averaged around 12 per cent. Since oil contributed a mere 1.5 per cent, it is obvious that the remaining 10.5 per cent was not due to oil prices. In this respect too, oil prices in 1980 must be measured in terms of real price, and the real price of oil has been constant since 1973—approximately \$12 per barrel. It should be noted that today's petrodollar has a purchasing power equal to 61 per cent of what it had in 1976 and that, because oil transactions take place in dollars, the oil-producing countries are losing in real terms. A fact often ignored is the financial mismanagement of the industrial countries, which has contributed to the current inflation. When the cost of money in the industrial countries increases to nearly 25 per cent, the main sufferers are the least developed countries having foreign debts.

157. Only a few months ago the prime rate in the United States jumped to 20 per cent, and that was not due to the price of energy but to the loose monetary policies that have been adopted in the industrial world and which perpetuate the inflationary cycle.

158. It has often been stated, even here, that the least developed countries suffered from the adjustment in oil prices, that their financial situation was getting worse, that their debt was rising, and this was then attributed to OPEC and particularly to its Arab members. This increase in the debt of the least developed countries is due only in small part to the adjustment in oil prices; the principal factor causing the increased indebtedness of the least developed countries is high interest rates, the higher cost of manufactured goods, and the refusal of the industrial countries to give preferential treatment to the nascent industries of the developing countries. Furthermore, the credit given by the World Bank to the least developed countries amounted to less than 8 per

cent of its total loans, most of which were granted to medium-income developing countries. Furthermore the United States, the countries of the Organization for Cooperation and Development (OECD) and Japan did not implement the resolution adopted by the General Assembly at its session on the North-South dialogue, which called for the allocation of 0.7 per cent of the gross national product of the industrial world in the form of development aid to the least developed countries. Some American sources refer to the fact that 0.31 per cent of the gross national product was devoted to external aid. If we take out of that the aid given to Israel, that percentage drops to less than 0.15 per cent and if we deduct military aid from it we end up with 0.10 per cent.

*Mr. Mollo (Lesotho), Vice-President, took the Chair.*

Bearing in mind the fact that all the foreign aid granted by the United States and the OECD countries carries with it the condition of buying United States or OECD products, the prices of which are higher than on the free market, which eliminates competitive international bidding, we realize that this so-called foreign aid generates trade for the products of the industrialized countries in the amount of \$2.3 for every dollar given in foreign aid.

159. Arab oil-producing countries having a capital surplus are giving a minimum of 20 times the industrial world's contribution to foreign development aid. Saudi Arabia, Kuwait and the United Arab Emirates are offering this aid unconditionally. In fact, that aid amounts to 5.4 per cent of their gross national product, according to the *World Development Report, 1980*, which has just been published by the World Bank. That capital surplus, which is short-term, is not generated, as it is in the industrial world, by the various sectors of the economy but by a depletable resource. It is worth mentioning in this connexion that oil has been underpriced for the past 30 years. That led to the artificial expansion of Western economies at the expense of the needs of the developing societies. When the developing countries started to apply the supply-and-demand theory in determining the price of oil, we began to hear noisy protests, while almost everybody in the industrialized West remained silent about the use of the same mechanism in determining the prices of the commodities produced by the Western industrial countries.

160. In assuming their responsibility, the Arab oil-producing countries have created the following institutions in the past 10 years, among numerous others, in order to respond to the requirements of the least developed countries: the Arab Fund for Economic Development, the Saudi Fund, the Islamic Fund, the Abu Dhabi Fund, the Kuwaiti Fund, the Iraqi Fund, the Arab Fund for African Development, and the Libyan Fund.

161. In addition to the financial commitment represented by those Arab funds, Arab contributions to IFAD amount to one third of the paid-up capital of that Fund from those Arab countries. That is in addition to their financial contributions to United Nations aid programmes such as UNDP. Moreover, the Arab contributions do not include the bilateral aid given for the building of mosques, hospitals etc. in numerous countries of Africa and Asia.

162. Another example of our commitment is the hundreds of thousands of labourers whose remittances from Arab oil-producing countries constitute an important source of foreign exchange for some of the fraternal countries, such as Pakistan, India, Bangladesh and Turkey.

163. We cannot disregard the important role played by Arab petrodollars in generating and expanding the international banking system. Most of the private loans to government institutions in the developed and developing countries are in petrodollars, without which the international banking community would suffer because of the economic stagnation in the industrialized world.

164. Last but not least, the bilateral loans from Arab countries producing surplus oil to industrial countries helped the latter meet their balance-of-payments deficit.

165. We are also being accused of accumulating surplus liquidity. In fact, we are producing more than our societies need for economic development in order to satisfy the level of consumption—shall we say over-consumption—of the industrial world. If we limit our production to our needs then we are accused of sabotaging the Western economic system. Another accusation is that oil pricing contributes to international inflation, especially in the United States. Japan, for example, imports 90 per cent of its oil and has an inflation rate of less than 5 per cent; West Germany, which imports 70 per cent of its oil, has an inflation rate of 5 per cent; while the United States imports roughly 40 per cent of its oil but has an inflation rate approaching 18 per cent this year.

166. We are definitely committed to solving the crisis in the developing world. The countries of the Organization of Petroleum Exporting Countries (OPEC) have indicated that they are willing to discuss the adjustment of oil prices, not in isolation but in relation to the price of exportable commodities and technology transfer from the industrial world. It is obvious from the debate that the problem with Western economies is structural, inasmuch as it is based on over-expanded economic growth on the basis of underpriced energy. The new international economic order would require, therefore, a realization of the need to restructure Western economies. In attempting to avoid this restructuring, the industrialized nations erect barriers to trade and, through such protectionism, prevent minimal competition from the least developed countries.

167. These are the short-term answers given by the Western countries to long-term problems. They may be politically attractive but they will eventually result in social disruption, lower world growth rates and continued economic losses. Therefore the new international economic order must address, as a matter of priority, the following critical issues.

168. First, the debts of the least developed countries must be rescheduled. The cyclical tragedy of borrowing to develop must be adjusted. Least developed countries must not become overstrained to the point that they must sacrifice development merely to repay their external debts.

169. Secondly, efficient export capacities must be created. South-South trade must increase and relations among the least developed countries must become more intense and horizontal. Protectionism in the North is not conducive to the development of such export industries.

170. Thirdly, a global framework of mutual co-operation is required; this could be provided by a mechanism that would emphasize such co-operation and promote interrelationships at the global level, instead of strengthening economic blocs that perceive their interests in terms more of confrontation than of co-ordinated effort.

171. It is true that we are bound to be polemical in the dialogue. That is necessitated by the fact that the Arabs



in particular, because of the nature of their struggle against Israel's expansion and aggression, have been the target of a barrage of distortions, half-truths and untruths.

172. It is true that in this debate, attempts to distort the objectives of the Arab countries have been made surreptitiously, by innuendo and at times by direct reference. We do not want to answer many of those charges because our interest is to define our position. In so doing we might have repeated elementary statistics and facts. But we prefer to put into proper perspective the truths that have been ignored, the realities that have been neglected, the commitments that have been glossed over and the genuine efforts that have been disregarded. We prefer not to answer the charges but rather to respond to the challenges. Whatever is clogging communications and therefore clouding understanding must be removed. Our vision of a new international economic order must not be clouded by lingering prejudices, unfair preconceptions or hardened postures.

173. This special session of the General Assembly has been for us in the Arab world and the least developed countries an opportunity, not only to make our presence felt but also to explain our future aspirations. The global nature of the proposed negotiations underlines the degree and intensity of human interrelationships. Of course there is a tendency to advertise achievements and to gloss over problems. In the dialogue of the North and South, achievements must be treated as stimulants for further achievements and the problems that we discuss must harden our determination to resolve them.

174. The relevance of the dialogue, where the entire world is involved, is measured by the ability of divergent systems and backgrounds not only to coexist but also to tell the truth to each other. If we achieve that level of communication, the remaining tensions become expressions of vitality rather than a source of suspicion and alienation.

175. To achieve a new international economic order, equality among nations must become axiomatic; human equality within nations must become an unchallengeable assumption. The politics of such economics is that there can be no justice without equality and there can be no equality without firm steps towards genuine peace.

176. If the terms "developed", "developing", "least developed" and "under-developed" connote precise economic definitions, and if the semantics of development require statistical definition, in conjunction with the techniques of option analysis; if, in seeking to understand the mass of detail, we lose sight of the determining principles; if, in our eagerness to adjust and absorb the variables that are characteristic of a changing world we are deflected from the constants that define and underline the centrality of the human person, then politics becomes an art of manipulation rather than an act of commitment. In the field of development it is the politics of commitment that renders development a function of change and not an instrument of ostentatious patching-up.

177. In the least developed countries we cannot permit a development that is not at the same time a means of change. Our societies demand the urgent creation of infrastructures that will permit us to resist the pressures of socio-economic changes as well as changes caused by discoveries and inventions. If such changes are not well understood and absorbed, they may be detrimental. For this reason, the diffusion of education, the improvement of communications systems and the participation of women in all aspects of human endeavour are essen-

tial and will give us in the southern hemisphere the ability to effect change and not just be the beneficiaries.

178. We in the Arab countries, organized in the League of Arab States, realize that we must maximize the benefits from our available resources in the minimum of time, while the energy-consuming industrial countries are seeking to develop alternative sources of productivity and wealth.

179. Although it is said that we are a rich nation of poor people, we must plan now so that we do not enter the twenty-first century as a poor nation of poor people.

180. This is the basic problem, and this is our commitment.

181. Mr. ITABAK (Iran):<sup>5</sup> "O mankind, we have created you male and female, and have made of you nations and tribes that you may know one another. The noblest of you in the sight of God is the best in conduct." [the Koran.]

182. I wish to convey to this Assembly the warm greetings of the heroic people of Iran, of our great leader and the founder of the Islamic Republic of Iran, Imam Khomeini, and of our President.

183. I should also like to take this opportunity to congratulate Mr. Salim on his election to the presidency of this eleventh special session of the General Assembly. We are certain that his extensive experience and diplomatic skill will lead to the success of this session.

184. It is also a great pleasure for me, on behalf of the Islamic Republic of Iran, warmly to welcome the representatives of the brave people of Zimbabwe amongst us in the United Nations and to wish their newly liberated State all success in its difficult path towards progress.

185. After years of domination by colonial relationships and almost a quarter of a century of the looting of our national wealth and the destruction of our national culture by dominating Powers, I take pride that, after the establishment of the Islamic Republic of Iran and under its revolutionary guidance which rejects the blind imitation of either East or West, I can, openly and without reservation, state here the facts about the economic relationship between rich and poor as our people see it.

186. The study of the difficulties of the complex relationships between developed and developing countries and of the establishment of a new economic order for the world that would destroy these unjust relationships, has been one of the main subjects that has intrigued scholars all over the world. But unfortunately, despite all the studies and the recommendations which have been made, the gap between the rich and the poor has widened, and there is no indication that the present proposals can rapidly ease the complex relationships between the dominant nations and the dominated ones and free mankind from the strains of material and cultural poverty.

187. The feasibility of establishing a new international economic order within the framework of our polarized world with its present power structure, in which the fates of peoples and their political, ideological, economic and military sovereignty are dominated by the super-Powers, is doubtful.

188. To analyse the causes of such imperialistic and exploitative relationships, certain analytical tools are used which are themselves influenced by the dominant ideologies of the big Powers, with their judgements and proposed remedies. Nevertheless, the great extent of the

<sup>5</sup>Mr. Itabak spoke in Persian. The English version of his statement was supplied by the delegation.

true miseries of the deprived people of our planet Earth, due to their exploitation and the looting of their resources, has been revealed but no feasible solutions for satisfying the true needs of such people have been advanced.

189. Proposing solutions that can solve the periodic and cyclical crisis of the dominating systems of the world can only help the survival of such systems and, in effect, prolong the exploitation and deprivation of the peoples of the world. We believe that the world's present crisis can only be solved by a fundamental restructuring of the international system. The basic task facing the dominated world is liberation from imperialistic ties and from the overt and covert mechanism of super-Power domination; this is evident from the fact that each time a nation acquires the appropriate mental potential for popular uprising, it eventually frees itself partially from the web of one of the above-mentioned systems and aligns itself with the other.

190. Poverty and backwardness in these societies are a result of the organic interrelationship of colonialism and Western capitalism. But the delicate question is: if the capitalist system is destroyed, with what other system should we replace it? We know that the capitalist and socialist systems differ mainly in their legal approaches to property, while they both aim at using advanced technology to increase efficient productivity, which also requires the rapid consumption of accumulated productive capital. As a result of the conflict between overproduction and the limited market at home, different mechanisms and tactics are therefore devised to promote unbalanced trade with foreign nations.

191. The Islamic Revolution of Iran strongly believes that until all the least developed countries are able to think about and recognize their basic needs and provide for them through realistic production, imperialistic relationships in various forms will continue to survive. We must begin by developing a new system of thought that will allow us to plan a new international system with open eyes and with an independent mind devoid of fanaticism regarding prefabricated Western or Eastern models.

192. The historical experiences of Iran with capitalism in its two phases—the competitive and monopolistic phases—within the last century have left very clear and bitter results which the Moslem people of Iran can feel today very deeply. The competitive phase of capitalism in Iran had the following destructive political, economic, social and cultural results for our society: first, the destruction of cottage industries and the halting of the activities of emerging small industries; secondly, the breaking of the traditional organic and supplementary link between cottage industries and agriculture; thirdly, the abolition of traditional self-sufficient agriculture and its replacement by export-oriented agriculture, producing crops for international markets, thus neglecting the production of traditional crops for local consumption; fourthly, the destruction of peasant communities, resulting in their migration to cities without the necessary expansion of industry to provide sufficient jobs, thus expanding open and disguised unemployment; fifthly, the growth of a monetary and market economy, but on a non-universal basis; sixthly, the exporting of surplus capital or capital gains to foreign markets instead of reinvesting it within the local economy; seventhly, the encouragement of moral and material corruption, leading to a disregard for the national culture and the establishment of a corrupt ruling élite with extraterritorial affiliations which are used as a base for

the activities of foreign interests; eighthly, the gradual merging of the national economy into the market economies of international capitalism as a "single-crop country" owing to the establishment of an imperialistic division of labour in the international economy.

193. In the monopolistic phase we have also witnessed the destructive role of capitalism and its misleading strategies and manipulation of public opinion in every historic period in which it has felt the need to export some of its surplus and idle capital. One such period occurred after the coup d'état of 1953 in Iran that toppled the national Government of the beloved late Prime Minister Mr. Mossadegh. The proper environment was set up in Iran to allow for the devalued and outdated capital and industries in the West to be transferred to our country in order to regain their productivity and value. This led to the increased dependence of Iran on Western capitalism through the production of goods dependent on imported technology, raw materials, and skilled labour and management, for the purpose of fulfilling the needs of the dominant imperialist system. This certainly cannot be true development. The setting of the proper political, economic, social and cultural background necessary for implementing such a plan was left to the imperialistic "White Revolution" of the traitor Shah of Iran.

194. The expansion of health facilities led, due to certain considerations, to an increase in population and manpower which the imperialistically inspired reforms in Iran diverted from the villages to the cities. Thus, because of the needs relating to the expansion of subordinate capitalism, which includes the treatment of manpower as a commodity, resulting in the intensive exploitation of manpower while neglecting the costs of accommodating and producing and reproducing it, the Government was forced to follow wrong and dangerous policies. For example, foodstuffs were imported and subsidized in order to keep labour expenditures low so that the costs of maintaining the labour force, including wages, could be limited. The means of repression and ideological justification were also expanded. The effect that the policy of subsidies had on the agricultural sector was to dump imported crops on the local market thus weakening the incentives for local production. As a result, the agricultural sector in Iran received a severe blow from the policies of the Government which were implemented in co-ordination with the imperialistic forces, and this resulted in the total dependence of Iran on imported agricultural products, because of ever-increasing consumption in the cities and constantly decreasing production in the villages.

195. In the industrial sector it was due to the international division of labour that Iran was technologically dependent on foreign sources and also that the financial structure of our industries, being totally dependent on oil revenues, was weak and unstable. These facts were revealed to the people after the Revolution and it became clear that what was called the "industrialization of Iran" was nothing but the implementation of imperialistic policies of the country's industrial dependency on foreign sources.

196. The purpose of the above summary is to clarify some of the objectives of the forces of imperialism in the developing nations and also to mention the vivid historic experiences of our own country. It is because of these experiences that the people of Iran doubt the proposals, remedies and views put forward by the imperialists.

197. Social revolution in the past century for the purpose of implementing a socialistic system with exciting

slogans such as social and economic and material justice created a gleam of hope for a group of intellectuals and the deprived peoples of the world. This system, too, in its political and economic methods, and because of the common elements that it has with international capitalism, has also moved in the same direction as capitalism by selling industrial and military goods at prices that are set within the framework of imperialistic economic policies and maintaining a profitable trade and an unbalanced exchange of goods with the third world. This system, too, in certain sensitive periods of the history of our country, has echoed the demand for concessions in the northern oilfields of Iran and has applied pressures upon the Government for the purpose of exploiting our national wealth. Fortunately, by the grace of God such dreams did not come true, but nevertheless a considerable share of the benefits of the 1953 coup d'état was placed at its disposal and for years natural resources were sold to it at very low prices.

198. The brief discussion of Iran's economic experience was to demonstrate that development through the implementation of imported models of existing systems produces no results except to intensify dependence on non-national sources and also under-development itself. The strategies of imperialistic systems consist of integrating the economies of developing countries within the international imperialistic economy and market through the international division of labour in every historic period of imperialistic development. The crisis that the existing systems are undergoing cannot be separated from the crisis of man and human values within the past century and it is necessary for these systems to clarify their position with regard to such questions as the purpose of economic life and the place of man within the framework of society and nature. Perhaps today, more than ever, we must emphasize that point. The position of man and his dignity in time and place must be specified and clarified. And when we place the emphasis of our studies on man and humanity and his material and moral values, we can arrive at pragmatic solutions to the needs of mankind within accepted limits in the contemporary world. If we do not base the new economic system upon man, society and a purposeful world and embark on the promotion of growth and the blind circle of production for the purpose of consumption and consumption for the purpose of stimulating production and follow the same purposes of individual and collective profit-seeking, it becomes difficult to reduce the effects of the relationships between the dominant and the dominated, and to halt the continuation of the present social relationships which control the world and which are based upon the deprivation and misery of a large majority of mankind, and to avoid perhaps more severe world crises in the future.

199. The complex interrelationships of the present international economic structure which is built upon the system of super-Power confrontation are not able to stop the expansion of destructive arms industries and the arms race, the continuation of which requires an unbelievable waste of energy, raw materials and human resources, without drastic change in the social relationships and the spiritual qualities within man himself.

200. In the systems discussed above, which are based upon the notion of the supremacy of power over society and man, human dignity has been exposed to degradation. This has happened in one system through the accumulation of private capital by the deprivation of a majority of human beings of the benefits of material and spiritual wealth and, in the other, through the centralization of political power resulting in the domination

of the majority by a minority in a political party and the deprivation of man of that human essence of fulfilment, that is, the freedom of thought and political activity and a democratic environment for the expansion and fulfilment of the morality of mankind.

201. Let us accept the fact that we cannot build a new economic system if we insist on staying within the framework of the existing systems, because man and humanity have partially lost their significance owing to the lack of spirituality in economic, political and social relationships under both these systems. These dominating systems have had a degrading cultural effect on the third world, because exporting alien values has resulted only in the destruction of national and traditional cultural characteristics and the weakening of the spirit of national resistance to alien cultures, and also the decline of humanity and morality, and the evolving of man into an egoistic and greedy creature with the aim of limiting the purposes of life to the fulfilment of material and earthly desires. It is this type of cultural values that dominates a great section of human society today. It must be recalled here that both systems in question function on the basis of the maximum production of goods, without paying any attention to the fact that the qualitative and quantitative production should be based not only on the material and earthly needs of society but also on its moral and ethical needs in such a way that material well-being becomes only a means to facilitate the attainment of moral ends.

202. It seems that the non-existence of conscious responsibility deriving from God and the elimination of spirituality from social, economic, political and cultural relationships leave no room for the responsibility of man towards his fellow man, society or the environment.

203. In the event that all countries of the world realize their aspirations and reach the level of technology required to raise their industrial output to the level of the advanced countries and for the same purposes, will there be any natural habitat left for mankind? The industrial countries have had bitter experiences with problems of pollution and, as a result, are enforcing laws prohibiting polluting industrial activities; but that has not stopped them from exporting the same industries to some third-world countries. The results of such irresponsible policies can be vividly seen in parts of the third world.

204. The true and complete development of all underdeveloped countries can take place only by nations following independent policies, breaking the organic link with the dominating ideologies, and withdrawing from the international system of division of labour. That has to take place through the emergence of an ideology which is based on the national history and culture of each nation, even if at times it contradicts the existing values of the dominating systems.

205. The Islamic Revolution of Iran can be evaluated as a breakthrough in the direction of such experiences in the contemporary history of mankind. Although the implementation of the aims of this Revolution has created social difficulties which are common to all revolutions, it aims at eventually creating an equitable system based on the teachings of Islam, with emphasis on the relationship of spirituality to material needs. This Revolution strives to create a system in which a balance between spiritual and earthly needs in the life of man leads to considering material needs as a means for the development and ennobling of mankind which constitute the basic aim of Islam. This system sees the establishment of social, economic and political justice in the negation of individual and class privileges and of dis-



crimination and, eventually, in the abolition of the material, spiritual, mental and physical exploitation of man by man and in his liberation from every dependency, except that of God.

206. The victory of the Islamic Revolution in Iran, a country which was heavily dependent on imperialism and functioned along the lines of the economic and political interests of imperialist Powers, can, under the guidance of Imam Khomeini, be considered as a vivid model for societies in development, which, with strong faith in God Almighty, can overcome the great Powers on earth. This spiritual path must be regarded as a guide for the future fulfilment of mankind.

207. We believe that social relationships based on justice and the advancement of spirituality and ethics and their harmonious expansion with materialism are possible; their implementation depends on a cultural revolution and the continuous training of men for their self-elevation and the expansion of moral, individual and social values, so that, in the course of history, relationships of power and force and the incentives to the selfish and excessive temptations of greed can be replaced by the love of God and man and his conscious responsibility towards society and nature; and so that genuine human values such as sacrifice, love and amity can replace the negative values of the present systems.

208. It is within such a relationship that we can reduce excessive consumption within the consuming societies in the advanced countries, limit the investments in certain branches of industry which have no real value for the community and avoid unwanted competition in our present world which portends an uncertain future for mankind.

209. Modern technology which has flourished within the capitalistic system is an outcome of the historical accumulation of capital at the international level through colonialism and the exploitation of the third world.

210. The present dominant systems, because of their emphasis on the notion of power and aggression, use their technological superiority not for the purpose of the development of human societies in the world and the advancement of human values; instead, technology is used as a tool for the enslavement of mankind, the exploitation of peoples and the looting of their resources. Undoubtedly it is by depriving others of a normal and modest life that a fashionable and aristocratic life becomes possible for some. The existence of such a pattern of relationships has always endangered peace and security in the world and it is inconceivable that international peace and security can be promoted without a fundamental change in the existing value system.

211. We propose to the peoples of the third world that they rely on God Almighty and depend on themselves, to keep this self-reliance alive at any cost, to strive for an understanding of their own national values and character, and to rely on their culture in promoting their own national technology based on their own genuine needs so as to be able to solve their problems with measures rooted in their national character.

212. The political unity of the countries of the third world in their general struggle must continue until they

succeed in gaining true independence and freedom for the developing world and in promoting among themselves, as far as possible, commercial, technical, economic and socio-political transactions and the transfer of technology.

213. A new international monetary system must be promoted in which the third world has a direct and effective partnership through the establishment of an international bank based in the third world and administered by third-world nations.

214. Raw materials and fuels must be given their true values and sold at their true prices; misguided propaganda must not divert the third world from the path of political unity. The truth is that the role of fluctuations in oil prices in the present international economic crisis, especially in the developing world, has had a limited effect. It is just an excuse to keep the true causes of the crisis from the public, to create mistrust among the nations of the third world, to use the difficulties faced by some developing countries as a tool for political pressure in order to keep the prices of raw materials as low as possible, and to exploit their purchasing power in order to ease the economic difficulties of the developed countries.

215. The oil-exporting countries must help in any possible form those third-world countries which are striving to establish social justice at home and to free themselves from imperialist domination from abroad, in order to ensure that their efforts may succeed.

216. The development of national economies integrated within a general global system and the development of independent and complete industries which consist of heavy industries, industries manufacturing the means of production and consumer goods industries must be planned. These industries must be developed according to the natural and demographic potential of the developing countries.

217. Aid from developed countries should be used and foreign debts should be reduced and even abolished without political, economic or military pressure.

218. Political efforts to moderate excessive consumption in the consumer societies, efforts to halt the expansion of modern destructive weapons and the reduction of military budgets should be promoted. The transfer of technology without political and economic ties must, of course, continue.

219. Finally, we call upon all human beings regardless of racial, religious, ethnic, political, economic and social differences to listen to the cries of their brothers in the four corners of the globe, to understand their misery and poverty and hunger with pure human compassion, to respond to them with genuine feelings of responsibility, to concentrate their efforts on changing the values that control relationships among men today—a change which is directly related to the fate of mankind—and to choose for themselves governments that are committed to a new system in which new human beings are nurtured in new dynamic and constructive societies in the service of mankind.

*The meeting rose at 2 p.m.*