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## AGENDA ITEM 55

Development and international economic co-operation  
(*continued*)

## (a) Report of the Committee of the Whole Established under General Assembly Resolution 32/174

1. Mr. LOHANI (Nepal): The report of the Committee of the Whole Established under General Assembly Resolution 32/174 [A/34/34], presented by its Chairman, Mr. Thorvald Stoltenberg [40th meeting], to whom I should like to pay a tribute for his leadership and his sincere efforts in bringing about understanding among the parties involved, provides us with an opportunity to review and assess the role and performance of the Committee in a correct perspective.

2. The Committee, as we all know, wasted the first year of its existence on a procedural wrangle over the meaning and scope of its mandate. The mandate having been clarified last year by General Assembly resolution 33/2, the Committee devoted three sessions this year to issues of critical concern to the international community: namely, the transfer of resources in real terms to developing countries; measures regarding world food problems and agricultural development; the Lima Declaration and Plan of Action on Industrial Development and Co-operation<sup>1</sup> and the strengthening of the industrial capacity of developing countries; and, finally, the resolution of the special and pressing problems of the least developed, land-locked and island developing countries and the most seriously affected countries. While the first two sessions produced agreed conclusions which are, as the representative of India has rightly pointed out [*ibid.*], a restatement of existing agreements, the last session, held in September this year, failed to come up with even agreed conclusions and thus remained inconclusive. The results of the work of the Committee, designed, amidst high hopes, to impart necessary political impetus to negotiations on unresolved outstanding issues and to oversee and monitor the implementation of decisions and agreements reached in the negotiations on the establishment of the New International Economic Order, have therefore been disappointing.

3. It is generally recognized that the North-South dialogue has reached an impasse. It would not be in the larger and long-term interest of both developed and developing countries to allow the stalemate in North-South negotiations to linger on. There is a danger that a growing sense of frustration at the lack of progress in these negotiations may develop into an attitude of confrontation and acrimonious relations. The Secretary-General, Mr. Waldheim, with his characteristic wisdom and insight, cautioned us against this danger in his statement of 10 September to the Committee of the Whole at its last session and observed that if a climate of divisiveness and confrontation was to be avoided, renewed efforts by all parties would be needed during the months ahead.<sup>2</sup>

4. Developing countries are impatient to transform their economies on a sound, stable and lasting basis. They are convinced that the gap between them and developed countries is so appallingly wide that the accelerated development of developing countries cannot take place without tangible and effective progress in restructuring the world economy. In fact, without this structural change of immense magnitude, it will be difficult to shake off the centuries-old dependence of developing countries on developed countries. The speedy realization of the objectives of the New International Economic Order based on equity, sovereign equality, genuine symmetrical interdependence, common interest and co-operation among all States, irrespective of their economic and social systems will contribute immensely to expediting this structural change.

5. The Ministers for Foreign Affairs of the Group of 77, in their Declaration of 29 September 1979 in New York [A/34/533 and Corr.1, annex], regretted the resistance shown by most developed countries to the efforts of developing countries towards bringing about, through the dialogue with their developed partners, genuine solutions, compatible with the objectives of the New International Economic Order, to the problems of the persistent lack of equity and the imbalances in international economic relations. It is, however, most heartening to all interested in promoting international economic co-operation that the Group of 77 has shown its readiness to continue the North-South dialogue under the auspices of the United Nations.

6. The proposal to launch a new round of global negotiations on interrelated issues of global concern and within a specified time-frame, first endorsed at the Sixth Conference of Heads of State or Government of Non-Aligned Countries, held at Havana early in September, and later submitted by the Group of 77 to the Committee of the Whole at its last session [see A/34/34, part three, annex I], should be seen in a positive light as it seeks to lay down a framework and a procedure that will contribute to the success of a global dialogue. Those who have had the bitter experience of the Conference on International Economic Co-operation, held at Paris with

<sup>1</sup> See document A/10112, chap. IV.

<sup>2</sup> See document A/AC.191/SR.28, para. 2.

restricted membership, should welcome the new dialogue to be launched within the framework of the United Nations, which decidedly provides the most suitable forum for injecting renewed vigour and dynamism into North-South negotiations. Further, it is gratifying to note that, under the proposal, the Committee of the Whole will continue to act as a preparatory committee charged with the responsibility of thrashing out an agreed agenda before the new round of global negotiations is launched at the forthcoming special session of the General Assembly.

7. Many speakers in this Assembly have already emphasized that the new round should concentrate on specific issues and produce action-oriented results so as to make an immediate impact on the ailing economies of the third world. The time has indeed come to move, in the words of the Chairman of the Committee of the Whole, "from general principles into an era of action and implementation" [40th meeting, para. 30]. Progress in the new round will without doubt prevent the crisis now besetting the world economy from further deepening and escalating into a hopeless situation. But it is necessary to reiterate that only the genuine political will of the participants can give the necessary momentum to the talks. The Director-General for Development and International Economic Co-operation was absolutely right in saying, when he stated to the Second Committee on 1 October of this year:

"... it has become more imperative than ever that the international community should move with vigour and determination first, to mobilize the political commitment to make progress towards the New International Economic Order and translate this commitment into action across a broad spectrum of issues . . .".<sup>3</sup>

8. Finally, the international community has repeatedly expressed its concern at the ever-worsening situation of the least developed, land-locked, island developing and most seriously affected countries. Despite various resolutions and decisions adopted in favour of those countries, no significant improvement has taken place in their lot. The fifth session of UNCTAD, expressing deep concern at the gravity of the economic ills from which the least developed countries are suffering, endorsed a comprehensive new programme of action for those countries for the 1980s and invited this Assembly to convene a United Nations conference on the least developed countries in order to finalize, adopt and support the substantial new programme of action for the 1980s.<sup>4</sup> At the last session of the Committee of the Whole which had, as stated earlier, as one of the items on its agenda the resolution of pressing problems facing the special categories of countries, several delegations, including those from developed countries, welcomed the new plan of action adopted at the fifth session of UNCTAD for the least developed countries as an important decision that would help improve the capability of the least developed countries to participate fully in the international development process, and urged its quick implementation. My own delegation, noting these expressions of welcome with satisfaction, made it clear

<sup>3</sup> See document A/C.2/34/4, p. 10. This document contains the complete text of the statement which appears in summary form in the *Official Records of the General Assembly, Thirty-fourth Session, Second Committee, 4th meeting, paras. 20-34, and ibid., Second Committee, Sessional Fascicle, corrigendum.*

<sup>4</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., resolution 122 (V).

in its intervention in the Committee's debate that the comprehensive new programme of action for the least developed countries, phase one of which would be an immediate action programme beginning in 1979 and ending in 1981, would remain a pious ambitious plan, without genuine commitments to substantially increased and additional resources by the international community and in particular by the developed countries. We consider it essential to reiterate our position that the developed countries should without delay double the quantum of their official development assistance currently being made available to the least developed countries and that donors should make available additional resources as an urgent step towards the implementation of the immediate action programme.

9. The representative of India, while expressing regret in his statement last week that the proposals of the Group of 77 in the Committee of the Whole demanding special measures in favour of special categories of developing countries received little attention, has indicated that draft resolutions relating to those countries will be introduced in this Assembly [40th meeting, para. 53]. It is our earnest hope that these draft resolutions will be positively received, adopted by consensus and implemented as quickly as possible. The concept of growing interdependence among nations of this earth will remain a fruitless academic exercise unless the abysmal gap between the "haves" and the "have-nots" is bridged through concrete measures of assistance. The least developed countries can be a test case for the exercise of the much-talked-about political will.

10. Mr. NISIBORI (Japan): First of all, I should like to express my appreciation to Mr. Stoltenberg, the Chairman of the Committee of the Whole, of the excellent report he submitted at the plenary meeting last Thursday. In my view his report contained several important points which should be borne in mind in our future North-South dialogue. His assessment of the work of the Committee since its inception has given us an opportunity to reflect upon what has been missing in past years and what should be developed in our North-South dialogue in the future. I am in accord with his view that our experience in the Committee of the Whole presents us with the possibility of a new direction in the North-South dialogue.

11. Having said this, I should like to express my Government's views on the proposal on global negotiations relating to international economic co-operation for development, which was introduced by the Group of 77 in the Committee of the Whole.

12. First, in consideration of the deepening interdependence between the developed and the developing countries, it is imperative for the stable expansion of the world economy that a constructive and realistic North-South dialogue be continued. Based on this recognition, my Government believes that the proposal should be carefully examined as one which will have a direct and vital bearing on the future North-South dialogue.

13. Secondly, my Government supports the idea of utilizing the Committee of the Whole as the preparatory body for the global negotiations and Japan is ready to participate positively in the preparation process. This, in our view, should include a careful examination of the procedural and technical problems related to the global negotiations, as well as their modalities.

14. Thirdly, in establishing the modalities for the global negotiations, it is particularly important to pay careful attention to the avoidance of duplication of ongoing negotiations in other international forums related to the North-South dialogue and to the utilization of existing forums to the fullest extent possible. In our view, the global negotiations should be arranged so as not to interfere with decentralized negotiations in other forums.

15. Let me further illustrate this point. I believe that merely setting up new forums one after another, as we have done in the past, will not necessarily lead to the solution of the problems falling within the North-South dialogue. Our past experience provides us with the precious lesson that setting up a new forum without careful and effective co-ordination with already existing forums may simply complicate, rather than solve, the problems we are facing. That being the case, in determining the modalities of the global negotiations, careful consideration should be given to the possible duplication of the work of UNCTAD in the fields of trade and development and of GATT in the field of trade. Due attention should also be paid in the field of money and finance to avoid duplication of the work of existing international monetary institutions.

16. Furthermore, the relationship between the global negotiations and the ongoing negotiations on a new international development strategy should be fully discussed in the Committee of the Whole. My delegation listened with great interest to the explanation of that relationship given in this Assembly last Thursday by the representative of India on behalf of the Group of 77. In our view, further substantive co-ordination or organic linkages between the two sets of negotiations should be sought, so as to achieve more realistic and fruitful results from our dialogue.

17. Fourthly, as regards the energy problem, which has had and will continue to have a major impact on the future of the world economy, we welcome the initiative of the Group of 77 in including this important problem among the five items in the global negotiations. Since energy is an important problem which concerns all countries throughout the world, my delegation believes that it would be both useful and appropriate for the United Nations to consider how it could best be dealt with. In this connexion I should like to express our hope that, in seeking solutions on such an important issue as energy, the most suitable modalities for the global negotiations will be established.

18. Fifthly, it is our view that, within the global negotiations, the substance of the North-South dialogue should reflect the concerns and interests of all negotiating groups, whether they comprise developing countries, developed countries, poorer countries, producers or consumers, and that the general objectives of the global negotiations should be to find a balance among the interests of the various negotiating groups.

19. Sixthly, I emphasize the importance of well-planned and substantive preparations for the global negotiations in the Committee of the Whole. In the past few years, a series of important North-South dialogues has been held in many international forums, with greater intensity and frequency than ever before. In some cases these dialogues were held without establishing first a common recognition and full

understanding of the problems in question. This was partly due to the frequency with which so many major meetings were held. Therefore it must be stressed that it is of the utmost importance to establish at least a common recognition and understanding of the general objectives before a final decision on launching of the global negotiations is taken at the special session of the General Assembly on economic matters, to be held in 1980.

20. These are the observations which I wish to make at this stage of our consideration of the proposal for global negotiations. As I mentioned earlier, Japan is ready to participate positively in the preparatory work of the Committee of the Whole with a view to setting up the most appropriate and workable modalities and machinery for the global negotiations. In concluding my remarks on this item, I wish to express our earnest hope that the Committee of the Whole will produce constructive achievements in its preparations for the negotiations, so that we may be able to take a final decision on launching the global negotiations at the special session of the General Assembly on economic matters in 1980.

21. Mr. KLESTIL (Austria): Five years after the adoption of the Declaration and Programme of Action on the Establishment of a New International Economic Order [*resolutions 3201 (S-VI) and 3202 (S-VI)*] and at the end of the Second United Nations Development Decade, we find ourselves at a crucial stage in North-South relations. Although progress has been achieved in various fields, we must admit that by and large our efforts have fallen short of our expectations and that the North-South dialogue has thus far not produced the results we had hoped for. We deplore this situation since we are convinced that the persisting crisis in the world economy can only be overcome if we act jointly and in full awareness of our common responsibility. It is with these considerations in mind that Austria attaches the utmost importance to the North-South dialogue and, in its context, to efforts aimed at the further strengthening of co-operation between the industrialized and the developing countries. Any such efforts, in order to be successful, will have to go beyond the traditional methods of negotiation and reconciliation of short-term interests. While focusing on concrete and specific issues, we shall at the same time have to broaden our perception of the issues involved. We have to recognize their interrelationship and to consider them in a more comprehensive and longer-term perspective. Only thus will we be able to deal effectively with the problems besetting the world economy, to achieve real progress and to arrive at lasting solutions.

22. The initiative taken by the Group of 77 in proposing a new round of global negotiations within the framework of the United Nations and with the full participation of all States offers, in our view, a unique opportunity to give a new sense and direction to the North-South dialogue. For too long the dialogue has suffered from a lack of determination. For too long our efforts to narrow the gap between rich and poor did not go far enough, came too late or subsided too soon.

23. My delegation strongly believes that we should not shy away from the challenge that such a global round represents for each and every member of the international community. We should not permit ourselves to be discouraged by hesitations and considerations of purely national or short-term interest.

24. I fully agreed with the representative of India when he spoke last Thursday of the need for bold initiatives and fresh ways aimed at revitalizing international economic co-operation.
25. My delegation welcomes the proposal for a new round of global negotiations, and we share the hope that it will give a new and lasting impetus to our efforts. My delegation is fully aware of the many problems which have to be resolved in order to prepare the ground for such negotiations and to secure their successful conclusion. We feel that this aspect cannot be over emphasized, since another failure to promote international co-operation for development would most certainly result in a severe setback to North-South co-operation and thus endanger the whole framework of development co-operation in general.
26. Therefore, it is obvious that the envisaged over-all negotiations will have to be most carefully prepared to ensure maximum success. We are pleased that this point has also been stressed by the spokesman of the Group of 77 and we are grateful for his clarifications on the features of the proposed negotiations.
27. My delegation has also noted with satisfaction that the negotiations should not result in the interruption of those already being undertaken in other forums, but should instead reinforce and draw upon them.
28. The inclusion of energy as one of the five key areas of negotiation rightly deserves our particular attention. There is a growing awareness that the solution of the energy problem is of fundamental importance for the future evolution of the world economy. There can be no doubt that there is an urgent need for a strengthened international framework for the solution of the energy problem. The global nature of the problem and its vital significance for the economic development of all countries make the United Nations a most suitable forum for dealing with it on an over-all level. My delegation has taken note with great interest of the proposals of the President of Mexico on the elaboration of a world energy plan [*11th meeting, paras. 66 to 68*]. We believe that those proposals should receive due attention in the context of the global round of negotiations.
29. At this point, I should like to stress that, while preparing the ground for global negotiations, we should bear in mind the need to proceed on the basis of consensus, taking into account the legitimate interests of all countries. We believe that only in such a way shall we be in a position to generate the political will necessary for a truly new and successful departure in the area of international co-operation for development.
30. In conclusion, I should like to stress that the proposed global round must also be seen in the context of the new international development strategy. Austria attaches the greatest importance to the strategy. We consider it complementary to the global round. While the global round should, in our view, address itself to specific problems, the international development strategy could form the general framework for the forthcoming negotiations and provide the terms of reference for international development co-operation in the years ahead.
31. Finally, I wish to take this opportunity to express my delegation's deep appreciation to the Chairman of the Committee of the Whole, Mr. Stoltenberg, for his untiring and dedicated efforts to achieve progress in matters of basic concern to the future evolution of North-South relations. I should like to thank him most sincerely for the report he has submitted to us on the Committee's work and wish to assure him that my delegation fully and unequivocally shares his assessment of the situation, especially when he points out that:
- ". . . we have the means and the opportunity to build an international society that is pluralistic in form but strongly united in its endeavour to secure for all its members peace, justice and well-being".  
[*40th meeting, para. 38.*]
32. Mr. FERNANDO (Sri Lanka): Development and international economic co-operation is indeed one of the major issues of the thirty-fourth session of the General Assembly. In the field of international economic relations the present mood is one of disappointment, dissatisfaction and frustration. No real progress has been achieved despite many conferences. The recently concluded deliberations of the fifth session of UNCTAD demonstrated the existing difficulties while achieving little progress.
33. In a few months the world will enter a new decade with a gloomy economic situation causing concern to all of us. The developed countries are facing inflation and possible recession. The adverse effects of the situation, including inflation, are being transferred to the developing countries and impoverishing the peoples of those countries. The gap between developed and developing countries has substantially widened, since the relative share of the latter in the world output has considerably decreased during the last two decades. Our hope of narrowing the gap has ended in frustration. The continued escalation in the prices of manufactured capital goods, food products and services imported by the developing countries, and fluctuations in the prices of primary products exported by them, have continued to contribute to the widening trade gap between the developed and developing countries. Despite our hopes there has been no transfer of resources in real terms. The entire economic picture is one of gloom heading towards chaos by the end of this century. It is a matter of urgency that this trend should be checked immediately and that we cut a path to a New International Economic Order based on equality and justice.
34. The economic stresses that developing countries face could be illustrated by a brief examination of the prevailing situation in a country such as Sri Lanka. Inflationary and other external tendencies have to be faced by us without much protection or relief. The prices of our export commodities not only fluctuate adversely but have not risen appreciably as compared to the spiralling increases in the prices of manufactured goods and other services which we are compelled to import. The rapidly increasing price of oil for countries such as Sri Lanka, which are oil-importing developing countries, is quite disastrous for their determined and valiant efforts to make a better life for their peoples.
35. We do appreciate that the oil-exporting countries face the need to safeguard the real value of their earnings, the need to safeguard the real value of their reserves and the necessity of giving an impetus to their own development transformation. On the other hand, the oil-importing developing countries face the problem of seeing their well-formulated development plans, for

which their people have made considerable sacrifices, being thrown out of balance overnight by the need to pay more for imports of manufactured goods and the creation of balance-of-payments problems.

36. In the meantime, the problem of energy is being made more acute by unnecessary waste in certain developed countries. We in the oil-importing developing countries are confident that the international community, and in particular the oil-exporting countries, will soon take effective action to ease the hardships without waiting until major long-term problems are solved.

37. In 1974 the General Assembly, at its sixth special session, decided that there was a need for the establishment of a new system of world economic relations based on equality and the common interest of all countries. The ensuing Declaration and Programme of Action on the Establishment of a New International Economic Order at that session represented a milestone on the road to achieving our vision and hopes for a better world order in the future. However, those hopes have not been realized, and it is with deep concern that we view the repeated failures to achieve real progress in the establishment of the New International Economic Order, despite a large number of meetings and international conferences.

38. It was in this context that the Ministerial Meeting of the Co-ordinating Bureau of Non-Aligned Countries, held at Colombo from 4 to 9 June 1979, made the proposal for the launching of a round of global and sustained negotiations on international economic co-operation for development. It was emphasized that such negotiations should be action-oriented, allowing for an integrated approach to the main issues involved [see *A/34/357, annex I, sect. II, para. 36*]. This view was endorsed and resulted in a resolution [*A/34/542, annex, sect. VI B, resolution No. 9*] adopted at the Sixth Conference of Heads of State or Government of Non-Aligned Countries, held at Havana early in September 1979. The developing countries have realized that this is the only mode of overcoming the present impasse and achieving objectives such as a rapid increase in food and agricultural production in developing countries, in addition to the modest target of 25 per cent of world industrial production as the share of the developing countries by the end of the century.

39. We are mindful that these objectives can be attained only by bold initiatives, and not by piecemeal reforms intended to resolve the present economic difficulties. It is a matter of great concern to us that no real progress has been achieved because of the absence of genuine political will, on the part of a large majority of developed countries, to engage in meaningful negotiations. Some have even expressed the view that certain developed countries are not even interested. As far as the Sri Lanka delegation is concerned, we do not share this view as all are committed to making progress for the establishment of the New International Economic Order. We would rather prefer to think that such an assessment is somewhat inaccurate. Otherwise, it would be a tragedy of the highest order. It is time we all realized that common interests dictate that all should strive through negotiations to solve global economic problems. Neither the problems of the world nor its prosperity are divisible. It is unfortunate that international economic relations are still governed by rules and principles formulated over 30 years ago, when the develop-

ing countries were not present on the international scene to influence any decisions. Perhaps we have not sufficiently mobilized public opinion around the world to the dangers that lie ahead of us. Too often we have taken comfort in words and not in deeds.

40. It is my duty to draw attention to a method that was recently adopted with enormous success to mobilize the necessary political will for the solution of a problem of considerable magnitude. In this connexion, I would refer to the recently concluded International Conference of Parliamentarians on Population and Development, held at Colombo from 28 August to 1 September 1979, in which 58 countries participated. That Conference was co-sponsored by the United Nations Fund for Population Activities and the Inter-Parliamentary Union. It was the first time that a Conference of Parliamentarians had been held under United Nations auspices. The Conference succeeded in obtaining a commitment from legislators around the world for a programme linking population programmes with development plans.<sup>5</sup> That indeed was a commendable innovation for generating the necessary political will and mobilizing public opinion.

41. It would seem to be appropriate and opportune to seek the assistance of organizations like the Inter-Parliamentary Union to focus attention on the North-South dialogue and the global negotiations, on which depends the future of the world economic system. Instead of solely blaming a large majority of developed countries for their absence of genuine political will, we should also attach sufficient importance to the necessity for developing countries of making a contribution by harmonizing our common positions without divisions among ourselves. Far too often have we approached major international conferences without adequate preparation, thus failing to reach agreement within the limited time available.

42. It is thus necessary that we devote sufficient time and dedication to the work of preparation for the special session in 1980. This important task will be the duty of the Committee of the Whole. It is also necessary that participation at the forthcoming session should be at the highest possible political level, as necessary acceptable compromises will have to be achieved. While the developing countries should approach that session with renewed determination and dedication, the developed countries should participate in the negotiations with a definite commitment to set up a new order which would amply provide for the interests and aspirations of the developing countries. To achieve this objective it is especially necessary that the developed countries should effectively commit themselves to achieve, through negotiations, the restructuring of the world economy on the basis of the principles of justice and equality. It is hardly necessary for me to stress that such negotiations must also take place within the context of the establishment of the long-cherished New International Economic Order.

43. The Sri Lanka delegation is of the view that such negotiations for the establishment of the New International Economic Order must take place not only within the United Nations system but even in the General Assembly itself, so as to obtain the highest level of participation and the necessary focus on the gravity of the problems that we face. Such a round of global and sus-

<sup>5</sup> For the text of the Colombo Declaration on Population and Development, see document A/C.2/34/6.

tained negotiations in the special session of the General Assembly, which will be held in 1980 on international economic co-operation for development, must certainly be action-oriented, allowing for an integrated approach to the main issues involved. The negotiations must also include major issues in the fields of raw materials, energy, trade, development, money and finance and be oriented towards the establishment of interrelated global plans. We must also strive to translate principles and norms into concrete programmes and actions which could then go to the several agencies of the United Nations for the purpose of implementation. It is the earnest hope of the Sri Lanka delegation that the present initiative on international economic co-operation and development will get us away from the present world crisis during the next decades.

44. Finally, may I be permitted to say that it is the Sri Lanka delegation's belief that the United Nations is undoubtedly the place where all these efforts could be consolidated for the achievement of our much-cherished objectives. It is also our hope that in the 1980s we in the United Nations will cease the futile exercise of playing with words in order to give an impression of well-being, when differences have not yet been bridged and problems remain unsolved.

45. Finally, may I express the deep appreciation of the Sri Lanka delegation to the Chairman of the Committee of the Whole for his dedicated work.

46. Mr. AL-HADDAD (Yemen): The Charter of the United Nations, which is the main source of our drive to promote peace, freedom and progress, calls in Chapter IX for the promotion of higher standards of living, full employment, and conditions of economic and social progress and development. To this end, a number of conferences have been devoted to dealing with the problem of development, which is still the main thrust and focus of all undertakings by the international community.

47. Last year the General Assembly adopted its resolution 33/2, in which it redefined the mandate of the Committee of the Whole established under resolution 32/174 and recognized its role as a negotiating body designed to give new impetus to the North-South dialogue for the establishment of the New International Economic Order based on justice, equity and sovereign equality. While we recognize the opportunity offered by the International Development Strategy, which declared that "economic and social progress is the common and shared responsibility of the entire international community" [see resolution 2626 (XXV), preamble], many of us here cannot conceal our disappointment at the failure of certain countries to commit themselves to acceptance of the goals and objectives of the Strategy. Thus, instead, many of us have resorted to unfruitful and endless debate in an attempt to deny any responsibility for this failure.

48. Nevertheless, it is rather encouraging to note that the sixth special session of the General Assembly, which was convened on the initiative of the late President Boumediène of Algeria in his capacity as Chairman of the Non-Aligned Movement,<sup>6</sup> and the consequent adop-

tion by consensus of the Declaration and Programme of Action, have provided an opportunity to change fundamentally the scenario of the previous attempts.

49. In our opinion, which happily is shared by other developing countries, the Programme of Action on the Establishment of the New International Economic Order has the merit of being clear, detailed and specific in its objectives and in the method of its implementation. However, what is lacking is the political will and determination of all of us. We believe that the fear expressed by the industrialized countries is unjustified and uncalled for. My delegation further believes that the numerous reservations, entered by some industrialized countries regarding the controversial provisions of the New International Economic Order, have called into question the sincerity and willingness of those developed countries concerning global co-operation in its broadest sense. Moreover, we wish to reiterate our position regarding the lack of progress in the work of the Committee of the Whole, which is that, if we really wish to achieve meaningful and concrete results, much depends on the attitude and the new policy of the industrialized countries in the current deliberations of the Committee. My delegation stresses once again the need for and the importance of global negotiations within the framework of the United Nations system to enhance the concept of international economic co-operation for development.

50. These negotiations should be oriented towards implementation of the new international development strategy for the third United Nations Development Decade, bearing in mind the following objectives: the abolition of the policy of protectionism; the rationalization of the international monetary system; the transfer of technology to the developing countries; the transfer of resources in real terms, particularly to the least developed countries; and improvement of the industrial capacity of the developing countries, as called for in the Lima Plan of Action.

51. We all agree that much as been said in great detail and with clarity on the functions and mandate of the Committee of the Whole as defined in General Assembly resolution 33/2. We repeat our call for global negotiations relating to international economic co-operation for development, but we must re-emphasize the need for an honest and objective assessment and evaluation of all undertakings, individual or collective, that have led to the present stalemate and lack of progress in the work of the Committee of the Whole.

52. My delegation is fully aware of the difficulties and ambiguities of certain positions. Nevertheless it is confident that we are all committed to a more just and rational world economic and social order which would address itself to three objectives at least: first, ensuring equity in trade relations between developed and developing countries, in particular the least developed countries; secondly, reforming the international monetary system and giving a greater role to the developing countries in the decision-making process; thirdly, promoting the objective of the individual and collective self-reliance of the least developed countries through closer economic co-operation among the developing countries.

53. Mr. AL-ALI (Iraq) (*interpretation from Arabic*): When we talk of international economic relations, we

<sup>6</sup> See *Official Records of the General Assembly, Sixth Special Session, Annexes*, agenda item 7, document A/9541, annex.

find that a swift review of the figures given by the United Nations concerning these relations is sufficient to reveal the mechanism of colonial exploitation and its responsibility for the inhuman situation of the peoples of the third world. These peoples constitute 70 per cent of mankind but their gross income, including that of the oil countries, barely exceeds 30 per cent of the world income. The third world's proportion of industrial production in 1975 barely exceeded 10.3 per cent of world industrial production, and that proportion was confined to a certain number of countries and certain given sectors of industry. In the third world 750 million people are living below the poverty level established by the World Bank, namely \$75 per year. Half the people of the third world have had no education, while two thirds of its children cannot attend school. In addition to those who die of starvation, more than 1 billion people in the third world suffer from chronic malnutrition.

54. This situation is deteriorating from one year to the next. In 1960 the exports of the third world represented 21.4 per cent of the total world exports, then they continued to fall until they reached 18.1 per cent in 1973.

*Mr. Oyono (United Republic of Cameroon), Vice-President, took the Chair.*

55. The obvious result is the constant—indeed, increasing—deficit in the balance of payments in the developing countries. In a word, that is what hampers the accumulation of capital and, consequently, causes the failure of the necessary initiatives, taken to promote development, however modest they may be.

56. All that is not just an unhappy coincidence. Backwardness and progress, well-being and poverty: those are the essential bases of the structure of the international economic order. European and American capitalism have established those bases and they are doing everything they can to perpetuate them. The most backward and fanatic circles are attempting to spread some myths to justify the present division of labour and production. They use factitious arguments—sometimes racist and sometimes geographic. But all this collapses when one has even an elementary knowledge of history, which teaches us that in the centuries before colonialism the peoples of the third world had established the most brilliant human civilizations. Those peoples were prevented, by threat or use of armed force, from developing or industrializing and thus remained ready-made markets for colonialist production and had to be content with exporting raw materials for developed Western industries.

57. Thus, it is not surprising that raw materials make up the essential part of the exports of the third world—to be exact, 81.5 per cent in 1961, and 75.4 per cent in 1972. In some countries, particularly those that produce oil, the proportion sometimes reaches 100 per cent. The counterpart to that painful fact is that 75.2 per cent of the raw-material needs of the industrialized West comes from the third world. If world trade had just and equal bases, that would give the third world a powerful position. But here again we see the injustice of the international economic structure. The prices of raw materials are low; they never increase in proportion to the increase of the prices of industrial equipment and goods imported by the developing countries from the industrialized West. There was a constant deterioration in the terms of trade, to the detriment of the developing

countries, during the 1950s and 1960s. It is perhaps an irony of fate that with the crumbling of the former colonialist system, the situation in the countries producing raw materials has deteriorated increasingly. For neo-colonialism directs its efforts essentially towards a reduction in the price of raw materials and the rapid plundering of the raw-material resources of the developing countries. It is now admitted that many raw materials could be exhausted by the end of the century, if they continue to be drained off at the present rate.

58. Similarly, there is an enormous difference between the price obtained by the countries exporting raw materials and the price paid by consumers in the industrialized countries; for example: the fruit-producing countries in Central America are paid 70 cents per case of bananas, which is then sold to consumers in New York at \$6. In the 1960s the Governments of the oil-producing countries were paid less than \$1 for each barrel of crude oil, while the European consumer paid almost \$14 for the petroleum products extracted from that barrel of crude oil. The large difference between the two prices went to the capitalist companies, which made exaggerated claims about the costs of transport, insurance and marketing, as well as to the capitalist Governments by way of high taxes on those products. These facts reveal the truth about the propaganda campaign against the members of the Organization of Petroleum Exporting Countries [OPEC] and demonstrate to the Western consumer who is really responsible for the high prices.

59. The capitalist countries have always opposed attempts to raise the prices of raw materials, using as pretext arguments about respect for market conditions, economic rules, and so forth. Obviously, those are fallacious arguments, because the world market in raw materials is controlled by the demand of multinational companies, limited in number and with very great economic experience. As for the developing countries, they confront the market in a divided state, powerless by themselves to influence the price at which the raw materials are sold. How fallacious it is to speak of the law of supply and demand when we see the United States going so far as to threaten to use armed force to prevent the developing countries from raising the prices of their raw materials. On the other hand, the developed capitalist countries have no scruples about continuing to raise the prices of products manufactured in the West. Everyone knows about inflation and the way it is exported to the developing countries, and some economists believe that this inflation is deliberate. Whether or not this is true, United Nations figures reveal that between 1968 and 1974 prices of exports from the industrial West to the developing countries rose by nearly 224.4 per cent.

60. In addition, we have the problem of food. It is known that the United States alone exports 48 per cent of the total world exports of cereals. That country is trying, on the one hand, to limit production and, on the other, to increase prices, thus following a policy in exact opposition to what it advocates for the raw materials of the third world. For, despite the decrease in the world's cereal reserves by more than one third in 10 years, we find that the United States prohibits the cultivation of areas of its land which could produce about 24 million tons, an amount close to the total imported by the developing countries. On the other hand, the price of American wheat soared, between 1968 and 1974, by about 204 per cent.

61. The United States moved heaven and earth when the OPEC countries tried to fix just prices for oil. It seems that limiting use of cars or turning down the heating by a degree or two is more serious for monopolistic capitalism than the death by starvation of tens of thousands of people in the third-world countries. Furthermore, the cost of cereals constitutes a heavy burden for the balance of payments of the developing countries. These prices are also used as a dangerous method of political blackmail: a committee of the United States Senate has admitted that the United States was distributing its food surpluses not on the basis of need, but on the basis of foreign policy considerations.
62. Profiting from the lessons of history, our people considers that countries with a colonial past are obligated to a greater extent than others to offer to countries aspiring to development some of the wealth plundered from them in the past. In the light of this principle, we observe with amazement the strange lack of commitment of the industrialized countries to the decision of the General Assembly regarding the allocation of 0.7 per cent of the gross national product of each of them to official development assistance. The United States, for example, has decreased the amount of this assistance from 0.53 per cent in 1960 to 0.49 per cent in 1965, then to 0.31 per cent in 1974. It is very clear that a great portion of this assistance is aimed at imposing specific attitudes upon certain countries, quite apart from the fact that another portion of this assistance is of an aggressive, military nature. It is sufficient in this connexion to recall that the greatest part of this assistance goes to the Zionist entity.
63. Reactionary circles in the industrialized West have launched a campaign against the OPEC countries alleging that they do not extend adequate assistance for the development of third-world countries. It is enough in this connexion to recall that assistance extended by the OPEC countries in 1974 reached 8.2 per cent of their gross national product and 12.1 per cent of their oil revenues. The amount of this assistance is not fixed; it can be increased. It is important to state that Iraq has established a special fund for foreign development whose purpose is to extend assistance and loans to the developing countries and to accelerate their economic development. The assistance extended by Iraq through this fund and the other regional Arab and international development funds has reached \$2.2 million, which represents 4 per cent of its gross national product.
64. This dim picture of international economic relations can only presage the gravest dangers, for it is a far cry from justice and equality. It is the duty of the third world, the socialist countries and the democratic and rational forces in the capitalist West to struggle for the establishment of a new international economic order based on greater justice and balance. That is why, on behalf of my Government and from this international rostrum, I make the following appeal.
65. First, we must denounce any use or threat of use of armed force by the great Powers against the third-world countries which are nationalizing the industries of Western monopolies or trying to get more just prices for their raw materials and confirm the right of every State to nationalize the foreign companies which extract its raw materials.
66. Secondly, we must establish associations of producers for each raw material, or group of related raw materials, produced by the third-world countries. The OPEC countries, by disregarding the disparities between their social and economic policies, have revealed the elements which are possible and necessary to achieve unity among third-world countries, and which have enabled them, for the first time, to obtain relatively just prices.
67. Thirdly, we should see to it that the developing countries process and secure a more extensive participation in the transportation, marketing and distribution of their raw materials.
68. Fourthly, we should establish practical means of linking the prices of raw materials and those of manufactured products and endeavour to obtain just prices for every raw material. These prices would be close to the actual prices in the capitalist market.
69. Fifthly, we should build up reserve stocks of raw materials in order to reduce market and price fluctuations, to guarantee a just price for raw materials and to confirm the right of every country to determine the production of its raw materials so as to prevent the market from being swamped, on the one hand, or the raw materials from being exhausted, on the other.
70. Sixthly, we must achieve a just balance with regard to customs barriers between third-world countries and the industrialized Western countries, on a basis of reciprocity. There is no doubt that when the developing countries discontinue the practices of the consumer society, which are widespread in capitalist countries, they will have a real opportunity to decrease their imports of superfluous goods.
71. Seventhly, at the same time as we call on the developing countries to increase their transactions with the socialist countries, we should call on the advanced socialist countries which trade with the developing countries to perceive the monopolistic and exploitative nature of world prices and to join the third-world countries in demanding just prices for their exports.
72. The last and important point my delegation would like to bring to the attention of the Assembly concerns the attempt by some circles to raise the energy question in isolation from international economic relations as a whole. In this connexion, my country supports completely the resolutions of the sixth conference of Heads of State or Government of Non-Aligned Countries held at Havana [see A/34/542, annex], in which the Conference condemned the attempts by some of the developed countries to use the energy question to erode the unity of the developing countries. Moreover, the non-aligned summit Conference put the blame for the current crisis on the wasteful patterns of consumption of energy resources in the industrialized West, as well as on the transnational corporations and monopolistic oil companies. The Conference also noted that the great decrease in the purchasing power of the revenues of the oil States, caused by the inflation exported by the industrialized countries, has forced the former to adjust their oil prices. The Conference also condemned the attempt to distort the truth by blaming the oil-producing countries and stressed that the major reason for the problems suffered by the developing countries was the in-



flation exported to them from the developed industrialized countries.

73. For all these reasons, the summit Conference of the non-aligned countries emphasized that the issue of energy should be examined within the framework of global international negotiations in the United Nations, side by side with other international economic problems, such as those of development, of monetary and financial reform, of international trade, of raw materials and others.

74. My country will strongly support the brotherly developing countries, and that is why my country has proposed, in the statement made at the Havana Conference by the President of the Republic, Mr. Saddam Hussein, the establishment of an international long-term fund for assistance to the developing countries to offset the effects of inflation. The more advanced industrialized countries, regardless of the nature of their political and economic systems, would contribute to this fund an amount corresponding to the inflation which they export annually to the developing countries. The oil-exporting developing countries would also contribute to this fund.

75. Furthermore, Mr. Saddam Hussein stated at the Havana Conference that Iraq had decided to assist the poor developing countries which currently have oil contracts with Iraq by cancelling any addition to the official prices of Iraqi oil as from 1 June 1979 until the end of this year.

76. My Government strongly believes in the need for unity among the developing countries in their just struggle to establish a new international economic order. We hope for complete success in the work of this session.

77. Mr. SAUNDERS (Jamaica): The background and history of the process of negotiations to date concerning the establishment of the New International Economic Order have been fully and adequately reviewed by other delegations, not only by those of developing countries but also by those of developed countries.

78. We have also had the benefit in this debate of a comprehensive introduction to the report on the work of the Committee of the Whole for the current year from the Chairman of that Committee. My delegation would like to express once again its deep appreciation and recognition of the efforts and dedication of the Chairman, Mr. Stoltenberg, who, like his predecessor, has spared no effort in seeking to make a success of the Committee's work.

79. It is perhaps at the same time paradoxical and appropriate that the aspect of the Committee's report which has commanded our attention in this debate over these past few days is a proposal which may have the implication of a suggestion that the Committee of the Whole provides an inadequate forum for the achievement of major and significant progress on global development issues. The Chairman of the Group of 77, the Ambassador of India, has clearly outlined the spirit and the intent of that proposal.

80. The fact is that the proposal of the Group of 77 for a round of global negotiations on international economic co-operation for development has to be seen

against the entire background of our long and frustrating experience in our negotiations to date, of which the Committee of the Whole has been merely the last attempt so far. We therefore need to pursue the proposal in the context of an examination of what differences we need to seek, in embarking on a new round of such negotiations, in our approaches and procedures and, most important, in the objectives of such a round as compared to our past attempts.

81. The Conference on International Economic Co-operation which was held at Paris, represents the last attempt, although a poor one, to initiate a set of negotiations on global development issues along lines which may be deemed to be not too dissimilar, in at least a few respects, from some aspects of the present proposal. Although there was obviously a large number of deficiencies identifiable in that process, there are a few main features which stand out and from which lessons should be drawn. These are: first, the location of such negotiations outside the United Nations ambit, which clearly put the status of those negotiations into question; secondly, the framework and scope within which the encounter was initially conceived and the fact that the effort by the oil-producing countries to broaden the scope of that Conference did not succeed in altering the single-subject approach of the developed countries involved; thirdly, the inadequate preparation, as reflected in the number of crises which developed during that Conference regarding procedures, the selection and detailing of the agenda, and so on; and last, but not least, and regardless of particular mechanisms which might be devised in any such negotiation to maximize effectiveness, the restricted participation in the Conference.

82. My delegation does not propose to go into any detail regarding the features I have outlined, but merely wishes to indicate some of the features which made it impossible for that Conference even to arrive at a set of significant integrated and concrete proposals which might have contributed constructively to the negotiations on the New International Economic Order.

83. That is why, apart from seeking to establish the general objectives and framework within which the round of global negotiations should be pursued, the present proposal of the Group of 77 limits itself to seeking agreement to the round and providing an opportunity, through the Committee of the Whole acting as the preparatory committee, for proper consideration of the procedures, time-frame and detailed agenda for the global round.

84. Thus, there is a clear emphasis on careful and considered preparation in the significant time which remains before the 1980 special session actually launches the global round. Nothing is prejudiced or prejudged by the present proposal beyond the identification of the broad and all-embracing areas within which context decisions will eventually be taken with regard to specific aspects to be treated, and on which clear recommendations to this end will need to be elaborated in the preparatory committee.

85. My delegation therefore strongly supports the appeal by the Ambassador of India, Chairman of the Group of 77, that no pre-conditions regarding details should be set by our developed country partners with respect to acceptance of the principle of a global round. Thus, we are somewhat wary of interpretations which

have been made in the course of this debate regarding the nature of the round, particularly with reference to so-called ongoing negotiations.

86. Surely if, as seems to be agreed, most of the broad areas identified have indeed been the subject of long, extensive and, in many cases, fruitless negotiations, then we are faced with the clear inference that we may well have to consider which aspects of those areas may be appropriate for treatment in the global round, regardless of whether they are on the agendas of other forums or not, and which aspects may constructively be left in other forums, given the objective of achieving concrete and positive agreements within a specified time-frame.

87. Indeed, we may even have to consider the necessity or otherwise of making alterations in the over-all meeting schedule of economic negotiations in order to ensure that the logistical position makes it possible properly to pursue the global round, and this could possibly affect so-called ongoing negotiations.

88. I would pause to explain that I use the expression "so-called" in reference to ongoing negotiations because in this context my delegation was struck by the clear distinction which was drawn between dialogue and negotiation by the Permanent Representative of the United States at our preceding meeting. Without saying that developing countries have always been aware of attempts, perhaps successful, to reduce the negotiation sought in our past initiatives to the level of dialogue, it would appear that at least on this occasion our intent with regard to the global round of negotiations—and I emphasize the word "negotiations"—has not been misinterpreted. Developing countries have always sought to negotiate on these issues and my delegation hopes that the recognition of this by others in this case at this stage has not been brought about merely by the title which has been given to the proposal.

89. But, to continue, at the other end of the spectrum there are, of course, aspects, some of them admittedly relatively untouched to date in economic negotiations, which cannot be deferred until the global round of negotiations, but which are of such urgency and immediacy that appropriate solutions have to be found. Perhaps the best example of this is the grave situation facing many of the non-oil-producing developing countries, for which the global round may not be of much relevance by the time it comes on stream if action is not taken in the immediate short term. Recent developments have encouraged some hope that early action on at least one aspect of this matter may be forthcoming shortly. But movement on that aspect will need to be equally urgently complemented by action by the international financial institutions.

90. I have mentioned these points merely to underline the need to avoid prejudicing or prejudging the process we expect to embark on shortly.

91. Various reasons have been given for the fact that global economic matters have become priority issues on the international agenda, but these reasons always seem to be couched only or mainly in economic terms. My delegation would submit that the reason goes beyond global interdependence in purely economic terms. Indeed such interdependence is currently the subject of

differing perceptions because of the actuality on which it is at present based and the persistent divergence of views regarding the basis on which genuine interdependence should stand.

92. These differences are fundamentally rooted in the social and political relationships of humanity, the relationships between individuals or between nations, not in economic relationships *per se*. Therefore the question of how we perceive one another as human beings and as nations is of relevance here. Principles of equality and sovereignty are therefore important and unconditional acceptance of them would go a long way in facilitating progress in all areas of human existence, not merely in the economic area.

93. Thus a desire for serious and mutually respectful approaches to one another, either at the personal or national level, has not been reflected for example in the actions of those powerful countries which support and sustain racist Governments and the crime of *apartheid* in southern Africa, or in those actions which seek to maintain and perpetuate the domination of small weak States by large powerful ones, or in those actions which suppress the right of peoples to self-determination. I have merely cited a few examples.

94. Therefore one cannot fail to understand that the common thread of the perception by some of an inferiority in third-world peoples and nations, which is related to racial and cultural differences and perhaps to which countries happen to enjoy power at a particular point in time, and which runs through the examples I have just referred to, has been an extremely relevant factor in the lack of significant progress in negotiations on the New International Economic Order to date. It is only from such a perspective that assessments can have been attempted and put forward which argue that significant progress has been made.

95. Of course, it can be admitted that there have been a few changes in economic relationships and even in some international economic institutions. Unfortunately, however, such changes have often failed to tackle the problems of the developing countries directly and are indicative of an uninformed perception in some quarters, according to which the developing countries are incapable of defining their own problems themselves and outlining possible solutions for them. Too often we end with agreements which completely miss the objectives of the preceding negotiations and the problems to which we need to address ourselves.

96. The integrated nature of the global round is an essential feature of the proposal if one of the conditions required for fruitful negotiations is to be met, because if there is to be give and take on all sides regarding specific agreements to be reached within the context of genuine negotiations, then it is obvious that there has to be an initial balance in the equation of the cards held by all sides in the first place. Therefore it is highly unrealistic to expect that any fruitful results will be achieved without linkages being reflected in the progress on the various aspects of the negotiations.

97. I would conclude these remarks by expressing the hope of my delegation that the approach of the global community to the proposed round of negotiations will

reflect the attitudes required for genuine forward movement in a manner which will facilitate success not only for the global round of negotiations, but also for our

endeavours in all other areas of human existence. Jamaica will play its part in all such efforts fully.

*The meeting rose at 12.15 p.m.*