

process of external balancing, i. e., the process of adapting the development of economic quantities of individual countries to balance of payments requirements which is of a contradictory and long-term character in the present-day economics. As a consequence, balance of payments disequilibrium becomes a typical phenomenon. International liquidity, as an instrument used to bridge over and balance the occurring disequilibrium becomes thus a vital component and a prerequisite of the functioning of contemporary international monetary system, and hence of all capitalist world economy.

However, along with their external function, international liquid funds fulfil at the same time also an internal role — that of currency reserves, i. e., they serve "to cover" internal currency circulation. This is more or less a formal function in present-day economics. Therefore, it is not by itself conclusive for passing judgment on the adequacy of liquid reserves and their growth rate.

The author further deduces that the core of the problem of international liquidity does not lie in volume only, in a sort of overall supply of world economy with liquid funds (therefore it is not a matter of resources alone), that it depends on the degree of equilibrium of economic development of different countries, and that it is also given by the country's needs. Among those are, first of all, distribution of reserves among individual countries, possibilities of adapting the distribution of reserves to the needs on the basis of international credit, etc.

In the contemporary monetary system which is based on gold, the sources of liquidity are, apart from gold, also certain national currencies, especially the so-called reserve currencies — US dollar and pound sterling. A number of contradictory factors is made conditional thereon; in particular, the fact that the total volume of liquidity is not dependent on and does not adapt itself to changing needs; as a result of different development of individual forms of liquidity, an atmosphere of instability prevails continuously and favours speculation; the requirement of stability of reserve currencies clashes with the need for broadening international liquidity, etc.

However, in the present stage of development it is of no less importance that liquid funds are distributed extremely unevenly, and that this disparity keeps increasing. The possibilities of redistribution of liquidity are generally limited to short-term and temporary objectives (the IMF included). It is therefore necessary to approach the problems of international liquidity jointly with the problems of economic development of less developed countries and areas, and those lagging behind in the capitalist world economy. This is so because no amount of international liquid funds can suffice as long as they are, in fact, hoarded by a few countries.

## **CODIFICATION OF PEACEFUL COEXISTENCE PRINCIPLES IN THE UN**

MIROSLAV POTOČNÝ

The UN General Assembly has concerned itself since 1962 with the codification and progressive development of the principles of international law relating to friendly relations and co-operation among states in accordance with the UN Charter. The XXth General Assembly adopted — on the initiative of socialist and non-aligned countries — resolution 2103/XX which for the first time expressly assumed and interpreted the viewpoints held by the delegation of the Czechoslovak Socialist Republic ever since the question came up for the first time. To start with, the General Assembly declared that the task of the UN in this sphere lied not only in mere study of principles but in their codification and progressive development. It declared the codification to be a long-term process of formulating, promoting, and applying the principles in order to ensure peaceful coexistence among all states making no exceptions whatsoever. For the present stage, it set as the primary task the formulation and proclamation of the Declaration of legal principles of peaceful coexistence which represented a significant step forward in the sphere of progressive development and codification of the principles of peaceful coexistence.

The XXth General Assembly also set up a special 31-member committee charged with drafting the individual principles and Declaration. The committee met in New York March 8 to April 25, 1966. The overall unfavourable international situation had

an unpropitious effect on the proceedings and the special committee managed to discharge only a small part of the entrusted task. It succeeded in formulating in a generally acceptable form the principle of peaceful settlement of disputes, the principle of sovereign equality and, in part, the duty of states to co-operate with one another; it also decided by a majority of votes on the legally binding nature of the Declaration on inadmissibility of intervention accepted by the XXth General Assembly. Western powers thwarted any progress in formulating the most important principles, viz., prohibition of the threat or use of force, the duty not to interfere, and the principle of self-determination of nations. Their refusal to include in the formulation of the principle of fulfilling international obligations in good faith the reference to respecting sovereign equality of contracting partners made it impossible to work out a definition of the principle.

However, the Special Committee's session, viewed in a broader context and from the standpoint of further prospects of the development of the problem of codification of the principles of peaceful coexistence, did yield, nevertheless, certain positive results. It has been generally recognized that the Declaration of legal principles of peaceful coexistence may become a significant instrument of not only strengthening international legality but of strengthening international peace and security as well. The viewpoint — promoted by socialist and non-aligned countries — was accepted stipulating that rights and duties emanating from legal principles of peaceful coexistence for states apply to all existing states without exception and not only to those who are members of the UN as previously insisted on by Western powers. The proceedings and results of the session recorded in protocols, proposals submitted, as well as in the rapporteur's report indicate that there has been of late a significant shift of power in favour of progressive conceptions of most of the principles of peaceful coexistence. This may favourably effect not only further stages of negotiations on codification; it may also play a progressive role in negotiating on other questions of international politics and law in other UN organs. All that may, in the end, contribute to a more progressive understanding of the contents of rights and duties of states in accordance with general international law as a whole.

Although the negotiations on the codification of legal principles of peaceful coexistence in the UN do not actually take place under the same heading but rather as the codification of principles of international law concerning friendly relations and co-operation among states in accordance with the Charter of the UN, they nevertheless tend to formulate the principal legal pillars of peaceful coexistence among states irrespective of their different social systems. The overall orientation and contents of this point are ensured in a decisive measure by socialist and non-aligned states whose objectives are identical. Western powers whose initial resistance against even discussing this question was broken, may now, at the most, hinder, procrastinate, and complicate the negotiations. However, they are no longer in a position to thwart the progressive orientation of the codification of principles of peaceful coexistence.

The codification and progressive development of the principles of peaceful coexistence consolidate general international law, strengthen its chief corner stones and essential generally recognized principles, and broaden the scope of its effect. Thereby the "free sphere" of imperialist action is narrowed. Imperialism finds its chances of using force against others, of interfering in internal affairs of other countries, or of forcing unequal treaties on other states, are being more and more curtailed.

Last but not least, the negotiations on codification have also contributed to general recognition and respect of the role of the Czechoslovak Socialist Republic in promoting this idea. The idea of codification has been taken over by a sizeable group of states consisting, apart from socialist countries, of most UN member states from Africa, Asia, and Latin America. There are therefore reasons to anticipate that the UN will, in the end, succeed in the codification and progressive development of the legal principles of peaceful coexistence.