

four. The fourth item should be “development.” Our remarks concerning this example are not conjectural, provided that suitable initiative proposals are generated by significant forces of the industrialized sector, key forces within the so-called “Third World” will be prepared to immediately begin working negotiations along the lines of such a four-point form of general treaty agreement with the industrialized sector.

On the basis of our own organization’s studies, and our discussions of these studies with governments and leading political forces within the “Third World,” we have determined to the point of certainty that the activities of an International Development Bank in connection with present wishes and consumption capabilities of the developing sector, would be sufficient to generate a higher rate of industrial expansion in the advanced sector than has been seen during the most prosperous intervals of the past quarter century.

The feasibility of this proposed program demands understanding of certain often neglected ABC’s of Political Economy. Without understanding those principles, we should all be hopelessly caught in the worst disaster of human history.

The basic fact on which all political economy depends is the characteristic feature of economy. That is, that a proper use of means of production and means of personal consumption generates levels of output in excess of the prime costs incurred. The second basic fact, essential to this solution, is that all general development, including industrial development, depends upon creating a basis for growth in an abundant supply of adequate nutrition at relatively low social cost. To the extent that these two principles are observed in practice, and advancing technology emphasized to that end, it is feasible to generate very large amounts of long-term credit without inflationary effects.

We emphasize that a combined concentration on both industrial development and expanded food production are the absolute imperatives for this period. To the extent that long-term development credit to the developing sector places priority emphasis on rapidly increasing the amount and social productivity of world food production, any amount of credit can be issued over a 10- to 15-year term ultimately payable in expanded food, in increased masses of productive labor, and in the social productivity of human labor generally.

The immediate problem the new bank will face is this. In addition to the immediate potential for substantially increasing agricultural output and productivity generally, there are three regions of the developing sector which represent massive opportunities for increases in agricultural output. One of these, the Rio de la Plata region of South America, offers short-term major benefits for development as an agro-industrial region. The other two, the Sahel, and the India-Bangladesh-Pakistan region, represent potentially major world food-producing regions, but will require 10 to 15 years of massive engineering efforts and development to approach their enormous surplus potentials. Therefore, our problem is to provide a level of development equivalent to approximately a quarter

trillion current transferable rubles annually, concentrated on low-interest loans and grants with a typical maturity in the order of 10 to 15 years required for loans.

The apparent difficulty of conducting such programs is only apparent and not actual. To the extent that the industrialized sectors can generate large surpluses in excess of immediate reinvestment requirements within that sector, that portion of surplus can be issued as credits and grants without adverse economic effects. The only real problem involved is that of raising the gross level of industrial outputs to the scale the indicated undertaking requires. . . .

The Colombo resolution of the Non-Aligned

The following is excerpted from the final resolution of the conference of Non-Aligned nations, held in Colombo, Sri Lanka, Aug. 19, 1976:

Introduction

. . . The heads of state of the Non-Aligned countries consider that economic problems have become the most grave in international relations. . . . The developing countries are victims of this world crisis. . . . It becomes more and more evident that the present system cannot promote the development of the developing countries nor hasten the elimination of hunger, disease, and illiteracy. . . . Also, the institution of the new international economic order is of the highest political importance. . . . The developing countries have as their primary task to break the resistance of those who oppose themselves to the struggle for the economies of the developing countries. . . .

The New World Economic Order

1. The heads of state . . . are strongly convinced that alone a complete restructuring of international economic relations will bring a solution to the world’s economic problems. The weaknesses and repeated failures of the extant economic order have been demonstrated by the recent series of crises in the market economy countries: collapse of the monetary system, the appearance of restrictive and protectionist policies, recession, inflation, unemployment, etc. . . . Notably, this state of crisis has also dramatically emphasized the fundamentally interdependent nature of the elements constituent of the world economy, and provided the necessary impetus leading towards conceiving a new world economic order.

2. The heads of state . . . demand the establishment of a new world economic order, which begs bold initiatives, demands concrete innovative and global solutions, and is not compatible with the fragmentary and improvised reforms de-

signed to keep the current economic difficulties in check. . . .

3. The heads of state denounce the unacceptable policy and practice of the transnational corporations. . . .

4. They reiterate the right of every country to exert its sovereignty. . . .

5. They reaffirm that alone such a complete restructuring of international economic relations will provide a durable solution. . . . They reaffirm their resolute determination to obtain by collective action the establishment and implementation of a new world economic order, which is envisioned and enunciated in various resolutions. This order must, among other things, include:

a) Fundamental restructuring of the whole apparatus of international trade so as to achieve an indexation, improve the terms of trade. . . .

b) Deep restructuring of world production on the basis of a new international division of labor through the following means: improvement of the access of developing countries' manufactured products, transfer of technology. . . .

c) A radical overhaul of international monetary arrangements in vigor, which are characterized by the lack of a rational equitable and universal system, the anarchy of floating, the growth of liquidity . . . inflation. . . . The new system should abolish the dominant role of international currencies in decision-making, and forge a link between liquidity creation and development finance.

d) Guarantee an adequate transfer of resources.

e) Urgently determine a satisfactory solution to the problem of public debt, especially for the least developed and most affected countries.

f) Input, at favorable conditions, of the desired resources and appropriate technology to permit investments ensuring growth of food production and means of agricultural production in the developing countries. . . .

Interdependence in the world economy

. . . International cooperation has today become an imperative necessity. . . .

The heads of state recognize that the introduction of a new era of fair and balanced relations is the responsibility of all, but falls more particularly upon those who retain economic power. Furthermore, the creation of a new world economic order implies, on the part of the developed countries, resolute and efficient measures in all the main domains of international economic relations. The developed world as a whole cannot any longer escape their responsibility under any pretext whatsoever, and can no more afford to misinterpret the fundamentally indivisible nature of the world's prosperity.

The heads of state . . . therefore invite the developed world to convincingly express their faith in the principle of interdependence of the world, by adopting a series of measures that, alone, will permit them to conduct authentic international cooperation and the creation of the new world economic order. . . .

Conclusion

[This] announces a new step for the establishment of the new world economic order, and in particular, this essential element of such a new order, a new monetary and financial system. . . .

Guyana's Wills calls for a debt moratorium

From the address of Guyanese Foreign Minister Fred Wills to the 31st Session of the United Nations General Assembly, Sept. 27, 1976. He prefaced this section of his speech by addressing the fact that previous UNGA resolutions to resolve the conflict on Cyprus had not been implemented. See box in this section for more on Wills.

The tragedy of Cyprus, Mr. President, is the tragedy of the interference by other states in the affairs of a small state. Techniques of destabilization are being mobilized against governments which seek to free their economies from the stranglehold of imperialist control—governments which seek to create systems of development which would abolish hunger, disease, and poverty, which would restructure their societies so as to provide their peoples with the quality of life for which they yearn. Mr. President, the immediate objectives of such campaigns of destabilization are clear and unmistakable. They range from the comparatively unobtrusive change of key personnel to bloody events which sometimes culminate in such tragedies as the assassination of political leaders.

The techniques used are equally clear and unmistakable. The promotion of internal unrest with a view to the breakdown of law and order; the fomenting of intra-regional conflicts through client states; the financing and organization of hostile propaganda campaigns; the attacking of embassies and consulates; the manipulation of international markets; the restrictions on export capabilities; the frustration of bilateral and multilateral aid; the subversion of economic objectives by the machinations of transnational corporations—all this arsenal of destabilizing techniques is aimed in the first instance at ensuring the continuation of a relationship of dependency between developed and developing countries, and in the second instance at yoking the legitimate aspirations of the peoples in developing countries to the strategic conceptions of larger nations.

Mr. President, most of the countries in the developing world were former colonies of western Europe, and the radicalization of their liberation struggle has therefore been in anti-West terms. This does not necessarily mean that those