
INTERNATIONAL



Castro's challenge for *Cuba's President speaks for the Nonaligned at the*

Despite States that greeted the speech of Cuban President and Chairman of the Nonaligned Movement, Fidel Castro, before the United Nations General Assembly Oct. 12, European assessments have been far more accurate: the President's speech was a call for cooperation between the advanced and developing sectors to industrialize the Third World. Yet, so far as we can discern, no publication in the world has published the key second part of Castro's speech in which the head of state puts forward the most detailed and specific delineation of the New International World Order yet to appear, outside of the publications of Democratic presidential candidate Lyndon H. LaRouche, Jr.

After outlining the miserable state of the underdeveloped sector, Castro, speaking as the representative of the 95 nations of the Nonaligned Movement, made clear the following points: (1) the old Bretton Woods monetary system is bankrupt; (2) the current debt overhang of that monetary system on the developing sector is intolerable, constituting \$330 billion and sucking out of the underdeveloped sector the revenues it receives on its exports; (3) the debt of the least developed nations—the so-called Fourth World whose millions have been targeted by such agencies as the World Bank for population decrease—should be canceled outright, and the debt of other Third World nations should be renegotiated on terms that are not detrimental to those nations' industrial development; (4) the fundamental concept of developing the Third World is combined development of both the developing and advanced sectors based on cooperation and trade; (5) the mechanism for this program of global growth is a \$300 billion development fund to finance Third World industrialization; the money from such a fund would not go for debt repayment and would begin to be issued in the first year with an allocation of \$25 billion; (6) the political control of this fund must be exerted through all the nations having a voice in the deployment of

funds and therefore should be administered by the United Nations. The United Nations should also be the appropriate forum for future discussion and negotiations for a development framework for the industrialization of the Third World; (7) this perspective for raising the developing sector out of its near-starvation level of existence does not necessitate depleting of the advanced sector, but will rather generate enhanced world trade and development.

The Cuban President has thus revived the New International Economic Order as the major issue for relations among nations. Not since Fred Wills, as the then foreign minister of Guyana, raised the demand for the formation of international development banks in September 1976 before the United Nations General Assembly, has the question been raised for real negotiation.

In 1976, the world responded by ignoring Wills' demand, and permitting Henry Kissinger to oust Wills as foreign minister the following year. Financial circles in London and Washington who oppose the formation of a new international economic order and are instead backing the proposal of Federal Reserve Chairman Paul Volcker for a new global depression will find President Castro's offer for negotiations immediately much harder to deal with. Fidel spoke as the head of state who cannot be simply swept out of power and as the representative of the Nonaligned Movement. Most directly, Castro's speech is the developing world's answer to Volcker's depression plan.

The key question now is how forces in Europe who, led by France's Giscard and West Germany's Schmidt have formed the European Monetary System, will answer Castro's call. Europe's response to Castro will be a clear sign as to whether the European Monetary System will go into its second phase: issuing credit for Third World development or whether it will be undermined to help prop up the current bankrupt monetary system.

development

United Nations

The framework for global development

The following is an excerpt of the speech of Cuban President Fidel Castro before the United Nations General Assembly. The portion presented here is the last half of the President's speech.

I have not come here to speak about Cuba. I have not come to advance in this Assembly the attacks to which our small but worthy country has been subjected for 20 years. Nor have I come to use unnecessary adjectives to wound a powerful neighbor in his own house.

We have been charged by the Sixth Conference of the Heads of State or Government of the Movement of Nonaligned Countries to present the United Nations with the results of its deliberations and the positions that are derived from them.

We are 95 countries from all the continents, representing the overwhelming majority of mankind....

It is not necessary to go into how profoundly unjust and incompatible with the development of the underdeveloped countries the existing international economic system is. The figures are already so well known that it is unnecessary for us to repeat them here. There are discussions on whether there are only 400 million undernourished people in the world or whether the figure has once more risen to 450 million, as certain international documents state. Even 400 million hungry men and women constitute too heavy a charge.

What nobody doubts is that the hopes raised in developing countries appear extinguished and dashed

at the closing of this Second Development Decade.

The Director General of the FAO Council has acknowledged that "Progress is still disappointingly slow in relation to the long-term development goals contained in the International Development Strategy, the Declaration and the Program of Action on the establishment of the New International Economic Order and the Resolution of the World Food Conference and in several subsequent conferences." We are still far from having achieved the modest 4 percent per annum average increase in the developing countries' food and agricultural production which was proposed ten years ago in order to solve some of the most pressing problems of world hunger and to approach consumption levels that are still low. As a result, the developing countries' food imports, which right now constitute an aggravating factor in their unfavorable balance of payments, will soon—according to the FAO—reach unmanageable proportions. In the face of this, official commitments of foreign aid to agriculture in the developing countries are falling off.

This panorama cannot be prettied up. Certain official documents sometimes reflect circumstantial increases in the agricultural production of some areas of the underdeveloped world or stress the cyclical price increases registered by some agricultural items, but it is a case of transitory advances or short-lived advantages. The developing countries' agricultural export revenues are still unstable and insufficient to meet their import needs for foodstuffs, fertilizers and other items required to raise their own production. In Africa, food production per inhabitant was 11 percent lower in 1977 than ten years earlier.

If backwardness in agriculture is perpetuated, the industrialization process cannot advance, either. It cannot advance because most of the developed countries view the industrialization of the developing countries as a threat.

The 1975 Lima World Conference on Industrialization proposed to the developing countries that we be responsible for 25 percent of the world's manufacturing output by the year 2000, but the progress made since that conference has been so insignificant that, if the measures proposed by the Sixth Summit Conference are not implemented and a crash program is not put into effect to modify the economic policies of most of the developed countries, this will be yet another goal that won't be met. We now account for less than 9 percent of the world's manufacturing output.

Our dependency is once more expressed in the fact that the countries of Asia, Africa and Latin America import 26.1 percent of the manufactured goods that enter international trade and export only 6.3 percent of them.

It may be said that there is some industrial expansion, but it does not take place at the required rate or

World Bank proposes war and famine

The following are excerpts from a speech delivered by Robert McNamara, president of the World Bank, before the Bank's Board of Governors in Belgrade, Yugoslavia on Oct. 2. As the reader will note, Mr. McNamara's view is antithetical to the framework for development outlined by President Castro:

There are only two possible ways in which a world of 10 billion people can be averted. Either the current birth rates must come down more quickly. Or the current death rates must go up.

There is no other way.

There are of course many ways in which the death rates can go up. In a thermonuclear age, war can accomplish it very quickly and decisively. Famine and disease are nature's ancient checks on population growth, and neither one has disappeared from the scene.

The truth is, of course, that population is an inseparable part of the larger, overall problem of development. But it is more than just that. To put it simply: excessive population growth is the greatest single obstacle to the economic and social advancement of most of the societies in the developing world.

From a practical point of view, governments in the developing world today have little capacity to control urbanization. ... It is clear that the development of greater economic opportunities in the rural areas can slow the process. Here the opportunities are promising, though the task is immense in scope.

It has been demonstrated that when small-scale farmers have equal access to irrigation, improved seeds, fertilizers, credit, and technical advice, they have equal—or greater—productivity per hectare than large-scale farmers. And almost everywhere the small farmer uses more labor per hectare than the large farmer does. Small farms in Colombia, for example, use labor five times as intensively as large farms, and thirteen times as intensively as cattle ranches do.

The emphasis on low capital investment per job, and low-cost standard services affordable by poor households is the key to the solution.

The basic concept is to provide the poor with access to productive assets and improved technology by removing the distortions that favor capital-intensive production: very low interest rates, for example, and excessively high wage rates.

in the key industries of industrial economy. This was pointed out at the Havana Conference. The world redistribution of industry, called industrial redeployment, should not consist of a new confirmation of the deep economic inequalities that emerged in the colonial era of the 19th century. At that time, we were condemned to be producers of raw materials and cheap agricultural products. Now, an effort is being made to use our countries' abundant labor, and starvation wages, and to transfer obsolete and polluting industries to developing countries. We categorically reject this.

Developed market economy countries today absorb more than 85 percent of the world's manufactured goods, including those whose industrial production requires the highest technology. They also control over 83 percent of all industrial exports. Twenty-six percent of those exports go to the developing countries whose markets they monopolize. The most serious aspect of this dependent structure is that our imports—consumer items as well as capital goods—are manufactured according to the demands, requirements and technology of the most developed industrial countries and the patterns of consumer society, which are introduced through the chinks of our trade, contaminating our own societies and thus adding a new element to the already permanent structural crisis.

No population problem

The result of all this—as was noted by the Heads of State or Government in Havana—is that the gap has substantially increased. The latter's relative share of world output decreased considerably during the last two decades, which has still more disastrous effects on such problems as malnutrition, illiteracy and poor sanitation.

Some would like to solve the tragic problem with drastic measures to reduce the population. They remember that wars and epidemics helped to reduce it in other eras. Going even farther, they seek to blame the population explosion for underdevelopment.

The population explosion is the result—not the cause—of underdevelopment. Development will both bring solutions to the problem of poverty and, through education and culture, help our countries to attain rational and adequate rates of growth.

A recent report put out by the World Bank paints an even blacker picture. It says that, by the year 2000, some 600 million people may still be submerged in absolute poverty.

Mr. Chairman and representatives, the state of agricultural and industrial backwardness from which the developing countries have not managed to emerge is—as the Sixth Summit Conference pointed out—undoubtedly a result of unjust and unequal international relations, but—as was also pointed out in the Havana Final

Declaration—the prolonged world economic crisis is an aggravating factor in this.

I shall not dwell too long on this aspect. Let us state now that we Heads of State or Government consider that the crisis of the international economic system is not merely a phenomenon of a cyclical nature but a symptom of underlying structural maladjustments and basic imbalance, aggravated by the unwillingness of developed market economy countries to control their external imbalances, high levels of inflation and unemployment. The inflation has been engendered precisely in those developed countries that now refuse to implement the only measures that would eliminate it. We further point out (we will refer to this later, and it is also set down in the Havana Final Declaration) that this crisis also results from the persisting inequity in international economic relations—so that eliminating that inequality, as we propose to do, will contribute to reducing and eliminating the crisis itself.

What are the main guidelines that the representatives of the Movement of Non-Aligned Countries were obliged to formulate in Havana?

We confirmed that the unequal exchange in international economic relations enunciated as an essential characteristic of the system has become, if possible, even more unequal. Whereas the prices of the manufactured goods, capital goods, foodstuffs and services we import from developed countries are constantly rising, the prices of the primary products we export are not—and, in addition, are subject to constant fluctuation. Trade relations have worsened. We emphasized that protectionism—one of the aggravating factors in the great depression of the '30s—has been reintroduced by some developed countries.

The Conference also denounced the increased use by certain developed countries of domestic production subsidies that redound against products of interest to the developing countries.

We expressed our concern over the constant deterioration of the international monetary situation. The instability of the exchange rates of the main reserve currencies, together with inflation, increases the imbalance in the world economic situation, creates additional economic difficulties for the developing countries and reduces the real value of the export earnings and foreign currency reserves. We also pointed out another negative factor: the disorderly growth of international liquidity mainly through the use of devalued United States dollars and other reserve currencies. We noted that, while the inequality of international economic relations had increased the developing countries' accumulated foreign debt—to over \$300 billion—the international financial bodies and private banks had raised their interest rates and imposed shorter terms of loan amortization, thus strangling the developing countries financially. As was denounced by the Conference, this con-

stitutes an element of coercion in negotiations that permits these financial institutions to obtain political and economic advantages at our countries' expense.

The Conference noted the neocolonialist efforts to prevent the developing countries from exercising their full, permanent and effective sovereignty over these natural resources and reaffirmed this right. In this regard, it supported the efforts of raw-materials-producing nonaligned and other developing countries in seeking just and remunerative prices for their exports and to improve in real terms their export earnings.

Technology transfer

Moreover, the Conference paid more attention than ever to the strengthening of economic relations and to the scientific-technical transfer of technologies among the developing countries. The concept of what could be

“The developing countries need a new financial system to be established through which they can receive the necessary financial resources for the continuous and independent development of their economies.”

defined as “collective self-reliance”—that is, mutual support and cooperation among the developing countries so they depend, in the first place, on their own collective forces—is given more importance than ever in the Havana Final Declaration. Cuba, as President of the Movement and coordinating country, intends, along with the Group of 77, to do whatever is necessary to promote the Program of Action on economic cooperation drawn up by the Conference.

Nevertheless, we do not conceive of “collective self-reliance” as anything even remotely resembling self-sufficiency. Rather, we consider it to be a factor in international relations which mobilizes all the means and resources of that considerable, important part of mankind represented by the developing countries and incorporates them in the general flow of resources and economies that can be mobilized in both the capitalist camp and the socialist countries.

Mr. Chairman, the Sixth Summit Conference rejected the attempts of certain developed countries to use the issue of energy to divide the developing countries.

The energy problem can only be examined in its historic context, taking into account the fact that the

wasteful consumption patterns of some of the developed countries and the role played by transnational oil corporations has led to the squandering of hydrocarbons and noting the plundering role of transnational corporations, which have benefited from cheap energy supplies—which they have used irresponsibly—up until only recently. The transnationals have been exploiting both the producers and consumers and reaping unjustified windfall profits, while at the same time falsifying facts by shifting the blame for the present situation onto the developing countries exporters of oil.

Permit me to remind you that, in my opening address to the Conference, I pointed out the desperate situation of the nonoil-producing underdeveloped countries—especially the least developed ones—and expressed my confidence that the nonaligned oil-producing countries would find formulas for helping to alleviate the situation of those countries that are already hit by world inflation and unequal trade and have serious balance of payments deficits and sharp increases in their foreign debts. But this does not obviate the principal responsibility of the developed countries, their monopolies and their transnational corporations.

Adopting that approach, the Heads of State or Government emphasized that the international energy issue should be discussed in the context of global negotiations within the United Nations with the participation of all countries and in relation with such other issues as the problems of development of developing countries, financial and monetary reforms, world trade and raw materials, so as to make a comprehensive analysis of the aspects which have a bearing on the establishment of the New International Economic Order.

No review of the main problems that affect the developing countries in terms of the world economy would be complete without an analysis of the transnational corporations. Once again, the policies and practices of transnational corporations were declared unacceptable. It was charged that, in their desire for profits, they exhaust the resources, distort the economies and infringe the sovereignty of developing countries; infringe the peoples' right to self-determination; violate the principles of noninterference in the affairs of States; and frequently resort to bribery, corruption, and other undesirable practices through which they seek to and do subordinate the developing countries to the industrialized countries.

In view of the inadequate progress achieved in the work carried out within the United Nations to draw up a Code of Conduct to regulate the activities of transnational corporations, the Conference reaffirmed the urgency of early completion of the work on the Code in order to provide the international community with a legal instrument with which at least to control and regulate the activities of the transnational corporations

Two proponents of a new world economic order

In 1976, Lyndon LaRouche, the Democratic presidential candidate, issued the pamphlet, "How the International Development Bank will Work." The pamphlet detailed the practical and theoretical tasks associated with implementing his March, 1975 proposal for an "International Development Bank," "the only competent scheme," in LaRouche's words, "for replacing the bankrupt International Monetary Fund." The essentials of LaRouche's proposal are today incorporated in the objectives of the European Monetary System and Fund, and are the explicit objectives spelled out by the September summit of nonaligned nations in Havana, Cuba.

As a result, Fidel Castro's speech to the United Nations this week, reflecting not only his own views,

in accordance with the objectives and aspirations of the developing countries.

In setting forth all the overwhelming negative aspects in the economic situation of developing countries, the Sixth Summit Conference called special attention to the mounting problems of the least developed, disadvantaged, land-locked countries and isolated hinterland ones and asked that urgent steps for the implementation of special measures be taken to alleviate them.

This, Mr. Chairman and representatives, was the far from optimistic, rather somber and unencouraging panorama with which the members of the Movement of Nonaligned Countries meeting in Havana were faced.

Nevertheless, the nonaligned countries did not allow themselves to be carried into positions of frustration or exasperation, however understandable that might be. While drawing up strategic concepts for advancing their struggle, the Heads of State or Government reiterated their demands and defined their positions.

The first fundamental objective in our struggle consists of reducing and finally eliminating the unequal exchange that prevails today and that makes international trade a useful vehicle for the plundering of our wealth. Today, the product of one hour's work in the developed countries is exchanged for the product of ten hours' work in the underdeveloped countries.

The nonaligned countries demand that serious attention be paid to the Integrated Program for Com-

but officially reporting those views adopted as resolutions of the Havana summit, parallel closely the proposals introduced by Mr. LaRouche in 1975 and 1976. For example:

This week, Fidel declared:

"The international monetary system that prevails today is bankrupt and should be replaced ... The debts of the least developed countries ... should be cancelled ... indebtedness in the rest of the developed countries relieved.

"The developing countries—and on their behalf, the Movement of Nonaligned Countries—demand that a substantial part of the immense resources now being wasted by being poured into the arms race be used for development ... We must discuss and determine a strategy for the next development decade, which should include an additional contribution of no less than \$300 billion (1977 real value), to be invested in the underdeveloped countries ... This should be in the form of donations, and long-term, low-interest, soft credits ... Some may think this is asking too much, but I think it is still a modest figure."

In 1976, Mr. LaRouche declared:

"There must be a declaration of commitment to sweeping financial reorganization of the capitalist sector's world monetary system, involving an orderly process of debt moratoria and the establishment of an institution such as the proposed International Development Bank ...

"By 1979, the U.S. sector alone could readily—and should—export the equivalent (in 1973 dollars) of approximately \$200 billion annually in long-term development projects. The rest of the industrialized sector should add about \$100 billion to that total ... Considering the feasibility of eliminating military budgets under IDB "detente" arrangements, the amount proposed is obviously not 'horrendously large ...'

There would be no objective problem in issuing most of that credit as outright development grants ... If we succeed in bringing a major portion of the population of the developing sector up to a level of social productivity comparable to the advanced sector within 10-15 years ... the benefits of this result to the advanced sector are so enormous that we should then require no repayment for past aid."

modities—which, thus far, has been so manipulated that it has been buried in the so-called North-South negotiations. Likewise, they ask that the Common Fund, projected as a stabilization instrument to establish a permanent correspondence between the prices they receive for their products and those they pay for their imports—which has just begun to be integrated—be given a big boost. For the nonaligned countries, this correspondence—permanently linking the prices of their export items with prices of the basic equipment, industrial products and raw materials and technology that they import from the developed countries—constitutes an essential pivot for all future economic negotiations.

The developing countries demand—and will maintain their struggle to achieve this—that the industrial products of their incipient economies be given access to the markets of developed countries that; the vicious protectionism which has been re-introduced in the international economy and which threatens to lead us once again into an ominous economic war be eliminated; and that generalized and nonreciprocal tariff preferences be applied without deceptive falsehoods, so their young industries may develop without being crushed in the world market by the superior technological resources of the developed countries.

The underdeveloped countries now have a foreign debt of \$335 billion. It is estimated that around \$40 billion a year goes to servicing this foreign debt—more

than 20 percent of their exports. Moreover, average per capita income in the developed countries is now 14 times greater than in the underdeveloped countries. This situation is untenable.

A new monetary system

The developing countries need a new financial system to be established through which they can receive the necessary financial resources for the continuous and independent development of their economies. It should provide long-term, low-interest financing. These financial resources should be completely at the disposal of the developing countries, to enable them to establish priority system in their economies in accordance with their plans for industrial development and to prevent those funds from being absorbed, as is the case at present, by transnational corporations—which use alleged financial contributions for development to aggravate the deformations of our economies and reap maximum profits from the exploitation of countries' resources.

The developing countries—and, on their behalf, the Movement of Nonaligned Countries—demand that a substantial part of the immense resources now being wasted in the arms race be used for development—which would both contribute to reducing the danger of war and help improve the international situation.

Expressing the position of all the developing countries, the nonaligned countries call for the establishment of a new international monetary system which will stop the disastrous fluctuations to which the main currencies used in the international economy—especially the United States dollar—are subject. The financial disorder also hits the developing countries, which hope that, when the outlines of the new international monetary system are drawn up, they—as the majority of the countries in the international community, representing more than 1500 million men and women—may have a voice in the decision-making process.

In brief, Mr. Chairman and representatives, unequal exchange is impoverishing our peoples and should cease.

Inflation, which is being exported to us, is impoverishing our peoples and should cease.

Protectionism is impoverishing our peoples and should cease.

The disequilibrium that exists concerning the exploitation of sea resources is abusive and should be abolished.

The financial resources received by the developing countries are insufficient and should be increased.

Arms expenditures are irrational. They should cease, and the funds thus released should be used to finance development.

The international monetary system that prevails today is bankrupt and should be replaced.

The debts of the least developed countries and those in a disadvantageous position are impossible to bear and have no solution. They should be cancelled!

Indebtedness oppresses the rest of the developing countries economically and should be relieved.

The wide gap between the developed countries and the countries that seek development is growing rather than diminishing and should be closed.

Such are the demands of the underdeveloped countries.

Mr. Chairman and representatives, response to these demands, some of which have been systematically presented by the developing countries in international forums, through the Group of 77 and the Movement of Nonaligned Countries, would permit a change of course in the international economic situation that would provide the developing countries with the institutional conditions for organizing programs that would definitely place them on the road to development.

But, even if all these measures were implemented and the mistakes and evils of the present system of international relations were rectified, the developing countries would still lack one decisive element: external financing.

All the internal efforts, all the sacrifices that the peoples of the developing countries are making and are willing to make and all the opportunities for increasing

their economic potential that would be achieved on eliminating the inequality between the prices of their exports and imports and on improving the conditions in which their foreign trade is carried out wouldn't be enough. In the light of their real financial situation at present, they need enough resources to be able to both pay their debts and to make the huge expenditures on a global level which development requires.

Here, also, the figures are too well known for us to repeat them. The Sixth Summit Conference was concerned not only because the underdeveloped countries' foreign debt was practically unbearable but also because it was increasing annually at an alarming rate. The data contained in the World Bank report that came out while we were holding the Havana Conference confirm that the situation is growing worse and worse. In 1978 alone the foreign public debt of 96 developing countries rose by some \$51 billion. This rate of growth has resulted in their foreign debt's reaching the astronomical figure already mentioned.

Mr. Chairman, we cannot resign ourselves to this gloomy prospect.

The most renowned economists—both Western ones and those who ascribe to Marxist concepts—admit that the developing countries' system of international indebtedness functions in a completely irrational manner and that its maintenance could lead to a sudden interruption that could endanger the whole precarious, unstable balance of the world economy.

Some try to explain the surprising economic fact that the international banking centers continue to provide funds to countries that are technically bankrupt by adducing that these are generous contributions to help those countries meet their economic difficulties, but this is not so. Actually, it is an operation for saving the international capitalist order itself. In October 1978, the Commission of European Communities admitted, by way of clarification, that "The present balance of the world economy depends to a considerable extent on continuing the flow of private loans to non oil-producing developing countries...on a scale unprecedented prior to 1974, and any obstacle to that flow will endanger that balance."

World bankruptcy would be very hard, in the first place, on the underdeveloped countries and on the workers in the developed countries. It would hurt even the most stable socialist economies, but it is doubtful that the capital system would survive such a catastrophe, and it would be difficult for the resulting terrible economic situation not to inevitably engender a world conflagration. There is already talk of special military forces to occupy the oil fields and the sources of other raw materials.

But, while everyone should be concerned over this gloomy prospect, this duty applies first of all to those who possess the most wealth and material abundance.

In any case, the prospect of a world without capitalism is not too frightening to us revolutionaries.

It has been proposed that, instead of a spirit of confrontation, we employ a sense of world economic interdependency that will enable us to call on the resources of all our economies in order to obtain joint benefits, but the concept of interdependency is only acceptable when you start by admitting the intrinsic and brutal injustice of current interdependency. The developing countries will not accept the unjust, arbitrary international division of labor which modern colonialism imposed on them with the English Industrial Revolution and which was deepened by imperialism as "interdependency."

If confrontation and struggle—the only road that seems to be open to the developing countries, a road that offers long and difficult battles whose proportions no one can predict—are to be avoided, we must all seek and find formulas of cooperation for solving the

"If there are no resources for development, there will be no peace..."

The history of international trade has shown that development is the most dynamic factor in world trade."

great problems which, while affecting our peoples, cannot be solved without also affecting the structural changes, considering that it is the only way to eliminate the present vulnerability of their economies and to turn the simple statistical growth into true development. The Heads of State or Government recognize that it is the only way their peoples would be willing to pay the price required for them to be the main protagonists in the process. As I said on that "...if the system is socially just, the possibilities of survival and economic and social development are incomparably greater."

International Financing

The history of my country provides irrefutable proof of this.

The emerging crying need to solve the problem of underdevelopment brings us back, Mr. Chairman, to the problem I mentioned just a little while ago, which is the last one I would like to submit to this 34th General Assembly of the United Nations. I refer to international financing.

One of the most serious phenomena that accompany the accelerated indebtedness of the developing countries, as we already said, consists of the fact that the developing countries are forced to use most of the money they receive from abroad to cover their current account and trade deficits, renew debts, and make interest payments.

The exporting developing countries for example—to whose situation I referred in the Havana Conference—ran up deficits in their balance of payments of over \$200 billion in just the last six years.

In view of this, the developing countries require truly enormous investment—primarily, and with practically no exception, in those branches of production that yield low profits and, therefore, do not appeal to private foreign lenders and investors.

In order to increase the production of foodstuffs so as to do away with the malnutrition that affects the 450 million we have mentioned, we must provide many new land and water resources. According to specialized estimates, 76 million more hectares of land in the developing countries would have to be cultivated and over 10 million more hectares of land irrigated in the next ten years.

Irrigation systems for 45 million hectares of land would have to be repaired. Therefore, even the most modest estimates admit that \$8-9 billion is required annually in international financial aid—aid, not the total flow of resources—in order to obtain agricultural growth rates of from 3.5 to 4 percent in the developing countries.

With regard to industrialization, the estimates are far higher. On outlining the goals mentioned in its Lima meeting, the Conference of the United National Industrial Development Organization determined that financing should be at the heart of international development policy and that it should reach annual levels of \$450-500 billion by the year 2000, a third of which—that is, \$150-160 billion—will have to be financed from external sources.

But, Mr. Chairman and representatives, agriculture and industrialization are only two aspects of development. Mainly, development involves attention to human beings, who should be the protagonists and goal in all development efforts. To cite the example of Cuba, during the last five years, our country invested an average of nearly \$200 million a year in school construction. Investments in medical equipment and the construction of hospitals, polyclinics, etc. are averaging over \$40 million a year. And Cuba is just one of nearly a hundred developing countries—one of the smallest in terms of geography and population. Therefore, it may be deduced that the developing countries will need to have billions of dollars more invested every year to overcome the results of backwardness in education and public health services.

This is the big problem facing us.

And, gentlemen, it is not only our problem, a problem for the countries victimized by underdevelopment and insufficient development; it is a problem for the international community as a whole.

On more than one occasion, it has been said that we were forced into underdevelopment by colonization and imperialist neocolonization. Therefore, the task of helping us to emerge from underdevelopment is, first of all, a historic and moral obligation of those who benefited from the plunder of our wealth and the exploitation of our men and women for decades and for centuries. But, at the same time, it is the task of mankind as a whole, as the Sixth Summit Conference has declared.

The socialist countries did not participate in the plunder of the world, and they are not responsible for the phenomenon of underdevelopment. But, even so, because of the nature of their social system, in which international solidarity is a premise, they understand and assume the obligation of helping to overcome it.

Likewise, when the world expects the producing developing countries to contribute to the universal flow of external financing for development, it does so because of a hope and duty of solidarity among underdeveloped countries, not because of obligations and duties which no one could hope to impose. The big exporting countries should be aware of their responsibilities.

Cuban contribution

Even those developing countries that are relatively more advanced should make their contributions. Cuba—which is not speaking here on behalf of its own interests and is not defending a national objective—in accordance with its means, is willing to contribute thousands, tens of thousands of technicians: doctors, teachers, agronomists, hydraulic engineers, mechanical engineers, middle-level technicians, skilled workers, etc.

The time has therefore come for all of us to join in the task of pulling entire peoples, hundreds of millions of human beings out of the backwardness, poverty, malnutrition, illness and illiteracy that keep them from having full human dignity and pride.

We should, therefore, mobilize resources for development, and this is our joint obligation.

Mr. Chairman, there are so many special, multilateral, public and private funds whose purpose is to contribute to some aspect of development—agricultural, industrial, the meeting of balance of payments deficits or whatever—that it is not easy for me, on presenting the economic problems discussed by the Sixth Summit Conference to the 34th Assembly, to formulate a concrete proposal for the establishment of a new fund.

Undoubtedly, however, the problem of financing

should be discussed deeply and fully in order to find a solution. In addition to the resources that have already been mobilized by various banking channels, loan organizations, international bodies, and private finance agencies, we must discuss and determine a strategy for the next development decade, which should include an additional contribution of no less than \$300 billion (1977 real values), to be invested in the underdeveloped countries and to be made in yearly installments of at least \$25 billion right from the beginning. This should be in the form of donations and longterm, low-interest soft credits.

It is absolutely necessary to mobilize these additional funds as a contribution of the developed world during the next ten years. If we want peace, these resources will be required. If there are no resources for development, there will be no peace.

Some may think this is asking too much, but I think it is a modest figure. According to statistical data, as

First reactions to a call for cooperation

Le Monde, editorial, Oct. 15, "The Open Hand of Fidel":

To help the Third World countries so as to help oneself while recession again threatens in the richer nations, that theme is reappearing in a few official milieus. ... The scandal is permanent but one needs spectacular tragedies like that of Cambodia to awaken public opinion. ... In the face of such a dark reality, Castro did not have to exaggerate to shake his audience last Friday at the United Nations. No one ignores the oratorical talents of the Cuban head of state, but he did not lack cleverness either. It is through a certain moderation, unusual for him, that he reached his aim. Presenting himself less as a Cuban revolutionary than as the leader of a universal movement, which he could legitimately do as acting president of the nonaligned movement, presenting an extended hand instead of a clenched fist, he won over an audience which was less complacent than at the beginning of his speech.

We will see what remains after the emotion has subsided. Adversaries and proponents of Fidel Castro will be counted in two weeks when Cuba will present itself to the suffrage of the United Nations to get itself elected at the Security Council. After which one will have to get to the business of talking big money. But why couldn't we for once escape the classical dilemma; bread for those deprived of it necessarily means sacrifices for those who already

I stated in the inaugural session of the Sixth Summit Conference of Nonaligned Countries, world military expenditures amount to more than \$300 billion a year. This sum could build 600,000 schools, with a capacity for 400 million children; or 60 million comfortable homes, for 300 million people; or 30,000 hospitals, with 18 million beds; or 20,000 factories, with jobs for more than 20 million workers; or an irrigation system for 150 million hectares of land—that, with the application of technology, could feed a billion people. Mankind wastes this much every year on military spending. Moreover, consider the enormous quantities of young human resources, technicians, fuel, raw materials, and other items. This is the fabulous price of preventing a true climate of confidence and peace from existing in the world.

The United States alone will spend six times this much on military activities in the 1980s.

For ten years of development, we are requesting less

than what is spent in a single year by the Ministries of War and much less than a tenth of what will be spent for military purposes in ten years.

Some may consider our demand irrational, but the truly irrational thing is the world's madness in our era and the perils that threaten mankind.

The tremendous responsibility of studying, mobilizing, and distributing the flow of these resources should be entrusted to the United Nations. The funds should be administered by the international community itself, in conditions of absolute equality for all countries, whether contributors or beneficiaries, without any political strings attached and without the amount of the donations having anything to do with voting power in deciding when loans are to be granted and to whom.

Even though the flow of resources should be measured in financial terms, it should not consist only of money. It may also be made up of equipment, fertilizers, raw materials, fuel and turn-key factories, valued in the

have it. The North-South collaboration formulas of Fidel Castro, after many others, don't they open a new way, advantageous to all? Why don't we tell him we take up the challenge?

Les Echos, Oct. 15:

Newly promoted leader of the nonaligned, while remaining the constant spokesman for a certain idea of socialism, Soviet-style, Fidel Castro came to the United Nations at the same time to settle accounts and to propose a compromise. The message he issued in front of the 152 members of the Assembly is double-edged. He was the apostle of peace and cooperation between people so as to eliminate the unjust disparity between rich and poor, while warning the UN Assembly that the world was on the verge of apocalypse. At the same time, he reiterated his attacks against the capitalist countries, and more especially the United States, which he did not hesitate to accuse of attempting to assassinate him. The fact remains that beyond his outrageous style—notably the demand for a \$300 billion fund for developing countries—Castro proposed for the first time the opening of a dialogue with the West. It remains to be seen on what terms. The calls and diatribes of the new "prophet" of the Nonaligned Movement provoked the enthusiasm of the majority of the members of the Assembly, with the notable exception of the United States and China. The speech is made, now Castro must build his credibility.

Washington Post, Oct. 16:

The Castro truculence has a life of its own ... It

can keep the Third World from taking full advantage of the limited but still valuable steps the United States is prepared to take on global development now....

Joseph Kraft, syndicated columnist, U.S., Oct. 15:

The United States' main problem is to break up the coming-together of the Soviet bloc and the Third World in a massive front of anti-American unity. The start of a solution is to kick Castro.... By kicking hard at Castro, by challenging him rhetorically and harassing him in practice, the United States underlines the role of the Cuban regime as the lynchpin in the projected alliance between the Soviet bloc and the Third World. Many countries with doubts about that grouping will have more reason to hang back—especially those that are jumping in only because they think Washington doesn't care.

The Carter administration has consistently favored a policy of accommodation to the demands of the Third World. The Andrew Young approach has been a complete bust ... Pakistan, Mexico, and Spain, to cite three recent examples, have all recently associated themselves with Third World criticism of the United States.

Castro comes nicely to hand as the head of a regime and a country who can be pushed around with only minimal costs.

William McHenry, United Nations Ambassador for the United States:

Do you think we can give them funds after they insult us?

terms of international trade. Aid in technical personnel and their training should also be entered as a contribution.

A common task

Esteemed Mr. Chairman and representatives, we are sure that, if the Secretary General of the United Nations—assisted by the Chairman of the Assembly, with all the prestige and weight of this organization behind them and also supported right from the outset by the backing that the developing countries and especially the Group of 77 would give that initiative—would call together the various factors we have mentioned to initiate discussions in which there would be no room for the so-called North-South and East-West antagonisms, but in which all would join forces in a common task, a common duty and a common hope, this idea that we are now submitting to the General Assembly could be crowned with success.

This is a project that will benefit all nations—not just the developing countries.

As a revolutionary, I am not frightened by confrontation. I have faith in history and peoples. But, as the spokesman of 95 countries who interprets their feelings, I have the responsibility to struggle to achieve cooperation among the peoples—cooperation which, if attained on new and just bases, will benefit all the countries of the international community and especially world peace.

In the short-term view, development can be a task entailing apparent sacrifices and even donations which may seem irrecoverable, but, with development, the vast world now submerged in backwardness, with no purchasing power and with extremely limited consumer capacity will incorporate a flood of hundreds of consumers and producers in the international economy—which is the only way it and the economies of the developed countries which are even now engendering and suffering from the economic crisis may be put back on their feet.

The history of international trade has shown that development is the most dynamic factor in world trade. Most of the trade in today's world takes place between fully industrialized countries. We can assure you that, as industrialization and progress spread throughout the world, trade will also spread, to the benefit of all.

It is for this reason that, on behalf of the developing countries, we expound and advocate our countries' cause. We are not asking for a gift. If we do not come up with effective solutions, we will all be victims of the catastrophe. Mr. Chairman and distinguished representatives, frequent mention is made of human rights, but mention should also be made of the rights of mankind.

Why should people go barefooted so that others may ride in expensive cars? Why should some live only

35 years so others may live 70? Why should some be miserably poor so that others may be exaggeratedly rich?

I speak on behalf of the world's children who don't even have a piece of bread; I speak on behalf of the sick who have no medicine; I speak on behalf of those who have been denied the right to life and human dignity.

Some countries are on the sea; others aren't. Some have energy resources; others don't. Some are so glutted with machinery and factories that you can't even breathe the air of their poisoned atmosphere; others have only their emaciated arms with which to earn their bread.

In short, some countries possess abundant resources, while others have nothing. What is their fate? To starve? To remain poor forever? What is civilization for, then? What is man's conscience for? What is the United Nations for? What is the world for? You cannot speak of peace on behalf of the tens of millions of human beings all over the world who are starving to death or dying of curable diseases. You cannot speak of peace on behalf of 900 million illiterates.

The rich countries' exploitation of the poor countries should cease.

I know that there are exploiters and exploited in many poor countries, as well.

I address the rich, asking them to contribute. I address the poor countries, asking them to distribute.

Enough of words! We need deeds. Enough of abstractions! We need concrete action. Enough of speaking about a speculative new international economic order which nobody understands! We must speak about a real, objective order which everybody understands.

I have not come here as a prophet of the revolution; nor have I come here to ask or wish that the world be violently convulsed. I have come to speak of peace and cooperation among peoples, and I have come to warn that, if we do not eliminate our present injustices and inequalities peacefully and wisely, the future will be apocalyptic.

The sound of weapons, threatening language and arrogance in the international scene must cease. Enough of the illusion that the world's problems can be solved by means of nuclear weapons. Bombs may kill the hungry, the sick and the ignorant, but they cannot kill hunger, disease, and ignorance. Nor can they kill the righteous rebellion of the peoples—and, in the holocaust, the rich, who are the ones who have the most to lose in this world, will also die.

Let us say farewell to arms, and let us dedicate ourselves in a civilized manner to the most pressing problems of our times. This is the responsibility and the most sacred duty of all the world's statesmen. Moreover, it is the basic premise of human survival.

Thank you very much.