

## IRI Conference On African Development

*Excerpted below are statements of African officials who participated in the IRI Conference on Industry and Cultural Development. The conference report appeared in an article by Giuliano Zanotti in Il Giorno Sept. 21*

Ibahmin Heli Abdel-Rahman, advisor to the Egyptian prime minister on economic planning and development spoke on how long-term planning for the Arab countries must take into account four principle areas — energy, food, industry, and technology. With respect to cooperation with Europe, the policies and basic structures must be developed through multiple meetings including formal Arab-European dialogues. Further research will be necessary to develop the monetary base, as well as a continuing and growing cooperation that would offer reciprocal advantages, since Europe appears to be the most important commercial partner of the Arab countries with an expanding market of 200 million inhabitants.

Dr. Arena, director of IRI's manufacturing department, based his speech on the experiences of the IRI group on problems arising from industrial collaboration with Arab and Black African developing countries. He stressed the issue of professional training in these countries of the technical and managerial leadership required for a beginning process of industrialization. 'On the issue of technology transfers from the

industrialized to the developing sector,' he said, 'developing countries have given particular attention to the fact that the technology monopoly of the industrialized countries is the mechanism impeding the realization of the new world economic order to which they aspire....Some developing countries...have realized that technology transfers are an instrument for perpetuating their dependence on the industrialized countries, as well as a dangerous vehicle for a political-economic order that has a dangerous social dualism...economic exploitation.'

The IRI representative concluded by affirming that a serious professional training is costly, very costly, but the creation of a manager capable of overseeing the interests of his own country and his own corporation is absolutely priceless. The problems would be more that compensated for by the wiser decisions and hence the fundamental economic development that these friendly countries would undergo.'

'If we were to have in these countries,' he continued, 'a nucleus of valid intermediaries, we could certainly develop our collaboration with them on a more solid basis, and in such a way give life to a process of self-propulsion based on local talent capable of taking autonomous initiatives in such a way as to put in motion an independent development policy. To invest in machinery and industries without first having invested in the training of the men who will be running it and managing it, means not to build an industrial sector that would be in the service of men and from which they could derive the benefits of a better life, but merely constructing useless and dangerous monuments to industrial dreams.'

## Soviets Speak Out On Debt, Offer Trade Expansion To Europe

*Sept. 24 (NSIPS) — As the United Nations General Assembly opened this week, the Soviet Union indicated the precise lines of its support for the Third World and anti-Atlanticist capitalist forces preparing to establish a new world economic order.*

*Pravda declared the foreign debt of Third World nations to be the foremost urgent matter which has to be solved in order for the recessed North-South talks in Paris to progress. This is a new formulation from the Soviets and backing it up was an article in the journal World Economy and International Relations this month. The article drew a clear distinction between the "case-by-case" swindle of an approach to debt relief, which is all the U.S. has conceded, and the actual demands of the developing countries.*

*Turning to the Europeans, the Soviets offered to greatly expand "swap" operations with the European countries whose currencies are weaker — starting with Italy, which is leading Europe's opposition to the bankrupt dollar, and including Britain and France. The Soviet proposal appeared in an internationally circulated Tass news release.*

*The additional articles excerpted here continue the Soviets' presentation of programmatic development potentials which would be in the national interest of Western countries — renewal of coal production in Britain and peacetime use of special defense industry capacities.*

### Soviet Journal Analyzes Struggle for Debt Moratorium

*Sept. 24 (NSIPS) — The following are excerpts from an article entitled "The Third World Struggle for Justice and Equality" by I. Ivanov, which appeared in the September issue of the Soviet Union's monthly World Economy and International Relations:*

The difficult financial situation has forced the developing countries to advance the demand for alleviation of their debt burden. Indeed, from 1965 on, this indebtedness has grown 16 per cent per annum (increasing to 20 per cent in 1974-1975), because the crisis forced the young states to divert a considerable part of the means they received in the form of aid and credits for development, in order to cover their present trade deficits and payments on old credits. These payments now amount to \$12 billion per annum, or 14 per cent of the export earnings of the Third World. Private financial circles turned away from the developing countries which were on the verge of bankruptcy, forcing them to rely on inter-governmental aid, which was also reduced because of the crisis — especially aid from the USA, England, West Germany, France and Japan.

Under these conditions, the Manila Declaration again recalled the United Nations recommendations to set the developed

countries a percentage of their GNP to go for aid to the Third World — one per cent. It also demanded reduction or postponement of payments and writing off of some of the debts....It was proposed to transform \$3.5 billion of such debts into gratis subsidies, to lower the payment of interest rates for 45 countries which are most affected by the crisis, and to extend state guarantees for some of the developing countries' debts to private financial institutions.

The struggle on the question of alleviating the debt burden developed very sharply. The Western countries went no further than to review their terms in each special case....Only Finland, Canada and Norway announced concrete measures to increase the portion of state credits and subsidies in the general volume of aid, and agreed to postpone payments on part of the debts. As a result, it was decided (in Nairobi, Kenya) to continue the consultations.

The (UNCTAD) session in Nairobi revealed substantial changes, brought about by the events of the past years....The sharp intensification of contradictions among the Western countries is striking;...their group sometimes lost its unity of opinion in discussion of concrete points on the agenda....The majority of Western European governments, which are heavily dependent on raw materials imports (and on the raw materials monopolies, which are mostly American and British), are inclined to agree to some restructuring of the old system of relations with the developing countries, and to establish direct contacts with the raw materials producers, bypassing mediation by the monopolies.

## Pravda: Debt Strangulation Top Issue For Third World

*Sept. 21 (NSIPS) — The following is excerpted from a special dispatch to the Soviet Communist Party paper Pravda on the North-South talks in Paris. Titled "Knot of Contradictions," the dispatch by M. Zenovich is datelined Paris, Sept. 17 and was published in Pravda on page 5 the next day.*

At the ongoing conference for international economic cooperation, a work program has been adopted for the commissions, which have the task of working out concrete recommendations for the concluding stage of the conference.

The work program outlines a broad range of questions, the majority of which have to do with finding a way out of the economic difficulties which the developing countries are experiencing as a result of the years-long unjust trade and economic relations on the capitalist world market. Those countries demand above all alleviation of their huge financial indebtedness to the West, establishment of just and stable raw materials prices, and elimination of discriminatory barriers.

Underlining the urgency of these problems, the journal "Moniteur Africain du Commerce et de l'Industrie," which is published in Dakar, indicates that in 1973, the indebtedness of the developing countries to capitalist states amounted to \$120 billion and that it is increasing by more than \$20 billion annually. The present situation, the journal notes, fully suits the capitalist states, since it permits them to buy raw materials in the developing countries at reduced prices — and this constitutes 74 per cent of the developing countries' exports — and to save money through the "scissors" prices between raw materials and industrial products.

At the same time, observers note that there are no signs whatsoever that the Western states are ready to undertake a constructive review of this situation. In the opinion of the African press, the period of "positive war" has begun: the

Western states, having made some insignificant concessions, are trying to avoid a solution of the basic questions raised by the developing countries.

**Izvestia:**

## Free Military Funds for Development

*Sept. 24 (NSIPS) — The following is an excerpt from a Sept. 21 article in Pravda:*

### To Stop the Arms Race by Academician E. Fedorov

The problem of stopping the arms race, the problem of disarmament, of détente, is closely tied with the fate of every country, every people, literally every person on earth....

Nuclear weapons are being improved, and more and more powerful types are constantly being introduced. At the same time, scientific and technological progress leads to the possibility of using completely new phenomena, forces and means for military purposes, which just recently would have seemed merely the product of fantasy.

Artificial weather modification, serious violation of the ecological equilibrium, was already carried out by the U.S. Army during the war in Vietnam. Natural phenomena possess enormous power, but frequently their development can lead to unstable situations, when a relatively slight modification can divert the desired direction of a process, on a colossal scale. This opens up possibilities for directing them to benefit man, but at the same time creates the danger of using these tremendous spontaneous forces for military goals.

On the other hand, the most delicate ties have recently been discovered between the physical poles and the states of living organisms. Artificial stimulation with weak and barely noticeable electric, magnetic and acoustic vibrations of a certain sort can have a dangerous influence upon life activity. The possibility of using so-called "genetic engineering" for military goals is also being investigated.

It may be, in the not far distant future, that biology will turn out to be a way, through the transfer of hereditary characteristics, to create new organisms that do not exist in nature. This presents the possibility for real changes in the nature of viruses and bacteria, while at the same time it presents the possibility for deriving new methods for curing various illnesses, as well as the danger of creating awful means of mass destruction of people.

The arms race which the imperialist circles are foisting on the world is fraught not only with the danger of a destructive war. Right now, in peace time, it is devouring enormous material and labor resources....

And this is at a time when there is the direst need for satisfying the most urgent needs.

About 500 million people are living half-starved. To feed them, \$8 billion would suffice, the same amount that it would take to teach 700 million people that are now illiterate to read and write, etc. If the well-known proposal of the Soviet government were passed, on cutting back military budgets by 10 per cent and using part of the funds freed up for the purpose of development, then these urgent needs could be satisfied.

Can we reconcile ourselves to colossal waste of resources on the arms race now, when the rapidly growing demands for natural riches are more and more forcing us to consider the limitation of everything that exists on earth, and to approach our whole planet economically?

The reconversion of military expenditures for peaceful goals would make it possible in a short time to solve such genuinely global problems of modern civilization as the reconstruction of

production in ecologically acceptable forms, preventing the pollution of the environment, as well as causing a sharp rise in the agricultural and industrial production of the developing countries, getting rid of the danger of hunger and poverty, as well as other problems....

It is precisely the influence of the military-industrial complex, supported by various militarist and reactionary forces, that blocks the progress towards disarmament... They form conceptions of "nuclear intimidation," "first strike," and other well-known "forceful" conceptions....

Since by no means all our partners are prepared to move towards fundamental resolutions, we are prepared to take ways that are more realistic under present circumstances — gradual, partial measures of moving forward towards the goal.

In the opinion of the Soviet Union, the convening of a world disarmament conference, as in the past, would serve the task of effective discussion and resolution of the problems connected with reining in the arms race....

**Pravda:**

### **Development of Coal Key to Meeting Energy Needs**

*Sept. 24 (NSIPS) — The following are excerpts from an article entitled "A High Price" which appeared in the Soviet Communist Party daily Pravda, Sept. 21. The article is authored by Pravda's London correspondent V. Ovchinnikov.*

Abandoned mine-shafts. Weeds on the rusting railroad tracks and dumps, with dirty-faced kids swarming around. Tight ranks of squalid homes. If it were not for the garlands of clean laundry, they would blend before the eyes like a solid gray patch. A few broken windows. Motionless male figures on the porches. And over all, the impression of desolation and hopelessness.

How strikingly similar were these traditional mining regions of the north of Great Britain and those of the south of Japan, where I had the occasion to some time ago. Naturally, the labor of the miners is similar, and the way of life is similar. And how similar their fates have turned out to be!

Both Island countries live primarily by processing imported raw materials. For each of them, the extraction of coal was the main, not to say the only, branch of their own domestic extraction industry. Both of them suffered from the artificial cutback in coal extraction under the pressure of the international oil monopolies. And, in both cases, that short-sighted pursuit of immediate profits which is characteristic of capitalism has been opposed by the miners' trade unions....

By the mid-50s, over 700,000 British miners were producing up to 220 million tons of coal a year in the country. It is not hard to see that if the coal industry of Great Britain had been allowed to further develop normally, the present energy needs of the country, which include 340-350 million tons of coal, could basically be covered by the country's own natural resources, as was done in the past. And the quadrupling of the price of oil which followed the energy crisis would not have dealt such a deadly blow to the British economy....

How similar all of this is to the situation I saw on the Japanese islands....

When the miners led mass demonstrations in the capital against the closing of the mines, commentaries in the Tokyo press amounted to the following: "Opposing the energy revolution, forcing on the country yesterday's fuel, the Japanese miners are acting just as egotistically and irrationally as the English tinsmiths who destroyed their machines to prevent the industrial revolution."

These notions came to mind when I saw the outbreak of the "energy crisis" in Tokyo....

Great Britain also felt the consequences of the "energy crisis".... To spare the country from the tyranny of the international oil concerns, from their speculative machinations, turned out to be much more difficult than it had been to fall into this bondage. The victim of this one-sided orientation towards imported fuel were not only the extinct coal basins, not only the half-million laid-off miners. The economy of the country as a whole suffered, and every British family in particular....

The development of oil deposits in the North Sea did not diminish the role of coal as one of the most important sources of energy for Great Britain. Besides, while the oil industry is dominated by foreign capital, coal production is fully under the control of the British government....

In order to attract the young generation to the mines, the trade unions believe that a clear perspective of development must be opened up before the coal industry. The difficult labor of the miners must be compensated, both for its specific nature and for its importance to the country....

Yes, the labor and the life of British and Japanese miners are similar; the goals of their struggle are similar; even the attacks of their class opponents are similar, who accuse the miners of trying to hold back scientific-technological progress, to prevent rationalization of the fuel base, etc.

But the fate of the coal industry in these two highly-developed island countries vividly demonstrates the opposite: that capitalist "rationalization" can be scandalously irrational, irrational according to the very nature of capitalism, which is to favor short-term speculative gains over long-term national interests.

### **Le Figaro Reports Tass Statements On Debt And East—West Trade**

*Sept. 25 (NSIPS) — The following is excerpted from an article in the Sept. 22 French daily Le Figaro.*

For the first time, the Tass News Agency has recognized the existence of the indebtedness of the Comecon vis-a-vis the West, and is rising against the possibility of a freeze of Western credit towards the East.

In a commentary by its economic observer Ivan Ablamov, the Soviet Agency notes that 'the adversaries of detente are trying to use the problem of foreign trade indebtedness to stop trade with the East. Great Britain and Italy, are for their part owed billions of dollars by third countries, but neither thinks of stopping trade with them.'

At the same time, the Soviet agency criticises those among Western business circles who only want to trade with the East on a cash delivery basis. In this regard, in another commentary sent out simultaneously under the byline of Yuri Nikolaev, the Tass Agency recalls the Comecon initiative to conclude a framework agreement with the EEC for a "long term" cooperation and "cooperation on a large scale." It notes in this respect the interests shown in such an agreement in certain sectors of Italian industry, and cites notably a declaration made by the General Director of FIAT in favor of a rapprochement with the East.

...The Soviet Union, for its part, has again recently affirmed its will to tighten its monetary and financial rapport with Western countries who have 'weak' currencies. It also wants to multiply 'swap' operations with the group of nations with 'weak' currencies, notably Great Britain, Italy and France.

As of Sept. 13 the Tass agency had suggested that these countries try to invigorate their economies and the wavering situation of their currencies, by creating a new trend of business with the Comecon....