

## Brzezinski's Command Economies: 'A Nice Way Of Saying Fascism'

*The Overseas Development Council, which styles itself as a "liberal" version of the Brookings Institution, last week released their 1977 program under the title "Agenda '77." Couched as a series of proposals to the Carter Administration, the major strategic aspects of the report have in fact already been approved by National Security Advisor Zbigniew Brzezinski.*

*According to press reports, the ODC's Agenda '77 includes: the promise of debt relief for the "worst cases" among the lesser developed countries (LDC's); a Brookings-type common fund commodities mechanism; the establishment of a World Energy Council; convocation of a world conference on alternative energy sources; cutbacks on international arms sales and distribution; increased U.S. aid to the worst-off LDC's; a more comprehensive human rights program; a mechanism for securing 10-15 billion dollars for the IMF containing a provision for IMF aid to the LDC "worst cases."*

*The real content of the report is spelled out in the following interview with the ODC's Paul Watson, who was instrumental in drafting the report.*

Q: Press accounts of "Agenda 1977" indicate that this report was specifically written as a policy proposal for the Carter Administration. If this is so could you indicate the Administration's response to the report?

A: Yes, the report was intended as a policy statement for the Carter Administration. In fact one section of the report contains a letter to Jimmy Carter. It was written by Roger Hansen and sets forth a number of policy options for the developing world. I know Brzezinski has read the document and approves of the thrust. Hansen, in fact, is now Brzezinski's top staffer on the North-South issue.

### Kissinger Joins Chase Manhattan

Henry A. Kissinger, former U.S. Secretary of State and 20-year personal foreign policy advisor to Nelson Rockefeller, has been appointed vice-chairman of Chase Manhattan Bank's International Advisory Committee. Early next year, he will replace John Loudon of Royal Dutch Shell and the committee's chairman, the New York Times reported March 22. According to the Times, "David Rockefeller, chairman of Chase, expressed delight, 'that a person of Mr. Kissinger's stature and achievements...has agreed to lend his considerable expertise to Chase.'"

Q: Since I have only read press accounts of the report could you elaborate on the specific policies, particularly those policies geared to the international debt situation?

A: Let me first run down how I see the international debt situation. There are two categories of heavily indebted countries. There are the countries with very low national income — the LDCs — which aren't going to make it unless they get more concessional loans. Zaire already defaulted. If these LDCs all defaulted, it would not be serious in terms of its economic impact on the banks. But it would be a terrible human tragedy. It would be psychologically very bad for the economy.

The real problem is with the middle and upper income countries like Thailand, the Philippines, Brazil, and even some European countries. The OPEC oil price rise really hit them and most of them ran up a big deficit. Who was going to finance the deficit? The banks moved in on this. If they hadn't it would have caused a major contraction of the economies. This overextended the banks — particularly the U.S. money centers which financed two thirds of the debt. The only thing that partially saved the situation was the inflation.

Q: Could this second group of countries weather another crisis like '73-'74 oil price rise?

A: I don't know what would happen. I don't want to think about it.

Q: So what do you see as the solution to this situation? What are your proposals?

A: The Common Fund is important in putting a floor on commodity prices . . . The main thing is that consumption must be cut. This second group of countries I talked about must increase their capital base rather than consumption. They must also adopt petroleum-saving measures.

Q: Do you think this is realistic? It seems that most countries have tightened their belts as far as they can without unleashing political unrest.

A: You are right but we must put clamps on the economy. I suggest establishing an external debt management system which can be run out of the central banks of possibly the treasury. This management system can look at the debt situation and decide what to recommend. Generally, it has to be to force countries to increase internal savings; more aggressive exports and throttle-down the economies.

Politically can it be done? That's the problem. The way I see it only command economies can do it. Without command economies, developing sector nations will be unable to repay their massive debts. Mind you I'm not advocating these kind of economies but . . .