

20 ...The Conference acknowledges the co-operation received by nonaligned countries from other peace-, freedom- and justice-loving, democratic and progressive States and forces in the achievement of their goals and objectives, and expresses its readiness to continue to co-operate with them on the basis of equality.

29 ...The Conference noted that the imperialists have continued to react to the victories of the liberation struggle by a policy designed to maintain their interests in areas that have not yet attained independence, especially in Zimbabwe, South Africa and Namibia where racist domination prevails. It also warned that the imperialists were using new tactics to divide the Arab countries and support Israel's continued occupation of Palestine and other Arab lands....

192 ...The principles of peaceful coexistence should be the cornerstone of international relations....Active peaceful coexistence remains the sole option of mankind faced to the danger of general military confrontation and the policy of force. The principles of active peaceful coexistence should be universally applied in relations among all States, irrespective of their size or socio-economic system....

193 ...The principles of active peaceful coexistence and the principles of nonalignment constitute the basis of global detente, establishment of the New International Economic Order, peace, independence and equal security for all peoples and countries....

290 The Conference noted that the arms race is incompatible with and contrary to the efforts directed to the establishment of the New International Economic Order. It underscored again that increasing material and human potentials were being wasted through investment in armaments, which considerably diminishes the availability of resources indispensable for development....

Human rights and the rights of peoples

244 The Conference declared that the question of human rights could not be isolated from its national, economic and social context, that personal freedom was inseparable from the peoples' rights, and that human rights and the basic freedoms of individuals and peoples were inalienable. That, to fully guarantee human rights and complete personal dignity, it was necessary to guarantee the right to work, education, health, proper nourishment, and the satisfaction, in general of basic needs. These aims form part of the struggle for a change in unjust, unequal international relations....

245 ...The Conference cautioned against the exploitation of human rights issues by the great Powers as a political instrument in the confrontation of social system and for purposes of interference in the internal affairs of sovereign states.

1 Summit bids West join in new world monetary system

In a late August preview of the Havana Summit, *Executive Intelligence Review* wrote in summary that "the success or failure of that conference will be defined by whether or not the Nonaligned movement gets back on the track of Colombo"—the 1976 Nonaligned Summit which called for debt moratoria and the creation of a new international credit institution—"relaunching its programmatic campaign to replace the IMF with a more equitable New World Economic Order."

By these criteria, there is no question that the Havana Summit was a resounding success. In its scope, in its precision, and in its commitment to go beyond words and adopt "determined and effective action," the Havana Economic Declaration (excerpted below) has brought the entire Third World way beyond the achievements even of the excellent Colombo Action Program. Most significant is the fact that, in it, the Nonaligned directly call on the developed capitalist world to "no longer shy away from its share of responsibility," but instead help to inaugurate a New World Economic Order of peace and development. This is followed by an extraordinary appeal to the common interest of developed and developing nations alike, explaining that the best solution for the advanced sector's own economic crisis is the "growth of aggregate demand and productive capacity" in the developing sector.

The declaration also dissects the current economic crisis besetting the Third World, and charges that it is the result of the looting, imperialist policies which have left that sector with over \$300 billion in unpayable debts. Urgent debt relief is demanded, and the IMF is roundly denounced for using this indebtedness as blackmail to enforce policies of suicidal economic contraction. The document goes on to reject the World Bank's low-growth policies of satisfying "basic needs," and then demands full-scale industrialization, transfer of technology, and scientific development for the Third World.

A powerful section on nuclear energy is also con-

tained in the final articles of the Political Declaration, where the developing sector's "inalienable right for the peaceful uses of nuclear energy" is defended, and a call is issued for international cooperation in this vital field.

To accomplish all of these goals, the Nonaligned nations "reiterated the urgent need to create a new, rational, equitable and universal monetary system."

The dangers of 'self-reliance'

But it is also in the economic sphere that the key weaknesses of the Nonaligned Movement appear. They manifest themselves less in the excellent final declaration itself than in the policy debate which preceded the document's adoption.

The original Cuban draft declaration was a tough, hard-nosed tract which provoked hysteria in the Yugoslav camp. Tito's minions did everything in their power to soften the document's sharp attacks on the IMF, arguing that the task of reforming the monetary system is a "long term" one that "will take 20-25 years." In the course of a week's discussion, over 300 separate amendments were proposed to the original draft; and it was only the skillful management of Economic Committee Chairman Mozambique which ensured that a coherent, hard-hitting document came out at the other end.

The original Cuban draft included many of the elements ultimately adopted in the final declaration, but overall it contained a more virulent denunciation of the "insignificant advances" achieved through the North-South dialogue, and a more strident attack on the "delays" introduced by the developed sector. The Cuban draft concluded by warning that "the time has come for the Nonaligned countries and other developing countries to learn from the experiences of multiple and repeated failures ... and to act accordingly."

In the course of committee debate, and in a number of private discussions with this reporter, Cuban officials elaborated on what they meant: the Third World must develop the independent political will and economic muscle to ensure the creation of a New World Economic Order, and not have to rely on the Christian charity of the capitalist West.

This tough approach is understandable—and most likely realistic in its appraisal of the relative hegemony of antiprogress factions in the advanced sector. But the absence of a *concrete Cuban strategy* for actually pulling a reluctant advanced sector into the New World Economic Order—by the scruff of the neck, if necessary—opened the door for the cumulative frustration that the "South" feels vis-à-vis the "North" to express itself in well-meaning but economically unworkable development strategies.

The best example of this problem was the otherwise superb speech delivered to the summit by Jamaican Prime Minister Michael Manley. Manley, whose country has been devastated by the imposition of IMF "condi-

tionalities," told the delegates that it is necessary "for the Third World to begin to change the equations of economic power by the development of *self-reliance* within our own ranks. ... If a country in Africa has energy, and a country in Latin America has a raw material that requires energy to liberate its production potential, and if a market exists, it is our duty to marry the groom of the raw material to the bride of the energy at the altar of the market."

Such "self-reliance," which is otherwise favorably referred to as "horizontal cooperation" by the World Bank, omits from consideration the crucial element for any rapid Third World industrialization: advanced technology and capital goods, whose only adequate source is the advanced sector economies which "self-reliance" defines out of the development equation.

It is undoubtedly for this reason that the concept of "collective self-reliance" received such warm support from the Yugoslav and Indian delegations, who jointly headed up the faction calling for a go-slow approach on the IMF question.

In summary, it must be noted that the vast majority of the developing sector feels impotent before the necessary task of intervening in advanced sector political processes. The result is the dangerous glorification of "go-it-alone" strategies for the Third World, which are then subject to manipulation by the enemies of development worldwide.

The Iraqi proposal

Another critical ambiguity in the economic discussion centers around a proposal floated by Iraqi President Saddam Hussein in his speech to the summit.

Throughout the proceedings, a certain amount of veiled hostility to OPEC was expressed, as well as more productive appeals to the oil-producing nations to invest their petrodollars usefully in Third World development, rather than in the speculative Eurodollar market. Partially in response to this concern, Hussein made two concrete proposals. First, "Iraq has decided to compensate those have-not developing countries which currently have first hand oil contracts with Iraq," and which have suffered from Iraqi oil price increases, by granting them long-term, no-interest loans. And secondly, "Iraq proposed to establish a long-term world fund to stretch a helping hand to the developing countries to combat the effects of inflation, and the industrial developed countries should contribute ... to this fund ... together with the oil exporting countries."

The weakness of this proposal lies in its ambiguity on the crucial debt question. Unless provisions are made to freeze or renegotiate existing Third World debt obligations in one way or another, so that new Iraqi (and other) credits could go exclusively to capital-intensive development projects, any new credit flow would be simply dumped down a bottomless sinkhole of debt service payments. In this form, the Iraqi proposal

closely resembles the disastrous, if ingenuous, plan put forward in late 1978 by Venezuelan ex-President Carlos Andres Perez, which called for the establishment of an OPEC petrodollar fund to help the Third World meet its debt obligations to the IMF and the London and New York commercial banks.

The head of state of Madagascar also delineated a conceptually similar proposal at the summit, in which he called for the establishment of a new monetary fund of the Nonaligned. And the Nicaraguan announcement of its issuance of international solidarity bonds (see below), suffers from the same shortcomings.

In each of these cases, the ultimate resolution of the ambiguities will depend both on the Third World's political will to replace the IMF with a new monetary system, as well as the response of the U.S. and Europe to the Nonaligned Movement's historic invitation to join them in that task.

—Dennis Small
Latin America Desk

The economic declaration

Following are excerpts from the economic communique issued at the conclusion of the Sixth Conference of Nonaligned Nations in Havana.

1. The Heads of State or Government reviewed the evolution of the world economic situation and noted with grave concern that since the Fifth Summit Conference, the economic problems facing the developing countries have become more acute, characterized by the continuing widening of the gap that separates the developed from the developing countries and by the stalemate in negotiations to restructure international economic relations. ...

3. ... The developed world as a whole can no longer shy away from its share of responsibility on any pretext, nor can it afford to ignore the fundamentally indivisible nature of global prosperity. ...

10. The Heads of State and/or Government noted with grave concern that the existing international economic system is not only inequitable but is functioning inefficiently; it is not supportive of the process of development in the developing countries. They emphasized that the establishment of the New International Economic Order implies a basic restructuring of the world economy and in the light of past experience rejected the view that this restructuring could be achieved merely through the free play of market forces.

11. ... The Conference stressed that the negotiations

for the establishment of the New International Economic Order must take place within the United Nations system and in this context it reaffirmed the central role of the General Assembly.

Assessment of the world economic situation

12. ... The Heads of State or Government called upon these developed countries to exercise political will and courage and take steps to seek a solution to the problem of recession in their economies through restructuring the international economy based on the generation and growth of aggregate demand and productive capacity in the developing countries. Any other approach based on short-term considerations would in the long run operate to the long-term political and economic detriment of the developed countries themselves. ...

15. The Heads of State and/or Government expressed their determination to oppose attempts by many economic and financial institutions controlled by certain developed market economy countries to impose measures designed to limit national sovereignty and block the fundamental rights of peoples to develop along economic and political lines freely chosen by themselves. ...

17. The Conference expressed its deep discontent with the protectionist measures introduced by certain developed countries in recent years. ...

20. The Heads of State and/or Government reiterated their concern over the tremendous increase in the foreign debt accumulated by the developing countries which was estimated at close to \$300 billion at the end of 1977, with over a third of that amount in high-interest private loans or loans with less than a year's maturity. ...

21. ... This situation...is an important element of coercion aimed at the developing countries in any negotiation calling for immediate and effective actions to relieve the debt burden of developing countries, particularly the least developed and most seriously affected developing countries....

... The net use of International Monetary Fund credits by the developing countries has been negative due to this institution's loan policy. ...

23. ... The Conference supported the efforts of raw monetary system the burden of adjustment has fallen disproportionately on the developing countries with material producing nonaligned and other developing countries in seeking just and remunerative prices for their exports and to improve in real terms their export earnings. The Conference condemned the attempts of certain developed countries to use the issue of energy to divide the developing countries. ...

33. ... They also rejected attempts to introduce concepts, norms and principles such as access to supplies, graduation, selectivity, the utilization of the so-called strategy of basic needs. ...

62. The Heads of State or Government were strongly of the view that there was a close link between industrialization of developing countries and their access to technology under just and equitable conditions. ...

Science and technology

66. The Conference emphasized the role of Governments as the main executors of the action program and as promoters of the implementation of scientific and technological development programs which should be closely linked to and dependent on the national development programs; it also emphasized the pressing need to effect profound structural changes of an economic and social nature as one of the important means of guaranteeing the implementation of harmonious and balanced scientific-technical programs whose results would benefit the whole population.

Transnational corporations and sovereignty over natural resources and economic activities

71. The Heads of State or Government again reaffirmed the inalienable right of all countries to exercise full permanent sovereignty and control over their natural and other resources and their economic activities including possession, use and disposal of such resources and their right to nationalization. ...

76. ...Owing to the structure of the international grave repercussions on their development programs. These negative effects have been underscored and perpetuated by the strict conditionality and the rules as applied by the International Monetary Fund and other financial institutions which use these practices to developing countries having a deficit in their balance of payments. ...

78. The Heads of State or Government reiterated the urgent need to create a new, rational, equitable and universal monetary system that would completely eradicate these phenomena. ...

The use of nuclear energy for peaceful purposes

212. ... The Conference stressed the exceptional importance of international cooperation among the nonaligned and other developing countries in the field of peaceful use of nuclear energy. ...

213. The Conference affirmed the inalienable right of all States to apply and develop their programs for the peaceful uses of nuclear energy for economic and social development in conformity with their priorities, interests, and needs.

217. ... Concern for nonproliferation should not be used as a pretext to prevent States from exercising the right to acquire and develop peaceful nuclear technology. ...

Restructuring Nicaragua's debt

Nicaragua's intolerable debt burden was an ongoing topic of discussion and concern at the Havana Summit.

Commander Daniel Ortega, speaking on behalf of the ruling five member junta, explained the matter in the following way in his September 6 speech before the Summit:

"We find ourselves with a foreign debt which surpasses \$1.5 billion. Of this sum, \$596 million are due this year, as they were contracted at short term and at hard interest rates. The foreign debt equals three times the total yearly exports of the country.

"The credits obtained by Somoza were misspent, wasted, and taken back out of the country to personal accounts in the U.S. and Europe...

"But we want to be frank: the oppressive financial problem which our process confronts, and which is directly related to the restructuring of the foreign debt and with financing our economic takeoff, does not seem to seriously interest the developed countries.

"The Mexican government, which has helped us within the limits of its possibilities, suggests the international issuance of long-term, low interest solidarity bonds, such that the debt which comes due this year ... can be restructured on adequate terms."

In a subsequent interview with the international press corps in Havana, junta member Sergio Ramirez elaborated on Nicaragua's debt problem as follows:

We are going to repudiate not only those debts with Israel and Argentina, but with any other country which contracted armaments debts with the government of Somoza. Nicaragua's foreign debt now stands at \$1.6 billion. Half of this was contracted by the Somoza regime with U.S., Canadian, German, and—I believe—Japanese banks during the last two years of the dictatorship. These credits were granted for terms of six months to a year at interest based on the London LIBOR rate, which comes out to about 13 percent. As you can see, granting a dictatorship on the verge of collapse loans under such conditions was really irresponsible. Nevertheless, we have stated that we will honor these loans; but at the same time, we don't expect that these creditors will put us up against the wall for payments of these funds which, morally, we do not owe.