

II. Economics

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Toward a Mechanism in the World for Peace

by Donald Ramotar

The following is an edited transcript of the June 15 address by His Excellency Donald Ramotar, former President of Guyana, to the June 15-16 online conference of the Schiller Institute, "The World on the Brink: For a New Peace of Westphalia!" Pres. Ramotar spoke on Panel 2, "The Development Aspirations of the Global Majority." Subheads have been added. The video may be viewed [here](#).



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infrequently, problems with each other. This is a direct result of the unequal and unjust international relations that exist in our world. Even though colonialism has largely ended, there are still some pockets of it here and there. In our Caribbean, for instance, there is still some of that. It was largely ended in the mid-1970s, but many of the ties have not actually been broken. This is particularly true in relation to economic development. The exploitation of the Third World continues un-

Thank you so much for having me. I would like to first of all say how much I appreciated the earlier session we had. It was very informative, and very useful.

We are actually meeting at an extremely important and, I would say, extremely dangerous time in our world. At this time, two of the main wars that are ongoing—the war in Gaza, which is from a humanitarian point of view, one of the worst disasters we have ever had. And the second one is the Ukraine conflict, which is the most dangerous, in the sense that it can trigger a nuclear war that can mean the end of life as we know it, on Earth. That is why it is extremely important that we do our best to bring an end to all of these conflicts.

But there are other conflicts all over the Third World. Sudan, to name one; all over the Third World you have various conflicts. At the heart of a lot of these conflicts is the whole question of poverty, of underdevelopment, of lack of economic development. Many social scientists have already proven that there is a link between socio-economic development and peace. The more we can have economic development and deal with some social issues, the more we can soften and blunt some of the various problems.

Developing countries of the South are riddled with all kinds of conflicts, both internal conflicts and, not

abated; that has not changed. In fact, in some cases—particularly because of the development of science and technology—in many cases it has actually been intensified and is probably even more intensive than during the colonial period. Exploitation of our resources for the benefit of the developed world continues to be a major feature of today's international relations.

Colonialism with a Financial Face

This can be seen in the fact that capital flows, net capital flows, are still very much from the South to the North; from the developing countries to the developed world. That might sound not true when you take into consideration the corporate media always speaking about having to bail out the Third World countries, or having to give a donation or making some kind of contribution to Third World countries. The news [media] make it appear as if there is more money coming from the North to the South. But it is estimated that the net flow of resources since 1960 from the developing world to the developed world was some \$62 trillion. In today's money it is calculated to be 152 trillion United States dollars. Therefore, it is not resources coming from the North to the South; it is actually resources flowing from the South to the North.

This exploitation takes many forms, and it relates to the exploitation of our raw materials. Not many Third World countries in the South are industrialized to produce finished products. Therefore, we are still largely an exporter of raw materials. And with that, we find the balance of trade has changed dramatically, because the price for industrial goods continues to rise sharply while the price of raw materials was growing at a much slower rate. Therefore, almost every year, we have to spend, within the Third World, more resources to buy the same type of goods as we used to buy in previous years. More of our resources are going to buy goods. This includes food, not surprisingly to us, but it might be surprising to many other folks in other parts of the world, because, largely, Third World countries are more agricultural countries.

But we still import a tremendous amount of food into the Third World countries in agriculture itself. For instance, in the Caribbean, we import more than \$4 billion a year in food for this region; although we are described as being more agricultural. This is largely because many of the crops that we produce, like sugar cane, sugar, and rice, and so forth, are exported. But many of the other crops, foodstuffs, we import into our country. That area has not been properly developed with enough resources going into other areas of food production. In our region that is more and more being seen and in CARICOM [the Caribbean Community] itself, there is talk about cutting importation of food, because we do have the possibility of doing that. There is not a lot of investment going into that area, and there has been no encouragement locally to try to produce more.

Then there is the balance of trade. Even though we have independence, there is influence [of the North]; the voice of the Global South, of the Third World, is not very well represented or very strong in important institutions such as the IMF, the World Bank, the World Trade Organization, and so forth. These organizations are still controlled by the more powerful countries in the world, particularly the United States. And they are run in their interest; that is why we are perpetually in debt. Very often in the 1980s you heard about the debts, and you're still hearing now about the debt. The debt is one of the mechanisms that bleeds our financial resources and contributes to the net flow of resources from the South to the North.

At one time, we used to describe many of the IMF programs as being debt traps. So, we have money flowing out by debts through these international institutions, through government lending, through a lot

of private lending from banks in the developed world. And also from investments: some of the investments in oil and gas, in gold and other resources. The profit and the payback period is very quick, and very soon we become a net exporter of capital. Hardly any of these things are processed here. For instance, all of the gold we produce in Guyana is refined in Canada. Every drop of oil that is now being produced, because over the last 4-5 years we have become an oil producer—but there is no refinery here to refine anything, so we hardly get anything from our products. That is a feature in many Third World countries where we continue to remain as raw material producers.

So, this leads to a lot of trade imbalances, and we increasingly pay higher prices for manufactured goods that we need which we don't have here. Therefore, despite colonialism being abolished, I think there is a kind of collective type of colonialism that has developed over the years. The developed North—mainly the NATO countries themselves—are the ones that continue to exploit Third World countries for that.

The BRICS Alternatives

The main reason for all of this, as I said, is that the international institutions are not in our favor. Even though we see from the political point of view and justice point of view—the ICC, for instance, which is an international body, generally wants to try more leaders from the Third World. Look at how long it takes: Eight months after Israel has murdered—there are clear signs of genocide up to this morning. I was listening to the news, and they are now in the process of destroying people's homes, blasting them with dynamite. The whole intention is to make Gaza unlivable; the whole intention is ethnic cleansing. That is continuing, and the International Court of Justice still has to pronounce on many of these things. We know how quickly they [the International Criminal Court—ed.] pronounced some on Russia and President Putin, even though what they [the relevant Russian government agencies—ed.] were doing was moving children out of danger, out of the war zone; they have been charged. But for Netanyahu, it is only recently that they are talking about charging him, because of the control that they have.

It is for this reason that the rise of alternatives is so important for us in the West. That is reflected in how many countries now are lining up, wanting to join the BRICS grouping. The BRICS grouping is offering some hope to try to create a better balance, a better relation with the Third World countries. That is why we

see that there is a lot of enthusiasm in the developing world towards the BRICS, and wanting to join BRICS and hoping to have a better deal with BRICS; hoping that their relationship with BRICS will not be the same type of relationship that they've had with the IMF, the World Bank, and those types of international organizations that came out of the Bretton Woods era.

Another important area that we have seen is the Belt and Road Initiative that China has started. That is leading what the Third World has with infrastructure development, [lack of] which has impeded the development of our economies in things like transport. That is linking a lot of our structures in different places to ensure that we have a better opportunity for more productive development, and for us to be able to process more of our goods and sell at better prices, and so forth. That is one of the reasons I believe you find this hostility towards Russia and China, in particular. The slander of these countries, for instance; the same criticisms that we've had over the years against the IMF, of creating debt traps, are being now turned around by corporate media to say that China's Belt and Road Initiative would be creating debt traps. But all the evidence shows that that is not true; that actually for the

first time, many Third World countries are having the opportunity to develop the kind of infrastructure that they need in order to build more resources.

Therefore, I would say that that is probably one of the reasons it is not as overt as what is happening in Ukraine now, where a proxy war is being fought against Russia to try to preserve the domination of the West. But it is there, because they see that these new types of relationships will give a possibility for the Third World to be able to be more resilient and to stand up to the pressures that we constantly face from international institutions and Western governments, and instead do a program for ourselves. Therefore, that is one of the reasons we have to continue to fight against what is taking place in Ukraine. Peace; the Third World needs peace. A lot of the fighting in the Third World is sometimes generated from outside, and sometimes it is the leftover of border problems and so forth caused by colonialism. We need peace; we need a mechanism in the world for peace. We are now only beginning to see that that is developing with the new types of arrangements with the BRICS and the Belt and Road Initiative.

I think I have said enough, and I want to thank you very much for your attention.

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