

Mexico's proposal on energy pitted against World Bank at UNCTAD meet

The agenda for the fifth session of the United Nations Conference on Trade and Development (UNCTAD) which convened in Manila three weeks ago made no mention of energy, much less Mexican President Jose Lopez Portillo's proposal to overhaul the production, distribution and consumption of energy as the practical basis for bringing about a new world economic order of expanded trade and Third World industrialization. Yet, with less than a week until the scheduled June 1 conclusion of the conference, this "non-issue" has moved toward the center of the proceedings.

The fight over "energy" surfaced as early as the second week of the deliberations. It testifies to the determination with which Mexico, in collaboration with France, Cuba and the Soviet Union, is wielding the Lopez Portillo call to convene an international conference of energy producers and consumers to provide leadership and direction to an otherwise fragmented and demoralized developing sector.

The far-reaching proposal has already received the endorsements of several heads of state in both West and East and will be presented formally to the September United Nations General Assembly session.

The Mexican initiative stands out against the "self-help," "trade union of the poor" formulas for underdeveloped-sector suicide contained in the Arusha Declaration, put together for the conference several months ago through the UNCTAD secretariat. The Arusha formulas have drawn significant if often reluctant support from cornered Third World officials. The IMF and World Bank's insistence that these nations export more and halt investment is backed by the U.S. State Department's unqualified commitment to "appropriate technologies" for the sector and, to that end, "horizontal cooperation among developing nations." The mass murder openly entailed by these policies is now being accelerated by a campaign to cut off private lending to Third World nations and by the catastrophic effects on their economies of the price and supply squeeze for oil.

As far as UNCTAD is concerned, the advanced-sector OECD nations have unanimously submitted to the Anglo-American strategists who took the occasion

of the April 26 Bilderberg conference in Baden, Austria, to map the permanent cutoff of Europe and Japan from the Third World. The strategy is to derail the crucial second phase of the new European Monetary System (EMS)—the extension through its own monetary fund of long-term agricultural and industrial credits for Third World development.

Having bowed in March to IMF demands that they postpone the fund for two years, the EMS founders and their collaborators in Japan have refrained from using any public international forum to press their development strategy. Japanese sources say the EMS proponents instead want to use the energy issue to gradually open the wider monetary-system front.

The "energy" fight

The energy "non-issue" had already emerged by May 17 when the Algerian delegate accused the advanced sector ("Group B") countries of undertaking an "ideological offensive" to split the developing nations and OPEC—Algerian Commerce Minister Abdelchani Akbi warned against the meeting ending in what he called "an economic Camp David" that would utterly derail the Third World's fight for industrial development. The warning preceded by moments a move of Costa Rica (not a member of the Group of 77), and backed by Argentina, Chile and six other Latin American countries. Costa Rica challenged the conference to a full debate on the issue of high oil prices—an instant formula to set developing countries against the OPEC oil exporters.

Reportedly most developing nations have so far resisted the divisive bait, which stymied negotiations in the largest working group on "structural reform" last week. Both Asian and African members of the Group of 77 are said to oppose the demand, which was loudly seconded by UNCTAD bureaucrat and Anglophile Gamani Corea and UNCTAD founder Raul Prebisch.

The Arab oil-producers for their part have stated through Saudi Arabian and Iraqi spokesmen that while they consider energy, trade and financial issues inseparable, UNCTAD is not the appropriate forum for fruitful deliberation and action on energy. While

Agence France Presse reports of the Saudi and Iraqi comments do not indicate that either named an alternate more appropriate forum, it should be kept in mind that both nations have in the recent period issued calls for a producer-consumer conference on energy that parallel the Mexican proposal. That proposal specifies a United Nations forum—signifying outreach to the industrialized socialist countries as well as the entire Third World.

The persistence of OECD proxy Costa Rica prompted press headlines announcing the demise of developing sector political thrust, a “split in the ranks of the Third World,” and the like. While the *New York Times* moved UNCTAD coverage to the obituary page, the London *Economist* projected the revival of the Kissinger-created “independent Brandt Commission” to “act as political catalyst” to a prostrated UNCTAD, whole Third World members are incapable of “proposing new types of aid which will run less afoul of the rich world’s present mood.”

But in fact, Cuba has stepped in to shape a compromise which is aimed at strengthening the mandate for the Mexican energy proposal. UPI has reported that the Cuban resolution specified that full discussion be undertaken in the G-77 forum, not UNCTAD. Latest reports indicate the compromise is likely to succeed. In their bilateral talks recently, Castro reportedly invited Mexican President Portillo to keynote the Havana meeting of the Non-Aligned this September with a presentation of his energy proposal.

The Mexican-Cuban push for leadership of the Third World is already under assault—the London press has elaborated scenarios for a “blow-up” at the early June planning session for the Havana meeting where Cuba will be challenged for not being “non-aligned.”

OECD “slid” for IMF

Press reports indicate that both Japan and West Germany executed the Bilderberg-State Department marching orders in Manila. The developing nations’ problems cannot be solved, Japanese Prime Minister Ohira told the delegates two weeks ago, unless they are prepared to “devote the requisite will and effort to their own development”—the World Bank’s “self-help” formula. Ohira made the ritual offer to train more Third World technicians, promised to double Japan’s overseas development assistance by 1980, and otherwise demonstrated the effects of this long friendship with Henry Kissinger.

West German Economics Minister Count Otto von Lambsdorff, whose disagreements with Chancellor Schmidt on economic policy are a matter of public record, vaunted the urgency of strengthened IMF surveillance and controls, pointing to the “really pressing problem” of the “rapid population increase in

the developing countries which threatens to hinder all efforts to better the lot of the people.”

Only France among the advanced sector nations, while propitiating the Bilderberg-OECD directive not to countenance any discussion of “new institutions” (French Economics Minister Monory, according to Mexican press reports, studiously avoided reference to the “new world economic order” and vigorously defended GATT protectionism) has given critical backup to the Mexican proposal for an energy producers and consumers conference. The widely reported French announcement that it was cancelling upwards of \$600 million in state debts held by a group of Third World countries among the poorest, was manifestly a diplomatic gesture in the direction of Third World dialogue.

The Mexican “energy” proposal and French organizing in the same direction were sufficiently unambiguous to enrage the London *Economist* editors, who did protest a bit too much on May 19 that the energy issue was a dead letter. “One non-starter,” the *Economist* insisted, “seems to be energy. Mr. René Monory, France’s Economics Minister, said he thought UNCTAD could help along France’s pet scheme of a new energy forum....”

“OPEC nations quickly ordered the OPEC Secretary General, Mr. Rene Ortiz, to say that OPEC countries can only agree to a rerun of the unsuccessful 1975-77 conference on international economic cooperation”—a rather desperate distortion of Ortiz’s statement, highlighted in a UN press release, that OPEC considers the questions of energy and trade and world finance as inseparable.

Interestingly, both France and the Soviet Union are actively collaborating with the Arab oil-exporters’ moves to eliminate flags of convenience in the shipping industry.

—Susan Cohen

Mexico’s energy proposal to UNCTAD

The following are excerpts from the speech given May 12 at UNCTAD V by Mexican Commerce Minister Jorge de la Vega Domínguez, in which he presented his government’s call for a global energy program as a critical aspect of a new world economic order.

... We maintain total solidarity with the developing nations in regard to the question of debt. We insist, in addition, on the necessity of guaranteeing fluid access to the capital markets whose rigidity affects us all at times. The growing protectionism of the most developed countries and their imperious need to count on raw

Original agenda: Common Fund and self-reliance

Originally, energy was not to have been a topic of discussion at all during the UNCTAD meeting in Manila; the British-World Bank bloc had heavily preorganized the conference with a view to devoting the agenda to a variety of Kissingerian recipes for "international economic cooperation" such as the "Common Fund," and orienting developing sector nations to Ujamaa-like "self-reliance." In a U.N. press release, dated May 7, Anglophile UNCTAD Secretary-General Gamani Corea emphasized "structural change" as the "essential item on a wide-ranging agenda," which emphasized "freeing" developing nations from developed nations—rather than developing Third World nations through a new relationship. The release continued as follows.

Among the main items on the agenda are: the restructuring of commodity markets and trade on which many developing countries depend heavily for export earnings; the restructuring of international

trade, including efforts to do away with protectionist measures that block access of developing countries' manufactured goods to the markets of industrialized nations; and the restructuring of the international monetary and financial framework to take account of the far-reaching changes that have occurred since the immediate post-war period when the basic elements of the existing system came into being. Another important topic is the promotion of greater economic cooperation among developing countries in order to strengthen their move toward collective self-reliance and diminish their dependence on developed countries.

.... Under the heading of another major agenda item, dealing with commodities, is the Common Fund ... an idea proposed by developing countries at UNCTAD IV in Nairobi in 1976 as a means of stabilizing commodity prices. The Fund is to have two "windows" ... one to help finance international buffer stocks and the other for commodity development purposes....

materials for excessive consumption foster international behavior contrary to the principles of a new economic order....

It is essential to realize that the developing nations do not fully participate in decisions that affect them, as in questions of trade, currency, financing, technology or transportation. Such decisions are generated in those bodies which preponderantly reflect the interests of the most powerful nations. Thus, criteria are frequently imposed which in various ways hurt our economies. We reject, for example, the notion of gradualism, according to which international cooperation would not apply to the middle-income developing nations.

Neither do we accept the concept of selectivity, which introduces particularly severe protectionist measures against the developing countries. We also believe that such notions as guarantees for foreign investment and access to supplies are in distinct contradiction to the commitments the international community has accepted....

The new international economic order is not a collection of moral postulates or good intentions, but an objective necessity. It is essential that all states in the interest of international relations assume political responsibility: to pass from words to deeds, to find coherent solutions to the problem of development and therefore to the problem of man.

The results we now achieve should decisively influence the next tasks of the international community. If they do not, UNCTAD will have lost its reason for being....

The president of Mexico has proposed since May of last year the possibility of formulating an authentic world energy policy that considers (energy resources) the common responsibility of humanity, in the context of a new world economic order.

What is happening in this area is exemplary of the (present) world disorder and represents a point of rupture of the precarious balance attained. Thus, a rational energy policy can and should be the beginning of a solution to the entire array of problems we face.

The energy question reflects the insufficiency of natural resources, the lack of forethought, the unequal growth of the economy, the illegitimate use of pressures to perpetuate injustice and the inequality of the prevailing mechanisms of distribution....

In energy matters, decision-making has been captured by the most powerful nations. If a global and equitable accord is not reached, there will be scarcity, injustice and violence....

We will continue putting forward our principles until the commitment of the people and the power of reason make them a reality in which international law reigns.