

Turkey, Jordan, and the Arabian Gulf states would be compelled to join the alliance. Turkey, for instance, in the midst of a bitter battle with the IMF, is slated for destabilization by the NATO apparatus preparatory to a military coup that would entrench the pro-NATO faction in Ankara.

Further along the arc of crisis—Brzezinski's term for the Islamic region and the Indian subcontinent—Iran, Pakistan, Afghanistan, and India have already been severely destabilized and their economic crises pushed to the brink of catastrophe. The scene in Iran—where millions have been thrown out of work and the fanatic government of Ayatollah Khomeini, and his mobs are intent on destroying industry and depopulating Iran's cities in a "ruralization" program—is being held up as the future for the Indian subcontinent as well. The murder of Pakistan's Prime Minister Bhutto has already begun to trigger the "Iran treatment" there.

#### **Antinuclear conspiracy**

The key to the implementation of the NATO-IMF strategy for the developing sector is the destruction of the option for nuclear-power development in those areas. Although several countries in the Third World have highly ambitious programs for the development of nuclear energy, including research facilities and reprocessing centers, the Carter Administration, almost from its first day of office in 1977, has worked tirelessly against nuclear power for the developing world.

Now, several events have combined to hit hard at the plans of the Third World.

First, the sabotage of the Harrisburg Three Mile Island reactor last week has touched off a predictable campaign by the foes of nuclear power, including the environmentalist extremists and zero-growthers. In addition, the terrorist bombing of a French nuclear fabrication plant by Israeli intelligence commandos—a factory where a French company was constructing two nuclear power stations for Iraq—has raised in Europe a similar antinuclear campaign.

Meanwhile, the ostentatious cancellation of U.S. aid to Pakistan because of that country's possession of a nuclear device will be used everywhere as reason not to allow Third World countries access to nuclear technology—even though, according to intelligence sources, the Pakistanis acquired their atomic weapons capability as a gift from the British!

And Iran's nuclear program—by far the most advanced of any Third World country—has fallen apart in the wake of the Khomeini revolution.

—Robert Dreyfuss

## Vance: the IMF's policy must prevail

*On March 30, Secretary of State Cyrus Vance delivered a major policy speech to the Northwest Regional Conference on the Emerging International Order in Seattle, Wa. Titled "America's Commitment to Third World Development," Vance's speech gave carte blanche to the International Monetary Fund to endorse its policies of austerity throughout the developing sector. Excerpts from Secretary Vance's speech follow.*

*Ellipses in parenthesis denoted material that has been deleted by Executive Intelligence Review; other ellipses are as in Secretary Vance's text. Large subheads are added by EIR.*

These past weeks have been a time to deal with immediate diplomatic issues of extraordinary importance to our nation. Today, I want to speak about an issue that may seem less immediate, but is no less important: our approach to the economic future of the developing nations.

Before turning to our strategy towards the "North-South dialogue" between the industrial and developing nations, let me first talk a moment about why the development of Third World countries matters to us.

Its human dimension is clear.

Our humanitarian commitment is reinforced by the recognition that it also serves our national self-interest to assist the process of equitable growth within the developing nations. We need to help shape an international economic system which will support and stimulate that growth. ( ... )

These countries of the Third World are increasingly involved in our daily lives.

We know how oil from these countries affect us.

As a nation, we also get more than 50 percent of the tin, rubber and manganese we need from less-developed countries, and substantial amounts of our tungsten and cobalt. We now export more to the developing countries, including OPEC, than to the Common Market, Japan, and the Communist countries combined. For example, almost one-half of our commercial aircraft sales abroad are to developing nations.(...)

Most countries of the Third World have too little food ... and rapidly growing populations.

We face the prospect of a population increase in the final quarter of this century which will equal the entire growth of world population from the birth of Christ to 1950. Roughly 90 percent of this increase will be in developing countries. And perhaps more troubling, this

growth seems certain to be greatest in already hard-pressed urban centers.( ... )

## Four tenets of U.S. policy

Our approach to development in the Third World is based on four fundamental tenets:

*First*, we are committed to supporting strong and equitable growth in the developing nations, as a matter of our national interest as well as our national ideals. And we recognize that at times this requires facilitating adjustment in our own economy in ways which will support economic growth in the Third World.

*Second*, we are committed to improving the international system in ways which will be mutually beneficial to all, which respond to the particular needs of the developing nations, and which accord them an appropriate voice in decisions that affect them.

*Third*, despite the economic pressures we and other industrial nations now face, the United States remains committed to increasing transfers of resources from the richer to the poorer nations.

Let me emphasize, however, a *fourth* point. As we cooperate with developing nations in seeking useful changes in the international system, and as we consider the level and nature of our resource flows, we must be clear about our priorities. Alterations in the international system, and resource transfers among nations, are not ends in themselves. They are a means to the compelling goal of development within nations.

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## Soviets rebut U.S. Third World policy

*In the days following Secretary of State Cyrus Vance's Seattle address on U.S. Third World policy, the Soviet Union issued a series of warnings: the "appropriate technologies" approach to the developing nations that Vance outlined as official U.S. policy is a matter of war.*

*Radio Moscow charged on April 3 that Vance's claim to a "new approach" toward the developing countries is "sheer propaganda" for the credulous. Vance's expressed policy outlines a role for the U.S. as a member of a "Club of Strongs," to subjugate these nations as raw materials suppliers forced to pay more and more for manufactured goods they cannot produce. It also targets their energy supplies*

*The tenor of the Soviet charges are contained in the following report filed by Vitaliy Gan, the Washington correspondent for the Soviet news agency TASS, titled "Vance Reveals Aims of U.S. Policy toward Third World."*

The United States intends to invigorate sharply political and economic-financial penetration of the developing countries with the aim of ensuring the latter's position as raw material appendages and champions of Western interests. This is the meaning of the speech by U.S. Secretary of State Cyrus Vance at a conference in the city of Seattle (Washington State). He acknowledged that the attitude of the United States to the development of the Third World states is based on its own economic interests. We receive from the developing countries, he said, more than 50 percent of tin, rubber, and magnesium, considerable quantities of tungsten and cobalt. These countries account for 45 percent of oil consumed in the United States.

The developing countries are an important commodity market for the USA. Cyrus Vance pointed out that at present the United States exports more products there than to the Common Market states, Japan, and

We cannot spend so much time and energy on our international discussions of the roadmap that we lose sight of our destination. The destination—the goal we share—is to find practical ways to have an appreciable impact on the lives of people around the world, and especially on the lives of those for whom daily survival is an unanswered question. ( ... )

We face an unusually large number of important international conferences in the coming eighteen months. These meetings provide an extraordinary opportunity for progress on issues of importance to developing nations—and us all.

As we prepare for them, we must first recognize the progress that already has been made.

Last week in Geneva, for example, agreement was reached on most of the basic elements of a Common Fund to help finance international buffer stocks and other commodity development measures. ( ... )

— Resources available through the International Monetary Fund for financing balance of payments difficulties have been substantially increased—through liberalization of the IMF Compensatory Financing Facility; through the fourth IMF quota increase; and through the establishment of new IMF facilities including the Trust Fund and the \$10 billion Witteveen facility.

— Consuming countries have agreed to the concept of shared responsibility with producing countries for financing buffer stocks to stabilize prices in commodity markets. Agreements for coffee and tin were renegotiated;

a new agreement for sugar has been reached; and negotiations on rubber and a new cocoa agreement are under way. Such agreements can have important anti-inflationary benefits for our own economy. ( ... )

— The President is proposing the creation of an International Development Cooperation Administration which would consolidate or improve coordination among our bilateral and multilateral development assistance programs.

## Period of austerity

In a period of fiscal austerity, there is a danger, which we must frankly address, that negotiations between North and South could return to the rancor of earlier years. This will happen if each nation becomes so concerned with its own problems that it forgets the essential reality of an interdependent age: that each nation can surmount its own difficulties only if it understands and helps resolve the difficulties of others as well.

The industrial nations must maintain their commitment to the well-being of the developing nations. The developing nations must recognize that making demands which the industrial nations cannot meet will only produce international acrimony, not progress. And the oil producing nations must recognize their special responsibilities for the health of the global economy, and their fundamental stake in its continued vitality.

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the socialist countries combined. They account for two-thirds of the total U.S. exports, which total \$42 billion. The Secretary of State laid special emphasis on “aid” to the young states in the development of power resources. He outlined a program of American “initiatives” in this field, which is actually called upon to place under U.S. control prospecting, development, and extraction of oil and other fuel in the developing states. In his words, the U.S. International Development Agency requested \$42 million for the fiscal year for the introduction of American technology in the power industry of the developing states. The U.S.-controlled International Bank for Reconstruction and Development has appropriated nearly \$10 billion to finance various energy programs in those countries.

Washington attaches political strings to its disinterested aid. Thus, the Secretary of State openly warned the developing countries that making demands which the industrialized states cannot meet, will lead to international conflicts rather than progress. He implied by these unacceptable demands a mounting movement for the establishment of a more just international economic order that would be based on the principles

of equality, noninterference in the affairs of the others, and respect for national sovereignty.

Cyrus Vance claimed that there are no grounds for such demands by young states since, as he put it, distinctions between the industrialized and developing countries are allegedly disappearing. Facts, however, indicate a further deepening of the abyss between the poor and the rich. According to the official figures of the International Monetary Fund, for example, the total balance of payments deficit of the developing states which do not produce oil, will top \$38 billion this year.

The Secretary of State, as a matter of fact, exposed one more aim of the American approach to the development problems of the states—to prevent the creation of economic groupings of the type of the Organization of Petroleum Exporting Countries (OPEC) that could effectively resist Western dictat.

As followed from his statement, the USA attaches in this connection great significance to the series of agreements being drawn up by the Western states on a “stabilization” of prices of the most important kinds of raw materials with the developing countries.

## Energy

No issue we face today more clearly demonstrates the interests we share with the people of the developing world than energy. ( ... )

We must do what is necessary in our own country to restrain consumption and increase domestic production. But we cannot solve the energy problem by what we do here alone. It is a global challenge.

Thus, we have a direct interest in helping developing countries devise their own effective energy policies—helping them identify their energy resources, determine their current and future energy demand, identify the technology they need, and obtain the necessary financing. Let me tell you what we are already doing in each of these areas.

—We are now helping several developing countries survey their national energy resources, define their future energy needs, and construct alternative energy strategies.

—With our strong support, the World Bank is significantly expanding its program to help developing countries finance further exploration and development of fossil fuels. The Bank envisages loans amounting to as much as \$3 billion over the next five years.

—We are devoting substantial financial resources to research on renewable energy sources. In addition to private financing, the Department of Energy has budgeted over \$600 million this year to study, develop and demonstrate renewable energy technology. We have asked the Congress for more than \$700 million for these efforts next year. These programs can lead to technological developments that directly benefit the developing nations.

—The Agency for International Development has requested \$42 million in FY 1980 for the actual application of renewable energy technologies in developing countries. ( ... ) The World Bank, to which we are the largest contributor, has already provided about \$10 billion for financing of conventional power projects. And the other development banks also are active in this area.

But we must and will do more.

—*First*, we will respond positively to additional requests from developing nations for help in evaluating their energy resources, needs, and strategies.

—*Second*, we will encourage the regional development banks to expand their energy programs, and to consider new approaches to encourage further private capital flows into mineral and energy development in their regions.

—*Third*, ( ... ) We are now in the process of formulating a coordinated effort which will be discussed at the Tokyo Summit in June.

—*Fourth*, with strong United States backing, the United Nations will hold a World Conference on New

and Renewable Energy in 1981. We intend to play an active role in that effort. ( ... )

—*Finally*, we must assure that as new renewable energy technology becomes relatively less expensive, adequate financing is available for the developing countries to acquire it. We will ask the World Bank to undertake a thorough review of this question. ( ... )

## Food

In one respect, this is a question of the equity with which economic benefits are distributed. Millions are too poor to buy food, even when it is available. As I have stressed, our overall development efforts must address this fundamental issue.

But it is also clear that in many developing countries, food production is not keeping pace with population growth. The long-range prospects point to even greater food deficits in developing countries in the years ahead. Not only will we approach the limits of new land to cultivate, but soil erosion, desert encroachment and simple overuse are robbing the world's historic "bread-baskets" of their productive capacity because of inadequate land and resource management practices. ( ... )

—We continue to believe that an effective International Wheat Agreement, with an expanded Food Aid Convention, would help stabilize world wheat prices and strengthen world food security. ( ... )—To assure that our food aid commitments can be met even during periods of tight supply, we are seeking to establish a special government-held wheat reserve which would add to food security for food-deficit countries.

—( ... ) we must now devote greater attention to some of the traditional crops and animals raised by poor farmers on marginal lands and to less widely grown crops that hold promise as new sources of food and income.

Programs such as those I have mentioned today are no cure-all. But they come to grips with the most pressing problems of the developing countries and they will make a difference where it counts most—in the daily lives of people. ( ... )

This is not cause to be sanguine; but it is reason to be confident that practical progress can be made. But, only if...

... Only if we and the other industrial countries recognize that we share a common destiny with the developing world.

Only if they, the developing nations, recognize their responsibilities both within the international system and for equity as well as growth in their own societies.

And only if all of us ... together ... recognize the wisdom of a great man the world has now lost ... Jean Monnet. "We must put our problems on one side of the table," Monnet said, "and all of us on the other."