Third World - an assessment of its position today in World Economy and World Politics.

The UN Charter was signed on 26 June 1945. The determination of President Roosevelt, Marshall-Stalin and Premier Churchill to remove the political, economic and social causes of war through the international organization was ridiculed as "three gangsters announcing that they were setting up a trust to inquire into the economic, psychological and social causes of delinquency". (1) To the theorists of the artefact, as against the theorists of the organism, the UN was the deliberate creation of its members, who could have fashioned it differently if they had wished. (2) However, the Charter came into force on 24th October, 1945 and the day is celebrated all over the world as United Nations Day.

At that point of time there was no Afro-Asian caucus, no AALA group or the Third World although twenty seven of the fifty one founding members of the UN had won their independence after some form of colonial rule. (3) They were small, weak, underdeveloped countries who risked engorgement if they turned to one or the other major powers. For them there was nowhere else to go. The Lion of Juda, the late cerebral King of Ethiopia Haile Selassie. (4) once said, "It is not the great powers that need the UN. It is the small powers which have the most to gain through the successful achievement of its (UN's) goals. Unilateral action outside the UN is... a luxury denied to the

1. Henry Fairlie in an article in a Daily Telegraph Weekly supplement, called "the UN : Conscience or conspiracy".
2. The Society of States - Robert Purnell - Page : 283
4. Haile Selassie in Amharic means Power of the Holy Trinity. According to Ethiopian legend, he was 225th in a line of Emperors that extends back almost 3000 years to Menelik I, son of King Solomon & the Queen of Sheba.
The same feeling was echoed years later by workaholic Dag Hammarskjold, the late Secretary General of the UN, on 3.10.60 in the General Assembly during the Congo operation. He said, "It is not the Soviet Russia or any of the Great Powers that need the vigilance and protection of the UN; it is all the others." True, that it is the Third World that most needs the UN and its humanitarian agencies. But incidentally the political and economic resolutions the General Assembly of late rammed through often outraged the First World. Patrick Moghian called it a "theatre of the absurd" when a UN Special Committee insisted that US military forces on Virgin Islands (consisting of fourteen coast guardsmen, a shotgun, a pistol and a boat) were a military threat to the region.

While analysing the transmogrification of the General Assembly we noticed in the earlier chapters that in the beginning Moscow showed perceptible disdain to the micro-states because it was always apprehensive of them. The small nations were no better than satellites of the capitalist giant. It insisted on the veto that would act as a shield against the capitalist machinations. Destiny of the Security Council lay buried in the Veto and the Soviet Union stymied the Security Council with its "Nyets". As a matter of fact, the word "Kremlin" means fortress. The Soviets are always apprehensive of "encirclement". Right from 1917, the Bolsheviks were surrounded and even invaded by capitalist countries. What the US sees and seeks as "containment" of Soviet Power, Moscow sees and fears as "encirclement". Any move to enhance the powers of the General Assembly was frowned upon. Washington on the other hand wooed the small nations easily and took them for a ride on Korean question or partition of Palestine. It tried successfully to strengthen the General Assembly. The Greek question ought to have been handled by the Security Council but was debated.

1. The Society of States - Robert Purnell, Page : 283
in the General Assembly. On issues like Uniting for Peace Resolution, terminating or limiting the use of Veto, Interim Committee, admission of new members (except of course the entry of mainland China) the US was supported by the small nations. With the influx of ex-colonies of Africa and Asia rules of the game were changed. On discussions like colonialism, apartheid, Zionism, geographical representation, NSGT etc., Moscow courted the favour of the Third World. This World nations' stand on non-alignment, peaceful co-existence, disarmament, domestic jurisdiction or compulsory jurisdiction of the ICJ or intervention was either ridiculed or accorded studied indifference by both sides. Whether the Big Powers liked it or not, the status of the General Assembly was greatly enhanced which even the authors of the Charter did not dream of. The use of Veto has been restricted though not banned altogether. The Charter was amended to accommodate more people from the newly independent countries in various organs of the UN. Instances of arbitrary intervention in the free world, whether by the US and its allies or the USSR, have become rare. Most of the underdeveloped world stands declinised. S. Africa is virtually running against time. Red China was admitted in the UN fold. These are the achievements of the Third World and in achieving them it was sometimes backed by the First or on other occasions by the Second. Anti-colonial resolutions and the economic charters for a fairer distribution of the planet's wealth that infuriated the First World were also the achievements of the Third World stand in the General Assembly.

During a debate at the end of 1974 on the role of the UN in strengthening international security, the then US Ambassador, John Scali, stated: "Each time this Assembly adopts a resolution which it knows it will not be implemented, it damages the credibility of the UN... Unenforceable, one sided resolutions destroy the authority of the UN"... (1) Henry Kissinger

---

1. Quoted by Sidney Weintraub in an article, "How the UN votes on economic issue", International Affairs - April '77 - Page: 188
also felt matter-of-factly when he said: "Those nations who are asked to provide resources ... must be accorded a commensurate voice". To the French Ambassador, Louis de Guiringaud, "There are only two possibilities: either we adopt texts in which a majority will find political comfort but which remain inoperable; or we try to reach real agreements which will be binding on all parties concerned and which will subsequently be reflected in the policies and decisions of Member States".

In order to counter the hard-line, hard-nosed or unco-operative stance, the Sri Lanka Ambassador, Hamilton Amerasinghe once blurted out, "It is understandable that powers accustomed to command imperiously find it intolerable to comply gracefully. There was no need for a debate on the time to be punctuated with sermons on how developing countries should behave."...

Perched precariously between the "tyranny of the majority" and the "imperiousness of the minority", the General Assembly virtually reduced itself to a sort of confrontational forum where the developing countries demonstrated their solidarity in fact to negotiate through confrontation, the way a labour union obtains concessions by exercise of power. In the minds of most developing countries confrontation is a necessary condition preceding negotiation. Of all the institutions suitable for confrontation, none is superior to the UN with its one nation one vote mode of operation. To the extent that bloc politics hamper the working of the different humanitarian agencies of the UN, it is the Third World that will pay the price of ideology. It needs technology and foreign investment badly to assuage the rising tide of expectations.

1. Address to the 7th Special Session of the GA Sept. 1, '75.
2. Quoted in April issue of the Affairs by the same author.
3. In a debate in 1974 quoted in the April '77 issue of the Affairs by Sidney Weintraub.
4. Sidney Weintraub - How the UN votes on Economic Issues - Foreign Affairs - April '77 issue Page: 199
But Henry Kissinger voiced concern over the "increasing politicalization" of the ILO and in November 1977 the US pulled out of the ILO. A fourth of the organization's budget was provided by the US. The US withdrawal as a prod for necessary reform would be likely to goad the organization into getting off its political soapbox.

According to Daniel Patrick Moynihan, the US was singularly inept at coping with the rapid change that has expanded the UN since its founding in 1945 from a manageable round table of 51 nations, with Western democracies in the majority to a sometimes brawling arena of 150 delegations, more than 100 of which are hostile. Third World or communist countries. As these newly minted nations fail to achieve either equality or economic growth at home. They direct attention to inequalities between nations, ascribing, "national ills to international causes." Feeling that there were Still" scores to be settled" even after independence, Third World radicals began using socialist rhetoric to defend not only the distribution of "vast stores of unethically accumulated wealth" but "something ominously close to looting". Moynihan conceded that in the past there had been exploitation by the West but perhaps, he suggested, economic inequality in the world" is less a matter of capitalist rapacity than the Third World's own economic inefficiency - an inefficiency rooted in history, geography and socialism". As more and more Third World countries adopt or accept autocratic Socialist forms of Society - there are not more than two dozen genuine democracies in the world - the UN has become " a locus of general assault" by the majority of Socialist nations" on the principles of liberal democracy".

The so-called hangdog silence of the US while it was accused of wasting energy, war mongering, polluting and eating too much, was broken by the Fighting Irishman in the towering glass menagerie on Manhattan's East Side as the American Ambassador to the UN.
For years, the prevalent US opinion has been that the UN, as a forum, a funnel for aid, a tool for international arrangements was doing more good than harm. In its salad days the US had such a captive following that it could get Assembly sanction for UN military intervention in a "Uniting for Peace" Resolution that neatly circumvented Soviet Veto rights in the SC. Little did the US anticipate that the enfant-terrible would one day turn the table against it.

Year after year until 1961, the US blocked the UN from even putting membership for mainland China on the Assembly agenda.

According to Inis Claude the US sometimes used voting support in the General Assembly as a weapon against the Soviet Union. (1) It sought an activist UN – by-passed the Soviet Veto in the Security Council – rather than sought agreement with its political opponents. The Soviet bloc and its handful supporters found themselves in a permanent minority in the 1950s and tended to become increasingly hostile to the so-called "conference diplomacy" of the General Assembly. But then the situation changed, new realities surfaced - outside as well as inside the UN’s glass palace.

From 1947 to 1955 the US found in the Assembly a valuable auxiliary instrument of statecraft in dealing with problems of international peace and security that threatened the status quo which had emerged from World War II. It brought about a quasi-constitutional amendment through the Uniting for Peace Resolution. (2) It represented the high point of US influence in the UN. After the en bloc admission of new members in 1955 and in the post Stalin era, Moscow stopped considering the emergent new states of Asia and Africa as mere pawns of their colonial masters. It started touting non-alignment, supported anti imperialist (line of supporting wars of "national liberation" in Asia, Africa and L. America.


The US soon found itself at a disadvantage in the GA despite its anti-colonialist origin. For culturally it was bound to Western Europe, the home of colonialism since 15th century, and politically it was allied, through NATO, with the main colonialist states of the 19th century - Britain, France, the Netherlands, Belgium and Portugal...

With the gradual process of decolonization, the newly independent states in the 1960s swelled the ranks of the Third World contingent. They were staunchly, hard-core anti-colonial. Colonial theme alone covers imperialism, zionism, apartheid, racial discrimination, economic exploitation or neo-colonialism directly and a host of other side issues like the jurisdiction of the ICJ, Non-alignment, NSGT and the like. Anything that slightly smacks of colonialism was anathema to them. Many of them did not even allow their sportsmen and athletes to participate in the 1976 Montreal Olympic on race issues...

When the dirt-poor Djibouti became the 50th independent State of Africa after 115 years of French rule, it was left with only three college graduates, no industry other than a pair of soft-drinks plants, no agriculture whatever and an export trade restricted to hides and skins. Most of the aid that France poured in was in the form of vastly inflated salaries and perks for French soldiers and civil servants. Fully 80% of that money was ultimately re-exported to European Bank accounts. "They get rich and Djibuti gets nothing. That is not enlightened colonialism. It's a bloody rip-off"...

During the period of colonialism and in the two decades that followed World War II, the industrialized west did import Third World products at very low prices; foreign companies made huge profits at the expense of the newly independent states.

---


2. In fact they wanted expulsion of New Zealand because it allowed its players to go to S. Africa for tournaments.

3. A British Shipping Agent - Time : July 4, 1977
profits, and comparatively little was poured back into the producing areas. So on a gut issue like colonialism the Third World bloc grew more monolithic.\(^{(1)}\) As a corollary to colonialism, they were aware of the political, social and economic haemorrhage caused by exploitation over the centuries. Either the ground rules of international trade were to be changed and re-shuffled or they would perish. In UN maneuvering the Third World usually is backed by China and the Soviet bloc. Countries which had received more aid from the communist countries from 1945 to 1962 -- Iraq, Guinea, Afghanistan, Indonesia, Burma and Ghana -- strongly supported the communist viewpoints in the General Assembly. In fact economic aid was more closely related with UN voting than was the flow of trade.\(^{(2)}\) Aid from and trade with communist states are exclusively intergovernmental affairs. The Soviet bloc or "Communist of Socialist States" shows considerably greater voting cohesion in the General Assembly than does the British Commonwealth of nations, regardless of the issue the Assembly is considering.\(^{(3)}\)

In fact Commonwealth almost never votes as a Unit. There are three Voting blocs in the GA:

i) African & Asian
   - not members of the Afro Asian group -
   - China, Israel and S. Africa; all African states are members of the OAU; all Arab States are members of the Arab League;
   - there is no consistent voting bloc in south-west Pacific or Asiatic area. The Arab League follows a common policy on issues considered vital to the group (as Palestine, the admission of Israel, the

1. There is a story, probably an apocryphal, that the Govt. of a Texas-sized African nation instructed its ambassador to the UN to vote with the Afro-Asians. If there is no agreed Afro-Asian position, vote with the Arabs. If there is no agreed Arab position, vote with the Arab majority.


internationalization of Jerusalem, the Italian colonies, zionism). Caucus decisions are evidently not binding on questions of more remote concern, as Korea and China. The votes in favour of indefinite tenure for the Interim Committee and on the Resolution on United Action for Peace are a pointer to the tendency to increase the powers of the General Assembly at the expense of the Security Council rather than to align the group with the west as opposed to the east.

ii) The Latin American

all the twenty states of S. America plus the US, Jamaica, Trinidad - Tobago and Barbados are members of the OAS; - Cuba was expelled from the OAS in 1962; normally it votes with the Soviet bloc.

On substantive issues the twenty Latin American votes far outweigh those of any regional group. Even divided, eleven Latin American votes are more than the Commonwealth, the entire near and middle east, the communist states, or Western Europe (including the UK) possess, and are equal to the combined total of the Arab League and the five sure Soviet bloc votes. Latin America alone, if solid, could until the fifth session prevent action on matters requiring a two-thirds votes; an Arab League Soviet bloc combination could not... (1)

Two Thirds of the OAS group voted in the same camp on the following issues: trusteeship agreements at the first session, part-II, the proposal at the fourth session to re-establish the Special Committee on NSG Territories, all of the votes on the Italian colonies at the third session, the votes on S.W. Africa, the votes on partition and admission of Israel, the resolutions on Franco Spain at the first session, Part-I and the fifth session, the vote on Spanish as a working language, and the votes on the independence and territorial integrity of China, the re-establishment of the Interim Committee, the condemnation of War and the Essentials of Peace at the fourth session, and Korea and United Action for Peace at the fifth session.\(^1\)

The Latin American nations do not always stand together on dependent areas cases; but they do tend to unite in support of greater authority for the General Assembly.

iii) West European - "And Others".

"And others" include, on the basis of practice, Australia, Canada, Newzealand, S. Africa and Israel, and possibly Jamaica, Trinidad - Tobago, Barbados, Guyana and Fiji. Turkey takes part in the Asian caucusing group. It represents an Asian influence in the Western European group. Cyprus, a member of the Council of Europe and a European influence within the Asian and African group.\(^2\)

---

1. Block Voting in the General Assembly by Margaret Ball in the book, "Intl. Organization; Politics & Process" - P. 104
Western Europe does not approach the voting cohesion demonstrated by eastern Europe. The Benelux states vote together on a number of issues (Votes on dependent areas, NSG Territories issues and East-West questions) but they also split on a number of issues. The solidarity of the Soviet bloc is most striking in UN politics. There was only one discordant note, that of Yugoslavia, after the Stalin-Tito rift. Otherwise it is monolithic and solid in bloc voting.

Bloc voting is anticipated when there is a high coincidence of interest or common belief among the members of a regional or other organized group. The General Assembly being a political body, "the politics of resentment" (colonialism), and the "economics of envy" (the NIEO), integrated the diverse regional groups of the Third World into a cohesive voting bloc. In order to arrest the prospective overwhelming, anti colonial majority of smallish and poor states, the US proposed a scheme of non-voting associate membership in the Security Council in 1969. But it was never carried through.

How did the US alienate itself from the Third World countries over a period of two decades when the General Assembly was turned into a kind of a bully pulpit where the Third World nations put on political cabarets as much to the chagrin of the First. The US was not a colonial power. On the contrary it went through a season of travail as a British colony. Subjugated people all over the world drew inspiration from the American model. That phenomenon, now laced with wistful nostalgia, gave way to a choice between investment and human life. The merciless reality of international relations on this tough Hobbesian planet forced it to scrap or change some concepts and modify some of its methods. As a number one power it
sided with the reactionary forces, fraternized with the autocratic regimes and started behaving worse than the colonial power... (1) Already the blot of colonialism made western civilization look like fascist and racist to the teeming millions of Asia and Africa. As economic czar it reduced many of the Latin American states to Banana republics (2). Continued US control over Panama Canal and a 10 mile wide zone which bisects the middle of Panama is a colonial anachronism in the 20th Century and a humiliating relic of the colonial era. The US never owned the canal of the zone but American rights over the zone were granted in perpetuity with the original treaty. The country still remains divided in two by a 10 mile wide zone where the language spoken is different, local laws are not applied and the flag hoisted is star and stripes. (3)

The refusal of the "Zonites" to fly the Panamanian flag within "their" territory triggered anti-US riots in 1964. Panama Canal was the biggest issue by far in improving future US relations with the whole of Latin America. In the world as a whole Panama was regarded as a colonial enclave of the dollar-weilding Big Daddy, the colossus of the North - the US. The Bay of Pigs fiasco was another instance of US intransigence in the Latin landscape which probed the Third World conscience. Latin America has long been a backwater of US foreign policy. The US has been blind to changing Latin American goal. Its amoral involvement and guilt-ridden defeat in Vietnam exploited its credit balance to the full and plugged the glories of America. It could never ante-up even half as much credibility with which it had joined the UN. Catalogue of facts cohered into a unifying myth that US had stepped into the shoes of imperialist powers.

And it was a shock to the US, proud to claim the title of the

1. The GA Resolution 1514 (XV), the Declaration on Granting of Independence to colonial countries & peoples was not supported by the US. The countries which abstained were - Australia, Belgium, Dominican Republic, France, Portugal, Spain, the Union of S. Africa, the UK, and the US—None voted against it.

2. The United Fruit Co. virtually controls the economy of El Salvador & Guatemala and as such they are known as Banana Republics whose principal trading item is banana.

3. As a matter of fact, it is said, that there is no Panama Canal. There is an American canal in Panama. Half of Ecuador's trade, 41% of Peru's and 77% of Nicaragua's moves through the Big Ditch. The cession of the canal was ultimately signed by the Carter Administration, after Senate ratification, through a treaty. But then there is a clause of US intervention if the canal runs into serious trouble.
first anti-colonialist country, to find itself in the dock after its intervention in Stanleyville in 1964 and over its record in Puerto Rico and the Pacific Islands at the hands of the committee of Twenty-Four. Over Cuba and Santo Domingo the US had to fight hard to justify its interventions and to keep the issues within the control of the OAS...\(^{(1)}\)

By 1970s the dicey times for the US started and the Third World ganged up against it in the General Assembly. In 1970 the US cast its first veto against a resolution in the Security Council that advocated force against Rhodesia...\(^{(2)}\) Two decades of American involvement failed abysmally to produce a solution in Indochina. An overdose of ideology in the American system contributed to the traumas of McCarthyism and Vietnam. On occasions it plunged into writhing fits of despair...\(^{(3)}\) With a heavy load of political evangelism, the domino theory that preached that if one nation goes communist, it will cause others to do do, the US savored a kind of historical pause. There was tremendous preponderance of American power in the world, from roughly 1945 to the early 1960s which in itself, was another abnormality. It could not have lasted and it did not. The US had been a major power from about 1900 on, and then after World War I, the strongest single power. It came out of World War II a kind of colossus, with more economic and military power than all the rest of the world put together. Except for the pluralistic democracy, imperialism, became undoubtedly the most glaring institution of the US. It's much admired confidence looked more like grating arrogance and the Soviet Union became soon the mecca for rebels all over the Third World. Ideology gives the Soviet leaders a sense of global mission and distinguishes their imperialism from that of the Czars. The men in the Kremlin

2. Ibid : Page 166
3. cf. Lyndon B. Johnson's aphorism, "aggression unchallenged is aggression unleashed; aggression challenged is aggression contained." or, Barry Goldwater's" extremism in defence of liberty is no vice; moderation in the pursuit of justice is no virtue."
it is believed, would not feel entirely secure unless the whole world were made up of "fraternal" (Satellites) or at least Finlandized countries. True that making the world safe for so called "socialism" has always been a euphemism for protecting Soviet interests, just as championing "wars of national liberation" has been a pretext for installing comradely govt's and thwarting the US in the Third World countries. But somehow Moscow had been virtually assured of UN support for some two and a half decades every time a debate was directed at "imperialism", "colonialism" or "Zionism", simply by preponderance of former Western colonial territories among the nearly hundred new nations that joined the UN in that period.

Like a sermon being preached to the deaf, the gospel of cocktail existence went unheeded. USA tried to purge communism from the systems and forget the whole history of the years of decolonization since 1945 that showed that in semi-tropical hell however big army it deployed, it could not win a hostile population and terrain. Vietnam was the greatest miscalculation in US's sordid ledger. The most intense historical indictment of the US focuses upon its habit of supporting right-wing, anticommunists, often dictators against revolutionaries. The US backed Chiang-Kai-Shek in China, Syngman Rhee in Korea, Diem in Vietnam - followed by Ky and Thieu. It went along with the colonels in Greece, Salazar regime in Portugal on theory that such regimes were the only alternative to communism. The US loosed the CIA to perform unsavoury readjustments of leadership here and there. Americans too often forgot John Stuart Mill's famous dictum, "A govt. which needs foreign support to enforce obedience from its own citizens is one which ought not to exist." The US rushed aid to govt's that represented nothing. When the Vietnam War was over real action took place in far-flung Hilton's, where US multinational business men conferred in the esperanto of global trade. It should be noted that American investment in the Third World in all economic Sectors accounts for 28 percent of total US overseas investment, but provides almost half of total earnings.
USA has always been a kind of bodyguard of Israel. Israel has for years vied with S.Africa for the title of the UN's leading pariah. Strange as it seemed that in the absence of any formal treaty between the US and Israel, non-Jewish Americans harbour profound sentiments towards Israel: a sense of something owed to the Jewish people after the Nazi Holocaust; shared religious roots and democratic ideals; admiration for the pioneer spirit of the Israeli nation builders, so seemingly akin to American's own beginnings; empathy for the underdog etc. Besides, there were geopolitical Cold War realities of the 1950s, when the Arab governments turned to the Soviet Union for aid in their efforts to push Israel to the sea. The US is irrevocably committed to Israel's survival. Another Middle East War — potentially more devastating than all four previous ones—would be a cruel tragedy for Israelis and Arabs alike and a crushing blow to American interests in the area. It is one thing to help survive the fortress state and quite another to trade Arab oil for an unwritten commitment, particularly after the oil squeeze of 1973, unequivocally and indefinitely.

After the 1973 oil crunch, the Arab nations gradually emerged from decades of isolation to exercise a powerful influence for stability in the Middle East. They weilded their petropower prudently. Some of them wanted to use oil as a means of bringing the West to its knees and destroying Israel in the process. Others, notably Saudi Arabia, wanted to keep their customers healthy so that they could sell them plenty of oil. Also, as strict Muslims and fervent anti-communists, they feared that an economic crisis in the West could so weaken Saudi Arabia's supporters that their own country would be vulnerable to communist designs. Economically, the Saudis demonstrated their clout along with the United Arab Emirates by refusing to go along with the decision of the 43 member OPEC which raised the so-called posted price by 10% while the former stuck to 5%. In a world menaced by the spectre of energy shortages, Saudi Arabia literally floats on a pool of oil so vast that it may almost equal the combined reserves of the Western Hemisphere and the Soviet Union... (1) Since the Saudis could not

possibly spend their petrodollars at home, despite the country's frenetic pace of development, they made enormous investments in Western Europe and the US. They wanted to safeguard those investments. A special kind of relationship grounded in mutual self interest that was being developed emerged between the US and Saudi Arabia.

Washington's growing awareness of the need to keep good relations with the Saudis and other moderate Arabs was based on a simple proposition; that American protection for Israel, a country though buying rapidly modern arms but virtually undefended, was in return for Saudi petroleum. Because of their vast size and huge needs, the US and Saudi Arabia are likely to be ideal economic trading partners. The policy of parternship found its supporters not only in the King but also in the army of hard-driving technocrats and policymakers, known as "the American Mafia", who studied at the American Universities and whose attitudes were shaping the country. That kind of quid pro quo interest aggregation might one day lead to the creation of a Palestine state once the US withdrew its support for continued Israeli occupation of the West Bank, Gaza strip and the Sinai. In the Peace Treaty between Egypt and Israel, Sinai was returned to its original owner, Egypt.

Both money and weapons are obvious levers for nudging Israel closer to the US diplomatic position. Time was then the PLO Charter was a kind of Arabic Meinkampf... to Israel. But the PLO was declared the official organ for the Palestinian people at the Rabat Conference, 1974. Saudi Arabia, the bankroller of Egypt, Syria, Jordon and the PLO now backs up a Palestinian state on the West Bank and Gaza where the refugees who found themselves treated as excess baggage in other Arab nations would be settled. That would be more of a safeguard than a hazard. A radical Palestine would be as likely to stir up unrest in Jordon and Saudi Arabia as in Israel. The Saudis would not give a nickel

to any radical state ...(1) Deeply fearful of Russian influence in the Middle East, the Saudis would almost certainly insist that the defence, finance and foreign trade of a -- Palestinian state be monitored or controlled by established Arab states. The Saudis feel encircled by hostile regimes -- Ethiopia in the South -- West, Marxist South Yemen in the South, Soviet Satellite in Afghanistan in the North and instability in Iran across the gulf. The unfriendly neighbours could throttle Saudi Arabia by controlling its sea outlets (the entrances to the Gulf and the Red Sea) and threatening its oil installations. Thus the "mother question" ...(2) in the Middle East, the search for a Palestinian homeland would be answered by oil -- the great diplomatic trouble shooter that helped avoid the promoters of Israel and the PLO i.e. the US and Saudi Arabia the collision course ... Indeed, the Arabs' ultimate weapon, oil, did much to change the entire balance of their conflict with Israel. It became the obvious and overwhelming example of the new power relationships. The UN welcomed PLO leader as a conquering hero and gave his organization permanent observer status. Apart from Pope Paul VI, Arafat was the only person who did not represent a government ever to address the plenary Assembly.

When the price of fossil fuel leapfrogged in 1973 ...(3) the event was held with glee by the Third World because it was taken by some of their compatriots. A decision affecting

1. S. Arabia steadfastly refuses funds to organizations like Popular Front for Liberation of Palestine headed by George Habash whose aim is to overthrow Arab monarchies as well as Israel.

2. Syrian President Hafez Assad.

the world economy was taken outside the West. (1) First objections to 1973 rise in oil prices came from one of the poorest countries in the Third World - Tanzania. At that time, the Economist of London calculated, OPEC could buy out all companies on world's major stock exchanges, in 15.6 years (at 1974 -- quotations), all companies on the New York Stock Exchange in 9.2 years, all Central Banks' gold (at $ 170 an ounce) in 3.2 years, all US direct investment abroad in 1.8 years, all companies quoted on stock exchanges in Britain, France and W. Germany in 4.7 years, all IBM stock in 143 days, all Exxon stock in 79 days, the Rockfeller family's wealth in six days and 14% of Germany's Daimler - Benz in two days (which in fact Kuwait did in Nov. 1974 - though for that little country, the purchase represented all of 15 days of oil earnings. (2) Most of the "obscene" profits went to the new financial giant of the world, Saudi Arabia. United in history's most efficient cartel, the 13 OPEC countries exploited modern civilization's dependence on oil. Because oil is not usually found where it is most consumed, and demand for it is so great, it is the most widely traded commodity in world commerce as well as a highly volatile element in world politics.

1. According to David Hilling in the essay, Trade Growth for Development, (Third World Problems & Perspective - edited by Alan B. Mountjoy), the escalation of a world petroleum prices, unless there are safeguards, is likely to do more harm to the development prospects of non-oil producing LDCs than it is to the richer nations. The two-tier pricing system has not been adopted by the OPEC countries so far. Meanwhile, the demand of oil by the "gaseholic" nations is so great that the reigning prices at the Amsterdam Spot Market are double the OPEC quotations. The Arab nations cut back production to keep the demand steady. The oil producing countries are reluctant to enter into long-term agreements because of periodic price boosts. Many of them prefer to sell it in the Spot Market. The oil companies, the so-called "Seven Sisters", at the same time, are also making huge "pornographic profits." All are possible because oil is the elixir of industrial development.

A new order was the ultimate goal of the petrocrats. Their aim was to lead many Third World nations in an economic revolution that was already bringing radical redistribution of world's wealth and political power. The transfer of riches to the oil producers helped slow or stop the rise of living standards in many other countries. The steep economic growth, based on cheap oil, that the industrial nations enjoyed since World War II tended to soften social and economic inequalities because even the poor and the deprived made visible progress year by year and could discover a brighter future. With slow growth or no growth, demands for social justice would be more urgent - and harder to fulfil. Oil price hikes kicked up the prices of countless oil-based products, including fertilizers, petrochemicals and synthetic textiles. The poorest countries of Africa, Asia and L. America were the worse hurt victims of the oil squeeze. A pall of pessimism hung over the fourth and the fifth worlds - the latter divisions were made in the wake of energy crisis to mean those LDCs which by a quirk of geography do not possess oil. The oil rich nations spend most of their oil earnings on imported goods and services, military hardwares, sending back funds to many of the states that bought their oil. But the LDCs, which have almost nothing to sell, are left out of the cycle of flowing funds. Once they pay an OPEC nation for oil, they seldom see their money return. Moreover, the Arab OPEC members understandably prefer to deposit their surplus funds in stable American and European banks rather than banks of the Fourth or the Fifth world. True that the OPEC nations, with great financial clout, were able to wield decisive influence in the world's political councils and could become arbiters in time of crisis. But to the Fourth and the Fifth World, it was becoming clearer that they could not afford to continue hemorrhaging vast amounts of their financial resources to the oil exporters. Initial jubilation would one day fade out unless the new-rich help bail out the dirt poor nations from their sagging balance of payment strangulation.
Fearful of antagonizing the rich oil exporters, representatives of the LDCs did not speak out against the Cartel. Tanzania's Foreign Minister, John Malecela, warned in the General Assembly in October 1974, "To many of the developing countries the high oil prices amount to economic near strangulation! Under-developed countries started borrowing madly from one another and from private banks and many of them were unable to pay the soaring costs of imported oil. Total debits owed by non-oil producing countries to major commercial banks balloned from $110 billion in 1969 to $550 billion in 1976. To bail out these nearly bankrupt states, the managing director of the IMF, H. Johannes Witteveen proposed to raise an emergency kitty of about $10 billion to be parcelled out in loans by IMF. Dubbed as "Witteveen facility" the emergency pool was to be led by the US and S. Arabia and an army of seven Western as well as seven OPEC nations. By 1976, Zaire and Turkey defaulted. Peru's position became potentially dangerous. Countries waited in the queue - with begging bowls were Brazil and Mexico. In the Third World, forty or more countries with few natural resources fell increasingly into destitution and dependency.

Some of the energy-deficient advanced developing countries like Brazil, S. Korea and Taiwan and Kenya set out to replace their oxen with tractors and generators to achieve faster economic growth but soon they paid through their nose because of periodic OPEC price hikes. Thai farmers are discovering the virtues of water buffalo - the carabao, that never demands diesel fuel, but donates manure to peasants who can not afford petroleum based fertilizer. The developing countries oil importing bill balloned from $4 billion to $44 billion in 1979. But cutting back on consumption was not enough. Tanzania used roughly half as much petroleum as in 1972 but its oil bill skyrocketed 900% and ate up all the earnings from the country's exports. President of Costa Rica, Rodrigo Carazo, lamented, "the barrel of oil that we could buy in exchange for 57 lbs. of bananas or 31 lbs. of coffee in 1972, cost us 440 lbs. of bananas
or 24 lbs. of coffee in 1979. (1) Economic expansion which depended on cheap fuel was slowing everywhere. Taiwan's growth plummeted from 12% in 1978 to 8% in 1979 and S. Korea's from 12.5% to 6%. Oil fuelled inflation was raging everywhere. Big oil is a merciless umpire in the game of industrialization and economic growth. The long, profitable joyride of lopsided trade even for Japan seemed to be over.

A hungry world is an unstable world. The poverty of the LDCs. is an old story. True that they were poor even before the emergence of colonialism. What is new is their realization that they were gang-raped. When poverty does stalk grimly through the globe, unbridled affluence of a shrinking minority of mankind becomes a glaring contradiction. The quantities of food and money needed to eliminate hunger are very small in relation to available global resources. Both political and moral will are required to solve the problem.

Unity of the poor in confrontation with the rich survived even though colonialism virtually passed into history. They became aware of the relatively very high levels of amenity and consumption enjoyed in the economically developed countries on a large scale. The poor two-thirds of the world knew how the rich one-third lived and their response to the knowledge combined elements of admiration, envy and resentment. This luxury to some extent was enjoyed at the expense of world's poor. Urgent demands for economic and social improvements became the dominant facts of life, in the poor countries of Asia, Africa and Latin America. The determination to do something about "closing the gap" was prompted by "the revolution of rising expectations". For more than three centuries the industrial West prospered on the resources from colonies or quasi-colonies. Now a great historical reversal was at hand.

1. Time Dated : 24.3.1980
But incidentally, the actual gap between rich and poor countries tended to widen and the political strength of the latter grew fast. In the LDCs as a whole national income has been growing at about 3 per cent a year, population at about 2 per cent a year, per capita income at about 1 per cent a year. For most of the LDCs, therefore, the average annual increase in per capita income has been about $1. In the US, the per capita has been increasing annually by close to $100. If present trends continue, average annual per capita income between now and the year 2000 would grow from $3000 to about $6000 in the US, from $1200 to about $2400 in other developed countries of the Free World, and from less than $100 to less than $150 in the majority of the LDCs. Thus the absolute gap would be more than double.\(^1\) According to Wassily Leontieff ...\(^2\) accelerated development leading to a substantial reduction of the income gap between the LDCs and the developed ones can only be achieved through a combination of far reaching internal changes of a social, political and institutional character in the LDCs and significant changes in world economic order.

Rich and poor alike in international society tend to equate possessions with happiness, the standard of living with the quality of life. Commercial pressures tend to reinforce this attitude ...\(^3\) According to John P. Dickenson, industrialization is seen as a way of generating higher living standard. It has been recognized and felt that dependence on a limited range of primary exports poses uncertainties as to export earnings, a situation aggravated by rising prices for manufactured imports which have not been paralleled by rises in export commodity prices. Industrialization would also help to absorb excess unemployed or under employed population in the rural agricultural sector. As an extension of First World experience industrialization and urbanization would likely to lead to a fall in the population growth rates.

1. The Search for Peace - D.W. Bowett, Page : 154
2. The Future of the World Economy - A UN study by Wassily Leontieff.
The First World attained a buoyant and innovating economy by whipping up the growth syndrome but the price of such overdevelopment was not only the progressive impoverishment of the poor but also the pollution of the planetary environment. The rich nations, according to Third World think tanks, gained their wealth by polluting the environment. Widespread use of fluorocarbons as propellants for aerosol spray deodorants and other products already depleted the ozone layer that absorbs much of the ultraviolet radiation from the sun. The layer is fragile and susceptible to a number of chemicals that convert ozone back into ordinary oxygen. The accelerating use of nitrogen fertilizers, which are converted by bacteria into nitrogen oxides that eventually rise into the stratosphere, could result in the destruction of the ozone layer. Any significant depletion could cause far-reaching damage to plant and animal life, a higher incidence of skin cancer and trigger drastic climatic changes. Circle of naked land started expanding and much of North Africa — once the Roman Empire's granary — was reduced to heat-seared desert. To the Third World pollution is the end result of technology. In fact, desertification is the result of prolonged aggression and plunder by imperialism and colonialism. Political sniping and hollow hyperbole apart, fact remains that for many nations failure to contain it may bring a continued slide into poverty, starvation and chaos. The tide of ecological refugees would swell the rolls of the unemployed and destitute in the growing slums of Third World's towns and cities. They would create a tinderbox for social unrest. The exploitative techniques became so rapid and reckless that they already started threatening the "life support systems" of "spaceship earth" as Miss Barbara Ward chose to call our planet and the focus of international economic discussion has shifted from pure growth, in terms of GNP, to the effects of such growth on the environment.
Left to itself, the process of industrialization showed a built in penchant for augmenting the capital intensity of manufacturing.

GNP is said to depend directly on two factors: the relationship between real capital and output, and the volume of capital utilised. The capital/output ratio is at the very core of economic planning policy. It refers to the increase in capital investment required to increase real output by one unit. In general an increase of overall output by one unit requires an input of three or four times as much capital, 3:1 or 4:1. In some sectors, such as heavy industries, the vast requirement of overhead capital in the form of machinery, power supplies and transport facilities, gives a much higher and a less attractive ratio of 6:1 to 8:1 or more. Investment in agriculture tends to yield more favourable returns, possibly approaching 1:1. Thus the rate of economic growth depends not only on the volume of financial resources invested but on how it is invested. (1)

Capital outputs and capital labour ratios in underdeveloped economies showed a tendency to increase in heavy as well as light industries though the rate of increase was much higher in heavy than in light manufacturing industries. This kind of capital intensive industrialization actually widened the yawning gap between the growth of manufacturing output and manufacturing employment. It also made the poor countries dependent on industrial nations for the import of costly and sophisticated equipments. Conceptually speaking labour intensity and capital intensity are more reciprocal of each other. Labour intensity implies labour per unit of capital and capital intensity suggests capital per unit of labour. Protagonists of industrialization with capital intensive

technology plead that capital intensive process could ensure a higher rate of growth and consequently a larger output per unit of capital, more employment and higher rates of savings and investment. On the other hand labour intensive units use more capital per unit of output and thus they do not maximize output per unit of capital invested. But a labour intensive pattern makes lesser demands on limited foreign exchange resources, about 75 per cent of which are spent on three F's - Food, Fuel and Fertilizer by most of the Third World nations. Because of their relatively short gestation period labour intensive and light industries culminate in a higher growth rate both in terms of employment and output. Such a pattern of labour intensive industrialization can avoid the pitfalls of concentration of industries in metropoles or a handful of industrial areas. Incidentally, most of the ambitious Third World nations tried to emulate the West in order to transform their traditional societies into modern industrial behemoths overnight. The Shah of Iran, to cite an example, tried to convert Iran from a Wealth consuming nation to a Wealth producing one. Iran pumped 7% of the non-communist world's oil imports and the enormous petro-wealth sought to make the aging prostrate economy into a streamlined machine by giving a boom-town nature of its economic growth. At the time of the megalomaniac Shah's ouster, there was no piped water in its 63,000 of its 66,000 villages. At the same time oil money bought power ($ 36 billions of arms) and trouble. Teheran competed with Tokyo in traffic jams, and pollution. The flight of rural residents to metropolis in search of industrial jobs compelled self-sufficient Iran to import food-stuff from outside. Thus a rapid industrialization programme created economic polarisation in Iran and paved the way for the Iranian Revolution of 1979. It also blew another myth apart that industrialization does not necessarily homogenise the Third World along the American way. Mindless development with penchant for prestige projects is certainly not the panacea for the Third World.
A significant method of reducing the capital intensity of industrialization is to encourage small-size units as against the large ones. Small units offer a much larger scope of employment with the given capital. Value added per unit of fixed capital is higher in small than in large units. The usual prescription suggested for this typical Third World malady is a labour intensive product and technology mix which can ensure higher growth rate of output and employment, reduce its dependence on foreign aid and optimize the use of both human and material resources. "Intermediate Technology" is a more appropriate technology where labour is plentiful and capital scarce. Less sophisticated technologies suitable for small scale operations come in between the traditional handcraft and the fully mechanised advanced technologies. Many L.D.C.'s have evolved as self-help techniques, technologies that could be afforded that were easy to use and maintain and that would draw upon local skills and resources. According to Howard Bowen Jones, in Southern Turkey, a tinker, who as a village craftsman plied his trade in completely traditional ways, used a discarded vehicle axle complete with differential gearing, two old bicycle wheels, some lengths of chain and scraps of leather, to construct an ingenious and effective animal driven pump. A matter of fact, the word "technology" was first used in Seventeenth Century England to mean the study of the useful arts. Today, in the context of development, its use is frequently limited to cover the physical methods of doing or making things, the "how" of production.

The solutions normally suggested in international debates and forums are (i) increased foreign aid to the LDCs., though it created enclaves of privileged elites addicted to First World luxuries and living standards and hyperinflated bureaucracies and corrupt officials who claimed a large share of their nation's output while widespread illiteracy blocked access to new jobs stimulated by the economic development; (ii) Increased foreign investment by the developed world in the LDCs; (iii) Liberalization of trade and improvement in the terms of trade between the developed and developing world in favour of the latter.

(iv) Transfer of technology to the LDCs; (v) Population control and greater stress on agriculture; the so-called "rural strategy" adopted by Britain in its overseas aid programme; (vi) Educational reformation that should stress vocational training. Most poor nations have plenty of lawyers and graduates in literature, but woefully few technicians and mechanics. But developing countries differ widely in stages of economic development. India is surely in the same stage of development as Tanzania whose 90 per cent export are based solely on coffee and sesame. India has an extensive industrial facility backed by necessary infrastructure. Tanzania is not in a stage of development where it may be able to diversify its exports. The interest of India as India is not the interest of Tanzania as Tanzania.

As such developmental blue-prints are to be prepared by the individual nations themselves. The UNCTAD could lay down the principles that guide the economic relations of the different nations. In International Trade, the greatest hurdle for the agro-based economics of the Third World nations is the wide disparity between primary and manufactured products. The ground rules that were laid down before the new nations were born were to be changed. Thus the NIEO (NEW International Economic Order) was conceived. The NIEO incidentally did not include the prospects of the so-called "Disarmament dividends" - the resources released as a result of disarmament to be used for developmental purposes.

The call for a NIEO emanated from the Sixth Special Session of the GA held in April 1974. At that time a Declaration and Programme of Action for its establishment was adopted. International Development Strategy for the Second Development Decade, launched a few years earlier, the escalating spiral of inflation in the industrialized countries, the world food shortage and the energy crisis - all conspired to jeopardize the prospects
of attaining the goals and targets set forth in the International Development Strategy.

Two dominant props of the new order were that of structural change in the sense of changes in prevailing systems, mechanisms and relationships and that of collective self-reliance in the sense of harnessing and applying the capacity of developing countries for joint action and mutual co-operation. The developing countries saw in the NIEQ, a manifestation of the idea of self-assertion and a departure from what appeared to them the futile exercise in persuasion, even supplication, in which they had hitherto been engaged. The NIEQ distinguishes itself from the strategy by the very marked emphasis it placed on the twin themes of structural change and collective self-reliance. Another UN document which was being negotiated at that time and adopted subsequently was the Charter on the Economic Rights and Duties of states, which reflected a similar emphasis on changes in prevailing structures and relationships, as evidenced by the assertion of such concepts as that of permanent sovereignty over natural resources.

According to Gamani Corea... the so-called "rules of the game" which governed international trade and other relationships were written in the immediate post-war period at a time when the presence of socialist and the Third World countries on the international political scene was limited, or even virtually non-existent. The rules embodied in the GATT, the principles reflected in the Havana Charter, and the institutions set up at Bretton Woods were all fashioned in that context. The rules and institutions established in the early post-war period led positively to the expansion and maintenance of stability in the global economy. But they failed to reflect and cope with the realities of the gradually decolonized Third World. The Lome Convention broke new ground in relation to certain aspects of relations between industrialised countries and the developing ones. What UNCTAD tried to attempt was to create an international framework more conducive to development process. It strove to improve the external environment within which development took...
place. The mobilization of the capacity of the Third World to improve its collective bargaining power in the quest for new structures and relationship might be a significant feature of the decade to come. But the heart of the development process is internal to the societies of the developing countries themselves where the attack on poverty should be the direct result of process of economic, social and technological transformation.

There is a light year's gap between the living standards of the masses in most of the Third World countries who wage a daily battle against hunger and disease, whose hopes and aspirations are pitifully simple: a living wage, a decent dwelling and a school for their children and those of the growing middle class, the enclaves of privileged elites who are addicted to first world luxuries. Since the benefits of growth do not reach all segments of a developing country's population; the disparity has created two nations within a poor country. Inequality in the distribution of income is a social problem for most developing countries. If the wealthy spend their money on conspicuous consumption or on property, income inequality will not stimulate economic growth. Moreover, according to David Hilling, the LDCs are dual economies with small modern sectors which are often well provided for and usually in the urban areas and large areas which are poverty stricken and have a traditional, usually rural - agricultural, economic base and totally inadequate infrastructure. In the case of Mexico it has been estimated that 40 percent of the population has been almost totally excluded from the benefits of development. For many poor African countries the figure is higher. The economic development process is a complex interaction of numerous factors, no one of which is by itself able to trigger growth. (1)

To bridge the national as well as the transnational cleavage the Third World has miles to go and promises to keep. Never­theless the beginning is there. Third World is now conscious. The slumbering years of mute suffering of the Third World are over. They are now vocal. Their demands are justified. They must have their due share in the wealth of the globe. They will not tolerate exploitation. There is qualitative and quantitative change in Third World stand. If the Third World can achieve adequate interest aggregation, they may build a new World of tomorrow where Third World could stand as equal partner with first world and second world on many vital economic and non-economic issues. If history is any index, the future is for the Third World.