

Brandt's report: no candour

David Ramsay Steele

The Cancun conference in October was called into being by the Brandt Report, *North-South*, a programme for survival. Almost everyone agrees that the conference was a miserable failure, if an exercise so pointless can be said to fail. It will take a little longer to convince an equivalent number of people that the Brandt Report is equally barren.

The remarkable thing about *North-South* is that it is so deadly dull. It took three years, committee work to hammer out. To call it a typical committee product would be to pay it a compliment: most committees become dominated by the vision of one or two individuals, and manifest some signs of honest enthusiasm, however disguised. But the Brandt Report reads as though every page is a compromise, a product of negotiation and fudging. There are a few passages of nervous overstatement, feeble attempts at inspiring rhetoric. There is no thirst for understanding, no eloquence, nothing that is at once bold and new, no rigour, no candour.

No one could be set alight by the Brandt Report, which is as devoid of passion as it is of intelligence. Yet Brandt is a best-seller. The explanation is that *North-South* is an apology for a dying creed with millions of adherents. Brandt is the beginning of the end for the delusion of the Third World.

In the sixties the Third World became dogma among intellectuals of rich Western countries, a system of beliefs so adamantly held that to call it into question was to announce oneself as an embittered reactionary with a screw loose. Yet every particular of this fantastic doctrine was difficult to reconcile with common-sense or with factual knowledge of the world.

THE THIRD WORLD

It was held that the majority of the world's

population was sunk in hopeless, stagnant misery. (it was even solemnly proclaimed that as much as a third or a half of the population was seriously and chronically hungry. It would therefore have to follow that population must be declining steeply.) "We" in the rich West were declared to be a tiny privileged elite gorging ourselves on the wealth we had stolen from the Third World. The wretched of the Earth were trapped, and we were guilty. The gap between the rich and the Third World was widening all the time: the rich were getting richer, the poor staying poor.

Sometimes the sombre canvas was painted so luridly that this propaganda had an unintended effect. Many people quietly concluded that the situation must be so hopeless that nothing could be done; any help would be a drop in the bucket, or worse, if the hungry were fed today there would only be more gaping mouths tomorrow.

But no, screamed the Third Worlders, not only must we act because we are responsible for genocide by starvation. We must act out of self-interest also, because the Third World is angry and will unleash terrible wars against us if nothing is done. Or at best, they will all join the Soviet bloc. Furthermore, their plight isn't quite hopeless. If the multinationals stop exploiting them, if draconian domestic policies of economic independence and central planning are introduced in those countries, if "our" governments donate enormous quantities of 'foreign aid' - there is a chance.

There were variants of this Third World creed. Some placed more emphasis on overpopulation, especially in relation to food supplies. Many predictions were made, with absolute confidence, about impending worldwide famine. (One was entitled *Famine 1975!*) Others concentrated more on the "depletion of irreplaceable resources", and advocated a severe cut in living standards in the more developed world. Sometimes the theoretical currents converged in comical contradictions, as for example when one and the same person could work up a fine righteous indignation against Third World

poverty whilst singing the virtues of poverty for Europe and America.

At the same time, the Leninist theory of imperialism was enjoying its final flare-up among the Marxists, and this theory meshed well with the Third World orthodoxy, affording Marxist academics an eager audience among the broader ranks of the bourgeois intelligentsia. Lenin's theory contended that revolution had been staved off in the advanced capitalist countries by bribing the workers with "superprofits" extracted from the colonies. Capitalism could not enable the colonies to develop politically or economically. Consequently, anti-colonial revolutions would both clear the way for economic development in the colonies and precipitate socialist revolutions in the advanced countries.

THE REALITY

As these ideas spread and solidified, the world was in the grip of a hurricane of economic development. Almost all remaining colonies, except those of Russia, acquired their independence and soon demonstrated by their conduct that they were as truly autonomous as nation-states ever are. The vast majority of the world's people were acquiring a modern outlook and substantially improving their living standards with every passing year. Hunger was dwindling and famine becoming a rarity. Average life expectancy was shooting up. Food supplies were expanding, even in China, Russia and India. Reserves of natural resources were growing rapidly, and their inflation-adjusted prices plummeting. Improvements were greatest wherever the state intervened the least, smallest where ambitious attempts were made at central planning, and where absorption of "aid" was largest.

The Brandt Report echoes the Third World rhetoric of the sixties, but is compelled to admit a lot of the facts which make a mockery of that rhetoric. Hence its uneasiness and its confusing vacillations. Hence the curious fact that though the report is mostly false and often silly, though its diagnoses are mostly incredible and its proposals destructively anti-human, it will do a great deal of good. It will accomplish this despite itself, because it will mainly be read

by people who believe in the apocalyptic vision of the Third World, who will be lulled into respect for the Report by its obeisance to that vision, and who will swallow realistic information they would otherwise be unable to stomach.

The key to the Brandt Report is that it conveys the superficial impression of the Third World myth, and even on closer inspection does not challenge that myth, yet allows attentive readers to infer that the myth is at numerous points not entirely congruent with reality. In its shifty, furtive, tactful manner, it educates.

In order to appreciate the educational significance of the Report one has to imagine what it would have been like if produced ten years ago. Compared with the Third World doctrine as then preached, the Report has a number of chinks of light. It affirms that growth in the North helps the South. (66-67) It says that the South has 'the primary responsibility for solving many' of its own problems. (41) It identifies protectionism as a barrier to development (though admittedly it is thinking only of Northern protectionism against the South, and approves of some restrictions on imports to the South). It shows an awareness, albeit reluctant, that virtually the entire South is developing, and much of it very rapidly. (One of the embarrassing drawbacks to any attempt to sell a sixties Third World story today would be the readers' awareness of glittering Third World manufactures in his own home.) It is patronisingly non-committal about the best domestic policies for less developed countries, but at least does not wholeheartedly recommend central planning. Although it adopts a tentative tone when addressing itself to Third World governments, and a ring of righteous arrogance when addressing itself to the North, it does not claim that the North is rich at the South's expense. All of these points may seem obvious to some, but it is not many years since they would have been indignantly rejected by most Third World enthusiasts. Because of Brandt they will become truisms.

THE GAP

"The crisis through which international relation, and the world economy are now passing presents great dangers, and they appear to be growing more serious. We believe that the gap which separates rich and poor countries - a gap so wide that at the extremes people seem to live in different worlds - has not been sufficiently recognised as a major factor in this crisis. It is a great contradiction of our age that these disparities exist - and are in some respects widening - just when human society is beginning to have a clearer perception of how it is interrelated and of how North and South depend on each other in a single world economy. Yet all the efforts of international organisations and the meetings of the major powers have not been able to give hope to developing countries of escaping from poverty, or to reshape and revive the international economy to make it more responsive to the needs of both developing and industrialised countries' (30).

There is nothing here to disturb the prejudices of those weaned on *Asian Drama*, although some of the qualifications might give them pause. The title *North-South* and the reference to a "gap which separates rich and poor countries" suggest two worlds sundered by an unbridgeable abyss. But the phrase "at the extremes" suggests a continuum, with perhaps, even many in the process of moving from poor to rich. Furthermore "disparities" are said to be "in some respects widening". Are they in other respects narrowing?

At the outset then, the trumpet blasts falter. And there is the curious anachronism of suggesting that the "gap" has not been "sufficiently recognised", when this gap has been a strident article of faith among western intellectuals for twenty years.

The contention that "all the efforts have not been able to give hope " is indeed correct. Why should we think that these efforts and these meetings could do anything for the development of poor countries? There is nothing they can do except hinder. The sentence sets one of the ruling assumptions of the Report: everything is achieved by

conscious management, preferably after lengthy discussions by Eminent Persons. Since meetings run by the sort of people who produced the Report have not given anyone any hope, how could they have got hold of hope? Spontaneous forces are naturally suspect. The idea that the South is industrialising, as the North industrialised, by an unplanned process in which individuals draw upon their own energies and abilities in the context of an undesigned economic system which emerges out of trade - that idea never enters the heads of the "Independent Commission".

Is there a widening gap between the richest and the poorest countries? Yes and no. Only a tiny sliver of the world's population lives in countries whose GNP per capita has been static or declining. Virtually everyone (in terms of national aggregates) has been getting richer at a historically unprecedented rate. Concern arises because the growth rates of the richer countries are generally higher than those of the poorer countries. But there are numerous exceptions. Many poor countries have higher growth rates than many advanced countries. Indeed the really spectacular growth rates are peculiar to the South (Brazil, South Korea, Singapore, Hong Kong). As a matter of arithmetic, there is bound to be a widening gap unless there is some built-in guarantee that the poorest countries will always develop at a much faster rate than the richest. That is, there will be a 'widening gap' between the richest and the poorest, even though at any moment many of the poorest are catching up with the richest. There is no widening gap if that means an empty gulf between rich and poor. There is an unbroken continuum of degrees of wealthiness.

That much is obvious from the statistics, and it is in terms of GNP statistics that the argument is always conducted. But one must look behind the statistics. There are fools, damned fools and people impressed by statistics without trying to see what they really mean. As Usher and others have shown, GNP statistics grossly exaggerate the gap between rich and poor countries. It follows that they must at some stages of the process greatly exaggerate the rapidity of progress of countries making the transition from poor to rich. But perhaps at some stages

they under-rate that progress. Furthermore, we are still thinking here only of volume of output. We must not overlook changes which do not immediately affect volume of output (or which even reduce it) but are conducive to long-term modernisation. The crux of 'development' is, to use old-fashioned language, spiritual. It is the inculcation of the culture of progress. What needs to be produced first of all is the type of human being who can develop. There have been quite substantial periods since 1945 when the statistics showed Brazil limping along rather tardily, but who can be sure that changes unremarked by recorders of the national income (including mistakes made, then corrected) were not invisibly occurring which contributed to the present rocketing advance? There is only one country in the world which simultaneously has the three qualifications of a large population, very low average incomes and something like "stagnation" in growth performance. That country is Bangladesh, and it is a safe bet, looking at that country's culture and institutions, that it will make great progress towards modernisation during the next few decades.

GRANT-LIKE FLOWS

Like the sixties Third Worlders, the Report claims that gigantic donations from the governments of rich countries to the governments of poor countries are both a moral imperative and required by self-interest, a convenient coincidence. It is asserted that such gifts will stimulate an expansion of world trade, from which the North will benefit. But this is baloney. As Bauer has pointed out, "a shopkeeper does not prosper by giving away his cash to people some of whom may later spend a part of it in his shop." (Even if they spend all of it in his shop, he will have given the whole value away with no return.) So-called "foreign-aid", is a dead loss to the taxpayers of the aid-giving countries.

"That part of aid which will consist increasingly of grant-like flows to the poorest countries and regions cannot for the most part be claimed to bring to the donors economic rewards of quite the same extent as hard lending to better-off countries. It must be justified mainly on humanitarian grounds.

But there is a broader interest in the North in providing such aid. We do not believe the world can live in peace or even that the North can prosper indefinitely if large sections of the South - with hundreds of millions of people - are shut out from any real prospect of progress and left on the margin of survival." (74-75)

This suggests that "grant-like flows" tend to discourage war. It is not because we would wish to see hundreds of millions shut off from any progress (though we do not believe that is a possibility) but purely out of a regard for the truth that we must point out that it is precisely their progress which tends to upset the geopolitical balance and lead to wars. Poor countries are weak countries, lacking the means to make war on stronger countries. The reason why Venezuela has now resurrected its old claim to two-thirds of the territory of Guyana is not because Venezuela is poor and needs the land. It is because Venezuela is now rich and powerful (and suspects that neither the US nor Britain would do much to defend Guyana) that Venezuela may well embark upon an expansionist war.

Poor countries generally make war on other poor countries. As a poor country becomes rich, and can therefore afford to consider war upon a rich country, it moves out of the ranks of the poor countries, as Japan has done, and as most of Latin America and most of South-East Asia are doing.

It is also suggested that the North could not 'prosper indefinitely' if much of the South were shut out from progress. The question does not arise because no part of the South is shut out from progress, except temporarily by state strangulation paid for out of 'foreign aid' receipts, as in Tanzania. In any case the assertion is false. If, say, India, or equatorial Africa, were to sink beneath the waves, that would be a vast human tragedy, it would not hold back the fierce onward rush of technological and economic progress in the rest of the world. The stock exchanges would take a tumble for a week or two, no more. Of course, that is not what is envisaged. Rather, it is the continuation of India and Africa above sea level, with continuing relative poverty, or even retrogression. If something afflicted those regions in that way (and there

is no sign of it), continuing indefinite advancement in the rest of the world might be considered by many as unseemly or outrageous, but there is no reason to suppose it would not occur.

However, the entire passage is based on a misconception, because it suggests that "aid" other than "grant-like flows", that is "aid" in the form of loans, can benefit the donor countries. But a subsidised loan is partly a gift. It has a quality of the grant-like flow about it. The only government-to-government loan which could possibly benefit the subjects of the loaning government would be a loan on terms substantially less favourable to the borrower than those commercially available. Cheap loans will benefit certain special interest groups in the donor countries, groups which obtain trade contingent on the loans, but the tax-paying population as a whole must always suffer.

PRICE "STABILIZATION"

The Report advocates the stabilisation (read cartelization) of 'commodity' prices. It is evident that a cartel can benefit producers, but the Report wants to sell us on the idea of 'mutual interests'. It therefore has the delicate job of arguing that a cartel can be good for the consumers who have to pay higher prices. There is 'a substantial mutuality of interests in stable and remunerative prices for commodities.' These will both increase income for the exporters and reduce inflation for the importers!

This rot about "stabilisation" could be given to ten-year-olds so that those who could not explain the fallacy might be considered for remedial training. If the price of a commodity swings between 10 and 60, then stabilisation at 10 will by comparison hurt the sellers and help the buyers (assuming that by some magic the same quantity is forthcoming). If stabilisation is at 60 that will help the sellers (assuming that they can collaborate to restrict output, which is a condition of holding the price at 60) and hurt the buyers. But what if stabilisation is at 35? This is not at all what the Commission has in mind, for the entire proposal is mixed up with a lot of moralising about the need for more remuneration for the sellers.

When the sellers are discussed, the emphasis is all on higher prices. When the buyers are mentioned, the emphasis is all on "stabilisation". There is talk of "reasonable price floors", but not of ceilings. If stabilisation at 35 is not to entail non-price rationing, it must entail the accumulation of stocks, which can be run down when output falls and built up when output expands. It is the job of speculators in the free market to hold such stocks, as and when that is justified, that is, when the costs are not too high. The Commission therefore envisages some inter-governmental organisation which will accumulate enormous stocks at vast expense. Who will pay for it? A suitable case for more grant-like flows. Even then, such an organisation would have to be a speculator of some competence, for the mean of a series of fluctuations only becomes observable with hindsight, and there are important yet unpredictable secular trends.

In practice, such an organisation would come under the control of the producers, would drive up prices by coercively restricting output, and would benefit a few producing interests, many in the North, whilst misallocating resources and holding back development North and South.

Why should producers get more money? "Available data shows [sic] that returns to developing country producers tend normally to be less than 25 per cent of final consumer prices." (144) Is there something unfair about that? It is a common trick to state a fact that would only be pertinent to the conclusion by comparison with another fact which is left unstated. What do the available data show about the percentage of final prices which goes to developed country producers? How much of the price of a bag of flour goes to the Canadian wheat farmer? In nearly all such cases the primary growers or extractors get less than half the value of the final product because they produce less than half that value. Process, packaging and transporting have to be done. The Commission therefore urges that they be done in the countries of origin. "The UNCTAD Secretariat has recently estimated, on the basis of 1975 trade figures, that for ten commodities local semi-processing could provide the developing countries with gross additional export earnings of about \$27

billion per year..." (141-142). But how much would it cost them? Processing should only be done near the source of the commodity if that is cheaper, and where it is cheaper, it is done. It is not helpful to less developed countries to pay to have their commodities processed domestically unless that is profitable. But the Commission lives in a dream world without costs. The Report deplures low prices "due not to long run market factors but to the short and medium-term vagaries of the market". What is a vagary? Price movements are made up of people's perceptions of real changes in supply and demand. The long-term movements are just the average of the short-term movements. There is no distinction between a vagary and a long-run factor, and if there were, there would be no reason to think a bureaucratic stabilisation board could decide which was which at the time.

The Commission's ignorance of prices and costs keeps cropping up. They condemn as "misallocation" the fact that there has been a decline in mineral exploration in the South. This has occurred partly because most minerals are more plentiful than ever, partly because of the slump, but largely because mining companies are not going to sink vast sums into exploration only to have the fruits promptly expropriated by political bandits. The Report does not admonish Third World governments to make long-term agreements with international companies and having made them, to keep their words, but they do say enough to prompt any intelligent reader to form that conclusion. No doubt much midnight oil was burnt on negotiating this passage (155-56), which summarises both sides of the issue: that of the mining companies who, on behalf of the consumers of the whole world, want some return for their investment, and that of uncivilised politicians who want to loot what they are incapable of creating, and then start whining when the creators pull out.

PLANNING

Brandt has a very brief section on "The Importance of Planning". Strangely enough, it scarcely mentions planning, and when it does, immediately drifts to something else. "The importance of efficient planning and economic management can hardly be over-

emphasised. More people need to be trained for high as well as middle-level positions in planning, management, engineering and a variety of other professions, vocational and technical subjects, and training must be made more relevant to local circumstance." (132-33) In recent years dozens of less developed countries have partially dismantled the elaborate and ambitious controls which they earlier instituted in the name of planning. It is a major fact about less developed countries now that they have decided that the importance of planning was "over-emphasised". True, these policy shifts were often dictated by the need to secure IMF loans. But like any banker, the IMF is inclined to stipulate conditions for the conduct of its debtors which are liable to maximise their chances of becoming less insolvent. And in many cases it is evident that local politicians agree with the need for the IMF-recommended policies, and are glad to use the loan argument as a weapon to beat down the interest-groups which benefit from the old policies. (A phenomenon by no means confined to the poor countries; a recent British government did the same thing).

"Planning" is highly ambiguous. One meaning is central planning, the theory that the economy of a country can be consciously directed by a supreme authority. When the Third World hysteria was at its height, so was faith in central planning. It has become clear that it is unworkable, and that where it is supposed to be going on, it masks piecemeal intervention in pursuit of a few crude goals. Attempts at central planning have been disastrous, but the jargon has remained as a cloak for less ambitious policies. A government's guesses or hopes about the future, for example, are referred to as "targets", for all the world as if it were within the power of a government to act purposefully to bring about a particular rate of growth, or investment, or export growth, or productivity growth. The most backward countries publish "economic plans", but they are not plans at all; they are guesses at the future, usually wishful. Nonetheless many such countries maintain a huge burden of controls over investment, company formation and trade. These controls are sabotage of the system of social co-operation, and in every case their removal

would lead to greater prosperity. But they are maintained to please special interest groups, under the pretext of a "planning" which everyone knows to be sham. Brandt has nothing to say about all this. By its avoidance of any discussion of central planning - until recently the most popular recipe for developing the Third World - the Report suggests that central planning is rejected. Under "planning" the report briefly mentions such matters as discouraging, consumption of luxuries, running public utilities economically, or reform of the price system. (HOW? No clue.) But it is more likely that the Commission could not agree on what sort of planning they wanted, so they put in a vague growl about its "importance" and left everyone to read into it whatever they pleased. The lacuna is the more remarkable because the Commission had important contacts with the Russian Empire, and "felt that it was necessary to devote more attention" to "Centrally Planned Economies", (300) though the Report devotes none. Here as elsewhere, *North-South* irresponsibly evades questions which demand answers, by its eagerness to produce a form of words which will not upset a broad constituency of fashionable opinion.

MIGRATION CONTROLS

Brandt fully endorses the persecution of individuals who choose to move across national frontiers, and those who help these individuals. Traffickers in sending and receiving countries organize this trade for their own gain, and migratory workers are illegally employed in host country enterprises without health insurance, social security or proper housing. It is certainly in the mutual interest of all countries to take concerted measures to eliminate this trade in human beings, as the above-mentioned ILO norms prescribe".

"Trade in human beings" means that human beings are owned as slaves. Illegal travel agencies are no more slave-owners than legal travel agencies: they are providing a service to customers without harming anyone. Far from being slave-traders, they are helping to open up opportunities to migrants, opportunities which the state is trying to close off. It is the state which is asserting ownership of the bodies of migrants and

hence practising slavery, by controls over immigration and emigration. If the migrants do not choose, or cannot afford, to purchase health insurance, social security or "Proper" housing, they evidently still prefer that situation to what faced them in their country of origin, where these goods were probably still more inaccessible. They are not injuring anyone by failing to purchase those goods, and they are contributing to production by working where they are. Brandt states that "Migration has given benefits to all parties" (110), and all the benefits the Report then lists, as well as those it doesn't, apply just as much to illegal as to legal migration.

A FOUR-FOLD MUDDLE

It is tempting to suppose that all the things we like go together, and the same with all the things we don't like. But as a matter of fact it frequently occurs that some things we like are bound up with other things we don't like. Brandt likes four things, and systematically confounds them, giving the impression they tend to belong together. Those things are: the relief of extreme poverty, the removal of inequalities, development in the South and continued growth in the North. The actual relationships between these four things exist independently of our desires, and are not simple. It might seem that to relieve extreme poverty is automatically to reduce inequalities, but that would follow only if there were a fixed cake which could be divided without affecting the total size. Instead, the size of the cake is influenced by the method of division. Some inequalities are bound to be created in the process of general enrichment. If no one were permitted to surge ahead, all would be condemned to perpetual squalor.

The Report appeals to charity and to self-interest, blurring the distinction between investment to secure the best return and giving to alleviate distress. Investment will often alleviate distress; the relief of distress will often bring benefits to the reliever. But the course of action dictated by commercial criteria will rarely be the same course of action indicated to remove immediate suffering. The well-off should give to the needy; that is admirable. Investment should go where the returns are highest; that is vital if there is to be increased wealth for

everyone in future. But these two motives are distinct.

The Report shares the common misconception that a certain value of capital guarantees a future stream of income. People who think this way believe that "more investment" or "resource transfer" is a simple fix for areas of low income. But the relationship runs the other way: it is the prospect of a future stream of income which makes something capital and gives it its value. When Brandt calls for a transfer of resources from North to South, explicitly a transfer which will not occur automatically from investors seeking the best return, it is in effect calling for resources to be moved from where they make a profit to where they make a loss. To take just one example out of hundreds of idiocies, an integrated steel mill is now being completed outside Karachi. Pakistan needs an integrated steel mill like it needs bubonic plague. The result of this project can only be to lower incomes in the countries whose aid paid for it, and in Pakistan too if the government there insists on trying to operate it as a steel mill, because of the resources which will have to be diverted from profitable uses to keep it running.

The Report tries to reassure readers that "the overwhelming proportion of aid money is usefully spent on the purposes for which it is intended..." That is not an adequate justification. The money spent on Concorde was usefully spent on the purposes intended, but it was an inefficient allocation of resources which made nearly everyone poorer, because the purposes intended were outweighed by the costs. Concorde, like the Karachi steel mill, produces something useful, but in both cases the resources used up could have been employed to produce other things considerably more useful. That is the profound truth signified by the mundane fact of book-keeping that these projects spend more money than they bring in. If resources are transferred from North to South by international bodies, for the kinds of motives suggested by Brandt, this is a process of destruction. The resources cease to be resources or have their value as resources reduced. What is required to encourage genuine production in the South or anywhere else is not to move in nominal

resources, but to create the conditions under which resources will go there in search of the highest return. The most elementary of these conditions are perfectly clear: freedom to move capital in and out; abolition of controls on migration; freedom to trade and form companies (no licensing and no requirement of "local participation"); freedom to "repatriate" all profits; a firm guarantee against expropriation.

The Report believes that in "the world as in nations, economic forces left entirely to themselves tend to produce growing inequality." It is true that the free market does not tend to equality of all individuals, which is unattainable by any means, and even nonsensical. But it is not true that the free market tends to make people in some regions of the world poorer than people in other regions. In a free market, with no national restrictions on movement of capital or labour, capital will move from high to low wage areas, and labour will move from low to high wage areas. In this sense the market tends to eliminate regional inequalities. That tendency is checked both by government controls and by cultural variations leading to differing productivity. In his introduction Brandt himself states:

"We take it for granted that all cultures deserve equal respect, protection and promotion", and a few lines later: a technologically based world civilisation may require a common social and work ethos." (25) As all cultures are not equally conducive to such an ethos, Brandt is endorsing a guarantee of ongoing income inequalities - another example of the way in which desirable and undesirable things go together in reality. (Naturally, it is merely a politician's thoughtless vapouring. Brandt doesn't mean it. Or does he wish to respect, protect and promote head-hunting in Borneo, amputation of the clitoris in Sierra Leone, persecution of birth control in Southern Ireland and re-education of parasitic elements in the Gulag?)

For all its preoccupation with the "global", the Report wants to put obstructions in the way of the universal society which the market tends to create "from below", spontaneously and without coercion. Brandt cannot conceive of such a worldwide social

order unless it is guided by politicians and other Eminent Persons, and imposed by the mailed fist of the state.

THE WAY FORWARD

For some decades, there will remain hundreds of millions of people quite close to subsistence, and without the ordinary comforts and conveniences of modern life like piped water or electricity. Probably these people will continue to decline as a proportion of the world's population. It is childish to rant about the "obscenity" of this poverty, alongside electric toothbrushes and moist toilet tissue in the North, since there is no way to snap our fingers and develop the South overnight, and since the wealth of some regions is in no way responsible for the poverty of others. It is not helpful to paint a picture of starving millions trapped in a stagnant morass of underdevelopment since that picture is false, and does not suggest any intelligent action. Whether the Third World can be developed is not a serious issue; for those of a conjectural turn of mind, it might be absorbing to ponder whether Third World development could possibly be stopped.

The expanding affluence of the entire world has not been the result of conscious planning of world production, nor could it have been, and nor can it ever be. The English industrial revolution was not predicted; if it had been predicted the politicians would have tried to stop it, and if they had tried to encourage it they would have hobbled and retarded it. Because some parts of the world have been industrialised it is easy to suppose that previous experience can now be copied, but the details of the process are always different, and unpredictable. Industrialisation is an unforeseen bonus of the system of social co-operation: the market. The development of modern industry and high standards is like a tree: once certain general conditions are assured, all that is needed is room to grow.

The Brandt Report will not be able to reverse the momentum of world industrialisation, but most of its recommendations will certainly have a retarding effect. Free trade and political non-intervention will achieve the most rapid progress in all regions of the world. Insofar as countries approximate to

free trade and non-intervention, they will develop most dramatically.

AN ANTI-BRANDT READING LIST

Articles

P.D. Henderson et al, "What's wrong with the Brandt Report?" *Encounter*, December 1980 (Discussion continued in subsequent issues.)

P.T. Bauer and B.S. Yamey, *East-West/North-South* *Commentary* (New York), September 1980.

Dudley Seers, "North-South: muddling morality and mutuality", *Third World Quarterly*, October 1980

Nick Eberstadt, "Hunger and Ideology", *Commentary*, July 1981.

C.H. Kirkpatrick and F.I. Nixon, "The North-South debate. reflections on the Brandt Commission Report", *Three Banks Review*, September 1981.

Background

P.T. Bauer, "Equality, the third world and economic delusion", *Weidenfeld*, London 1981

H. Myint, "Economic theory and the underdeveloped countries, *Oxford University Press*, New York, 1971.

Alvin Rabushka, "Hong Kong, a study in economic freedom", *University of Chicago GSB*, Chicago 1979.

David Ricardo, "On the principles of political economy and taxation", (Chapter VII), *Murray*, London, 1817.

Bill Warren, "Imperialism pioneer of capitalism", *New Left/Verso*, London, 1980.