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PERMANENT PEOPLES' TRIBUNAL

TRIBUNAL

on the policies of the
International Monetary Fund
and the World Bank

September 26 to 29, 1988
West Berlin

VERDICT

Members of the Permanent Peoples' Tribunal constituting the Jury for the Session on the Policies of the International Monetary Fund and the World Bank, 26-29 September 1988, West-Berlin. .

- François Rigaux , President, Belgium
- Victoria Abellán Honrubia, Professor of International Law, Spain
- Margrete Auken, Member of Parliament, Denmark
- Luciana Castellina, Member of European Parliament, Italy
- Eduardo Galeano, Writer, Uruguay
- John Langmore, Member of Parliament, Australia
- Sergio Mendez Arceo, former Bishop of Cuernavaca, Mexico
- Joe Nordmann, Jurist, President of the International Association of Democratic Lawyers, France
- Adolfo Perez Esquivel, Nobel Peace Prize, Argentina
- Antonis Tritsis, Member of Parliament, Greece
- Ludger Volmer, Member of Parliament, Federal Republic of Germany
- George Wald, Nobel Prize for Physiology and Medecine, USA
- Gert Weisskirchen, Member of Parliament, Federal Republic of Germany

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

NO. 1000

BY

ROBERT M. HARRIS

AND

WILLIAM H. RAY

DEPARTMENT OF CHEMISTRY

UNIVERSITY OF CHICAGO

CHICAGO, ILL.

1962

PHYSICAL CHEMISTRY

NO. 1000

BY

ROBERT M. HARRIS

At the request of the American Association of Jurists, the Permanent Peoples' Tribunal was called upon to consider violations of international law of the self-determination of peoples by the International Monetary Fund and the World Bank, as well as to make proposals for change.

The Tribunal declared the request to be admissible, in accordance with Article 3 of the Statutes, therefore the International Monetary Fund and the World Bank were informed, in application of the provisions of Articles 14 and 15.

The Tribunal convened in West Berlin, 26-29 September 1988, taking into considerations:

- the UN Charter, 26 June 1945 (articles 1.3, 2.1, 55, 57, 63)
- the Statute of the International Court of Justice (ICJ)
- the Statutes and Basic Documents of the International Monetary Fund and the International Bank of Reconstruction and Development (IBRD, hereinafter World Bank), Washington 27 December 1945)
- the Universal Declaration of Human Rights (Resolution 217/III, UN General Assembly, 10 December 1948)
- Constitution of the World Health Organization (WHO): article 2, (New York, 22 July 1946)
- Constitution of the United Nations Educational, Scientific and Cultural Organization (UNESCO): article 1, (London, 16 November 1945)
- Chapters VII, VIII and X of the Charter of the Organization of American States (OAS), (Bogotá, 30 April 1948, revised by the Protocol of Buenos Aires, 27 February 1967)
- the Charter of the Organization of American States
- the American Declaration of the Rights and Duties of Man, (Resolution XXX) adopted at the IX International American Conference, 2 May 1948:
- the American Convention on Human Rights (San José de Costa Rica, 22 November 1969)
- the International Covenant on Economic, Social and Cultural Rights (Resolution 2200/XXI, 16 December 1966)
- the African Charter on Human and Peoples' Rights (Nairobi, 24 June 1981)

The following Resolutions of the UN General Assembly:

- / 41/202, Strengthened international economic cooperation aimed at resolving external debt problems of developing countries (8.12.1986)
- / 42/198, Furthering international cooperation regarding the external debt problem
- / 3201 (S-VI), Declaration on the Establishment of a New International Economic Order (1.5.1974)
- / 3202 (S-VI), Programme of Action on the Establishment of a New International Economic Order (1.5.1974)
- / 2625 (XXV), Declaration of Principles of International Law concerning friendly relations and cooperation among States in accordance with the Charter of the United Nations (24.10.1970)

- 3281 (XXIX), "Charter of Economic Rights and Duties of States" (12.12.1974)
- 1803 (XVII), "Permanent Sovereignty over natural Resources" (14.12.1962)
- 41/128, "Declaration on the Right to Development" (4.12.1986)
- 3232 (XXIX), "Review of the Role of the International Court of Justice" (12.11.1974)
- 171 (II), "Need for Greater Use by the UN and its Organs of International Court of Justice" (14.11.1947)
- the Universal Declaration of the Rights of Peoples (Algiers, 4 July 1976)
- the Statutes of the Permanent Peoples' Tribunal (Bologna, 24 June 1979)

The Tribunal held public hearings at the Freie Universität in West Berlin.

Having heard on 26 September 1988:

- the inaugural address given by Adolfo Perez Esquivel, President of the International League for the Rights and Liberation of Peoples
- the introductory speech given by François Rigaux, President of the Permanent Peoples' Tribunal
- the information provided by Gianni Tognoni, Secretary general of the Permanent Peoples' Tribunal, on procedures adopted to guarantee the exercise of the right of defense, referring in particular to the communication sent to the International Monetary Fund and the World Bank concerning this session
- the presentation of the bill of indictment:
 - Economic aspects, role and structure of the International Monetary Fund and World Bank, by Elmar ALTVATER, professor of political economy at Freie Universität, West Berlin
 - The responsibilities of the North by Katharina FOCKE, member of European Parliament, FRG
 - The responsibilities of the South by Moises IKONICOFF, Director of Instituto para el Desarrollo Economico y la Cooperación Internacional, Buenos Aires (read by the Secretary General)
 - Socio-cultural aspects of the debt crisis by Susan GEORGE, Director of the Transnational Institute, Amsterdam
 - The introduction to the testimonies of the victims by Franz HINKELAMMERT, professor of economics, University of San José, Costa Rica
 - the witnesses on behalf of the victims:
 - Xabier GOROSTIAGA, president of Centro Regional de Investigación y Estudios Sociales (CRIES), Nicaragua
 - Angelo PANSA, Brazil
 - Aloysio MERCADANTE, CUT, Brazil
 - Paulo SCHILLING, Commission Justitia et Pax, Brazil
 - Pedro N. PRESIGA, ANUC, Colombia
 - Bishop Eamonn CASEY, TROCAIRE, Ireland
 - Alfredo Eric CALCAGNO, Comisión económica para América Latina y el Caribe (CEPAL), Buenos Aires

- Javier MUJICA PETIT, Centro de Asesoría Laboral del Perú

On 27 September 1988:

- David ABDULAH, Oilfields Workers Trade union, Trinidad and Tobago
- Manuel F. MONTES, Freedom From Debt Coalition, the Philippines
- Luisa MORGANTINI, FLM (Federation of the three metal workers' unions: FIM-CISL, FIOM-CGIL, UILM-UIL, Italy
- Yash TANDON, economist, "Africa in Transition", Zimbabwe
- Togba-Nah TIPOTEH, economist, former Minister of Planning and Economic Affairs of Liberia, former Chairman of the African Group of Governors of the World Bank and the International Monetary Fund
- Ana Maria FERNANDEZ, lawyer, Paraguay
- Andrea SZEGO, member of the Academy of Sciences, Hungary
- Rosario PADILLA, "GABRIELA", a national women's coalition of organizations, the Philippines
- Vandana SHIVA, Research Center for Sciences, Technology and Natural Resources, India
- Abdulrahman BABU, former Minister of Planning, Tanzania

Lawyers for the victims:

- Beinusz SMUKLER, president of the American Association of Jurists, Argentina
- Cheryl PAYER, writer, USA
- Edward GOLDSMITH, director "The Ecologist", Great Britain
- Pierre GALAND, president of the EEC NGO Liaison Committee, Belgium

On 28 September 1988

- Davidson L. BUDHOO, economist, former International Monetary Fund and World Bank official, Grenada
- Carlos ARGUELLO GOMES, ambassador of Nicaragua at the Hague, Nicaragua
- Andre GUNDER FRANK, economist, University of Amsterdam, The Netherlands

- Teresa HAYTER, writer, Great Britain

The requests of the public prosecutors:

- Eveline HERFKENS, member of Parliament, The Netherlands
- Gustave MASSIAH, CEDETIM, Paris

Having heard the report of:

- Robert TRIFFIN, former Professor at Yale University, Belgium, presenting, at the request of the Tribunal, the Defense of the International Monetary Fund and World Bank

Having taken into account the advice of:

- Tatjana CHAHOUD, economist, Freie Universität, West Berlin
- Carlo GÜELFI, IPALMO, Rome
- Franco PRAUSSELLO, economist, University of Genoa, Italy
- Elaine STEEL, lawyer, Great Britain
- Cesare TAVIANI, EEC NGO Liaison Committee, Italy
- Reiner TETZLAFF, Hamburg University

Having taken note of the following documents and publications submitted as evidence to the Tribunal:

- "Ajustement structurel de la CEE sur le FMI", Background paper for the Permanent Peoples' Tribunal on the Debt, by GRESEA, Bruxelles, Septembre, 1988
- "Le Fondomonitarisme", by the Belgian League for the Rights and Liberation of Peoples
- "La dette du Tiers-Monde un code international de bonne conduite" (Colloque, Paris, 13 Novembre 1987)
- "La perversa deuda", Nueva Información, by Alfredo Eric Calcagno, Editorial Legasa, Buenos Aires, 1988
- "The external debt, development and international cooperation", Ed. L'Harmattan, Paris, 1988
- "La dette extérieure, le développement et la coopération internationale", Ed. L'Harmattan, Paris, 1988
- "Adjustment with a Human Face", a study by UNICEF, Giovanni Andrea Cornea, Richard Jolly, Frances Stewart, Clarendon Press Oxford, 1987
- "Déclaration sur le FMI et la BIRD", AITEC (Association Internationale de Techniciens Experts et Chercheurs), Septembre 1988
- Lettre ouverte au Président de la Banque Mondiale et au Directeur général du Fonds Monétaire International, by Centre de recherche et d'information pour le développement, Fédération protestante de France, Commission française Justice et Paix (CRID)
- "Debate sindical", N.8 Setembro, Departamento de Estudos Socio-Economicos e Politicos (DESEP), CUT, Brazil
- "DIALOGUE", N.2, January-February 1988, The Voice of the People in North South Cooperation
- "The Courier", N.111, Sept.-Oct. 1988, Africa-Caribbean-Pacific-European Community

- a dossier containing: Critical economic situation in Africa: United Nations Programme of Action for African Economic Recovery and Development 1986-1990: Assembly of Heads of State and Government, 30.11-1.12.1987, Addis Abeba: African Common Position on Africa Debt Crisis; Union of African Parliaments, 22nd Session of the Executive Committee, Harare, 5-7 September 1988; Union of African Parliaments, 22nd Session of of the Executive Committee, Harare, 5-7 September 1988: Union of African Parliaments, "External Debts of African Countries", by Zimbabwe National Group and by Arab Republic of Egypt People's Assembly

- a dossier on Trinidad and Tobago, containing: "Memorandum to the Governement of Trinidad and Tobago", November 10, 1987, by Oilfields Workers' Trade Union: Oilfields workers Trade Union, June 1937-July 1977: the 1984 Budget: The Workers Response: Hold the Fort, January 1, 1988: The Vanguard, September 28, 1987 and August 24, 1988, et al.

- "La société duale au Chili, quinze ans déjà", GRESEA Actualités 2, Septembre 1988

- "The Indian Drought 1987-88, The ecological causes of water crisis: what to do", by Jayanta Bandyopadhyay, Third World Science Movement and The Research Foundation for Science and Technology, 1987, Penang, Malaysia

- "Forestry crisis and forestry myths" by Vandana Shiva, World Rainforest Movement, Penang, Malaysia, 1987

- "Algunas consideraciones sobre el estatuto de las comunidades indígenas", Equipo nacional de Misiones, Conferencia Episcopal Paraguaya, Asunción, 1987

- "Los grandes proyectos de desarrollo y las comunidades indígenas en Brasil y Paraguay, responsabilidad del Banco Mundial y otras agencias multilaterales, Junio de 1988, Asunción

- a dossier containing information on WAIMIRI-ATROARI Indians' territory (Brazil): letters from PAIAKAN KAIAPO Indians in Xingu and PAIARE, in Tucuruí region: on rainforest destruction: on the utilization of the agent orange: on hydroelectrical plant: on intervention against PAIAKA e KUBEI: the case AVA-GUARANI and UHE ITAIPU, et al., submitted by Angelo Pansa

- International Counter-Congress, West Berlin Declaration, 24.9.1988

1. General Framework

The human condition is deteriorating over the greater part of the globe -the report of the World Bank President to the Bank's Development Committee provides a glimpse of the desperate state of underdevelopment in the Third World. The Bank estimates that 950 million people are living in absolute poverty - 'a condition of life so degraded by disease, illiteracy, malnutrition, and squalor as to deny its victims basic human necessities'. About 350 million of these impoverished people live in South East Asia, another 280 million in the largely rural areas of sub-Saharan Africa and about 80 million in latin America.

The number of people living in absolute poverty is increasing in the 1980s, the World Bank President reports, due to depression in the Third World. This depression has been more severe than the Great depression in the industrialized countries in the 1930s. Average living standards in most sub-Saharan African, Latin American and many Asian countries have fallen sharply. So not only is absolute poverty increasing, but the living standards of many hundreds of millions of others throughout the Third World are relentlessly deteriorating.

The majority of humankind is worse off now than ten years ago. The eighties have been a lost decade for development. Not only have incomes fallen , but also services have deteriorated. In places where a decade ago there were primary schools and medical centers, no education or health care is now provided. In such places people have lost hope. They no longer believe that their struggle for survival will make life for their children any better than it has been for them. The causes of this malaise in the Third World are complex, but are in large part due to the grotesque inequities in income power, wealth and income and to the severe distortions and imbalances just below the surface of apparent order. The global economy is dominated by the US, Japan, West Germany and the other members of the Group of Seven, their power pervades it. The Third World depression of the eighties was largely caused by their policies. A necessary condition for ending this increasing misery is change in their policies, yet the statement of G7 on 24 September makes only passing mention of the need to increase resource flows to developing countries.

The tone of that statement (as of the World Bank and IMF meetings) is complacent. Yet beneath the bland determination to be reassuring, massive dangerous imbalances persist. For example, in 1987 net capital imports to the US totalled \$ 154 billion, an amount equal to \$ 2400 per household and more than the total income per head of 3500 million people in the Third World - 70 percent of humankind. Part of those funds comes from the net \$ 35 billion a year which the developing countries are transferring to the West. The poor are contributing to financing the deficit of the rich. This situation is profoundly unjust: it is an affront to every reasonable and humane person.

The purpose of the Tribunal has been to assess the effects of International Monetary Fund and World Bank policies on this disaster. This is an impossible task because not only are the Fund and the Bank instruments of their governments, but also those governments are in turn responsible to the citizens of their countries. In a sense every person with any influence in industrialized and developing countries shares responsibility. However, as already emphasized, power is distributed wildly unevenly, so that ministers and officials in finance departments and central banks of the major countries together with the governors and senior staff of the Fund and the Bank have particular influence. Their action or inaction can reduce or increase the efficiency and equity of the severely flawed global financial and economic markets. Their policies strongly influenced the economic strategies of industrialized countries. Their decisions are one of the principal determinants of the level and structure of economic activity in all countries.

2. The Economic and Social Context

More than six years after the onset of the debt crisis the result of the debt management implemented by the International Monetary Fund and the World Bank has two contradictory faces. The danger of a financial crash which threatened the commercial banks has been averted. The ratio of debt to assets has improved significantly for a great number of banks. On the other hand the social, political, economic, ecological situation in most Third World countries has deteriorated dramatically. The increasing debt service has resulted in a net transfer of at least \$ 87,8 bn between 1984 and 1987. This official World Bank data are minimum estimates; the OECD calculates a net transfer between 1982-87 of \$ 287 bn from the South to the North.

The same trend can be observed in the case of World Bank and IMF lending: since 1984 both institutions have been net borrowers from the indebted countries. The annual flow of capital to the IMF has been on average about \$ 3 bn and to the World Bank \$ 1,9 bn.

The International Monetary Fund originally was founded as an institution to regulate the world monetary system. During the seventies, after the break down of Bretton Wood System, the IMF turned out to be an institution to regulate the world credit system. This functional shift is very important, since the regulation of monetary relations refers to the circulation of money in the capitalistic world system. The regulation of the credit system, however, is much more: it refers to the production and distribution of surplus value, profits and interest.

This functional change has not been reflected in the institutional norms and rules of the IMF. It is only the name which the IMF of 1988 has in common with the IMF of 1944. Today, the IMF operates in the interests of private lending institutions. It is doing its best to extract debt service from Third World debtors in order to prevent defaults on private bank

debts and their repercussions on the economy of the industrialized capitalist countries. The economic function, both of the IMF and of the World Bank, has been turned upside down.

The "industrialization cum debt strategy" underlying World Bank policies since its beginning, and explicitly applied to the lending process to Third World countries since the 1960s, has been temporarily successful due to a favorable international environment, so long as the postwar boom of the highly developed capitalist countries lasted. The justification of this strategy has always been the so-called "debt cycle hypothesis": developing countries are expected to promote the growth of their economies by means of huge debts: the more the country is developed, the less it needs until "the break even point"; the country then repays principal and becomes a net lending nation. This simple idea was repeated by the World Bank in the World Development Report of 1985, a couple of years after the outbreak of the general debt crisis, which already proved the failure of the "growth cum debt strategy".

The application of this strategy led to the problems linked with the debt crisis, to which victims have convincingly testified at the Tribunal. The crisis demonstrates that development cannot be based on interest bearing bank loans. Bank loans force a country to open its economy to the world market, i.e. to integrate it into a world market, dominated by the highly industrialized capitalist countries. In concrete terms, this means that Third World countries must provide opportunities for multinational banks and private corporations to make profits. Therefore, the conclusion has to be drawn that the debt crisis is not only a debt crisis, but the crisis of a global development model.

Although the causes of the debt crisis are manifold and complex, they can be broken down into four groups:

- the colonial legacy which bequeathed to the developing countries certain economic, social, and political structures which already contained the germs of "indebted" development within them;
- the policies of governments and ruling classes in the developing countries;
- among these and most recently the monetarist policies adopted by the industrialized countries in response to the crisis, in particular the dramatic rise in interest rates from 1979 onwards;
- the so called "external shocks", i.e. world market tendencies which are outside the control of developing countries (for example oil prices, terms of trade, protectionism in industrialized countries, huge increases of interest rates, etc.)

The IMF and the World Bank claim that the developing countries ought to have adjusted to these new world market conditions and that the failure

to do so caused the crisis. Denying or underestimating the external causes of the crisis, they allege that the debt crisis in the Third World is primarily a consequence of the policies of governments. This allegation, then, is the basis for IMF conditionality and World Bank structural adjustment programmes imposed on single countries.

Although it is extremely difficult to make precise distinctions between internal, world-market-related and colonial-historical factors, the World Bank undoubtedly encouraged many Third World-governments to pursue a "development strategy" which ended up in the "development of underdevelopment". Both the World Bank and the IMF encouraged many governments to borrow more, even after the dramatic rise in interest rates from 1979 onwards, a consequence of US monetary policy. Falling prices for raw materials and shrinking sales markets in the recession-torn industrial countries brought serious difficulties for the Third World: they had no opportunity to earn the foreign exchange necessary to pay interest on loans. The assumptions, made by World Bank experts, on the profitability of investment in cashcrops (cotton, peanuts, cocoa etc.) often proved to be false. To blame the governments of Third World countries for their wasteful revenue spending as well as for their bad resource management is unjust: the World Bank and the IMF (which encouraged structural adjustment lending on these false assumptions) have to accept their responsibility for the development of the debt crisis.

IMF-conditionality as well as World Bank structural adjustment programmes are based on the case-by-case approach. But the development goal of integration into the world market implies that a country's development performance depends heavily on the state of the world market. Insofar as this strategy only aims at export surpluses, it does not take in to account its impact on the living conditions of the people.

The structural adjustment programmes, imposed by the IMF and the World Bank normally contain a specific set of economic measures. These are:

- cuts in public expenditures, especially in those which do not seem to be "productive", e.g. social services;
- cuts in wages;
- cuts in subsidies, for example on food;
- privatization of state industries;
- liberalization of imports in order to stimulate competition;
- devaluation of the currency.

The results of these programmes can be seen in figures provided by the World Bank. Between 1980 and 1987 national income in seventeen highly indebted countries increased on average by only one percent per year. Exports also increased, by 1.4 percent. Imports declined by 6.2 percent, investments by 4.8 percent, and per capita income by 1.6 percent.

The testimony of the victims at the Tribunal showed these effects in even more graphic terms. Cuts in real income are mostly imposed on people already living close to the brink of survival. Austerity measures strike ordinary working people with particular force. In Mexico, a 70% increase in open unemployment, concentrated largely among younger workers, occurred between 1981-84.

The São Paulo construction industry employed less than half as many workers in 1984 as in 1978, and at much lower wages. In Argentina unemployment increased by 58 percent between 1983 and 1985. Higher malnutrition and infant mortality necessarily ensued. In Brazil infant mortality rose by 12 percent between 1982 and 1984. In Zambia the number of hunger-related deaths among children doubled between 1980 and 1984. Since nearly ten years of investment in productive industries as well as in education, health and other social services have been lost, the situation will be even more serious in the future.

The enforced privatization and divestiture programmes by the IMF and the World Bank have already increased unemployment and will do so in the future on an even larger scale. These programs can only result in a massive take-over of the most productive economic sectors by multinational companies. The basis for economic planning by Third World governments will thus be increasingly undermined.

Against accusation that they are further undermining the survival of the poor the Fund/Bank reply (1) that while adjustment may be painful, not to adjust would be even more so, and (2) that choices on cuts in the State budgets are left up to the debtor government. If the government decides to cut social expenditures rather than, say, military outlays, the Bank and the IMF must abide by its decision. (3) In the last couple of years these institutions have begun to claim that they are concerned about poverty.

These arguments are spurious. Given the state of the world market and the existing relationships of power it is true that individual Third World governments have few alternatives. Since within this given framework there is little space for the implementation of programs which benefit the people especially the poor, the framework has to be questioned. There is no IMF or World Bank document which considers an alternative to their model. This model has a clear ideological content which the institutions try to apply uniformly to all countries, including countries of the Eastern Bloc. The second argument claims that the Fund/Bank have no leverage over government choices. This is patently false, first for the excellent reason that money talks and second and more importantly for the reason that there is clear evidence of intervention of the Fund/Bank in sensitive areas of government policies. This was demonstrated by testimonies from the Third World victims at the Tribunal. The third argument is rhetoric. To the extent that there is action behind the rhetoric, this means only that a few small projects will be funded to mitigate the immediate effects of structural adjustment

in particular on groups which might threaten the implementation of the programme as a whole. Similarly the World Bank is engaged in a public relations exercise on the question of the environment, described by victims at the tribunal as the "green masquerade" of the World Bank.

There is no doubt that the IMF and the World Bank, as international institutions for regulation and crisis management, have failed and that they are therefore responsible for the dramatic deterioration of the living conditions of peoples in many parts of the world. They serve the interests of the creditors rather than function for the benefit of the peoples of the world, particularly of the Third World.

3. The Juridical Terms of Reference and Responsibility

3.1 As summarized in the preceding sections, the proceedings which were held before the Tribunal lead to the following observations:

- a. Although the IMF and the World Bank present themselves as purely technical bodies, administering so-called objective scientific principles of economics and reasonable financial management, more and more they make political choices under the disguise of such purely technical policies.
- b. Such an approach also helps both institutions to act as if they were immune to the screening of international law, which, of course, as part of the UN system, whose powers are defined by international law statutes, they clearly are not.
- c. Before considering whether the policies imposed on the governments of Third World countries under the guise of technical management, in fact contribute to the degradation of the socio-culture (namely health, education and other public services) and also to ecological disasters, it has to be stressed that, even according to the economic tests of "development" which are the magic rule of those institutions, their policies have been a total failure.
- d. That the development model itself has not been submitted to a thorough, nor even to a superficial screening: it has been taken for granted because of the non political nature of the conclusions reached.
- e. Although the IMF and the World Bank cover directly only a small part of the lending (about 10 or 15 percent), they have succeeded in establishing a real monopoly in the field of financing Third World development. Through the rallying of all creditors, including the European countries and the others multilateral agencies to the principles and proceedings of the IMF and the World Bank, there exist for the Third World countries no alternative other than submit to those conditions in order to obtain financial aid.

- f. It is not mere coincidence that the debt crisis exploded at the very moment when efforts, launched in 1972 for the introduction of a new international economic order (NIEO), collapsed: even in the vocabulary of UN institutions "the adjustment policies" are substituted for the very -even if perhaps inadequate- concept of development. Everything is going on as if the whole system were geared to manage the so-called "debt crisis", but in reality it is to enforce the financial rights of creditors, public and private.
- g. The Permanent Peoples' Tribunal conceives its function as one of assessing more balanced rules as between creditors and debtors: this is the traditional role of the judiciary which goes as far back as Roman Law and which is part of the general principles of law accepted by all civilized countries; it is left to a purely private institution which has been approached by many peoples and liberation movements in previous cases to assume a function which is not dealt with in the present state of intergovernmental institutions. For the present proceedings the Permanent Peoples' Tribunal has been granted unconditional support from numerous NGOs in various parts of the world, inspired by secular humanism as well as various religious faiths, but unanimous in their struggle for justice and the respect for the law of peoples.
- h. Based on the Universal Declaration of the Rights of Peoples of 4 July 1976, the jurisdiction of the Permanent Peoples' Tribunal has to be strongly supportive of the most vulnerable groups, not only all peoples of the indebted countries, but specifically the most disadvantaged social groups in those countries, without omitting the growth of large areas of poverty and deprivation in the industrialized countries: the deterioration of the global economic situation has established a new solidarity between the have nots all over the world.

3.2 Three main topics have to be tackled:

- The urgency of transforming the present international disorder into a real NIEO through a set of new rules of conduct.
 - The application of the defence of necessity in favour of debtor countries.
 - Consideration of the duty of reparation to the victims of the mismanagement of the "debt crisis".
- a. The very unsatisfactory situation which prevails today has to be seized as a challenge to move towards a radical reshaping of international economic and political relationships. One of the priorities would be to launch a universal conference where all parties involved would contribute to the introduction of new rules.

The aims of such a conference would include a reshaping of the international monetary system. It goes beyond the possibilities of the Permanent Peoples' Tribunal to make more precise propositions. It suffices to trace general indications. The Bretton Woods System has proved to be a failure. But how could it be otherwise? Economic and political conditions are profoundly changed since Bretton Woods and one of the major indictments against the IMF is that it assumed its role under changed circumstances without taking these into consideration. It seems beyond doubt that an international monetary system is more than ever indispensable, but one which would not be biased in favour of the creditors, one which would confer a greater weight to the larger part of the world, one which would not be based on the supremacy of the very currency of the most indebted country. Another serious indictment of the IMF is the asymmetrical position it has adopted in the face of the huge indebtedness of the USA, of the creation of immense surpluses which were used for speculation instead of development on the one hand, and the indebtedness of Third World countries on the other hand.

- b. A major demand today is the repudiation of the debt incurred by Third World countries. It merits serious consideration. The contribution of the Permanent Peoples' Tribunal can be twofold. One is to recall that many debt situations of industrialized countries in the past were solved through scrapping those which were unbearable. In the reports presented by Professor Roberto Ago, as special reporter of the UN International Law Commission, many juridical precedents of the Permanent Court of Arbitration, of ad hoc international law tribunals and of the Permanent Court of International Justice have been quoted, which accept as a matter of principle that a State does not incur any international responsibility when defaulting in the payment of financial obligations, if the well-being of its population would be gravely impaired by a strict execution of such obligations. The same rule is drafted in Article 26 of the Universal Declaration of the Rights of Peoples. The second contribution of the Permanent Peoples' Tribunal is to suggest that the debts of the Third World countries should be submitted to an objective screening as to the application of the state of necessity principle.
- c. The proceedings before the Permanent Peoples' Tribunal have demonstrated that very heavy damage has been inflicted on a great number of innocent persons, men, women and children, that the health and the life expectancy of many children are today endangered. Therefore the evaluation of an adequate reparation has to be seriously considered.
- 3.3 As they are intended to regulate the behavior of States and of other international organisations, the strategy and the means adopted with respect to the external debt must comply with the norms of international law which are found in:

a) the general principles of international law established by the UN Charter and in by Res. 2625(XXV) of the UN General Assembly specifically :

- the principle of equal sovereignty;
- the principle of the self-determination of peoples and
- the obligation of States to mutual cooperation specifically in the solution of economic and social problems (Art.1,3, and 55 of the UN Charter, Res. 2625(XXV)AG).

b) the principles of the NIEO, as their formulation may be considered a concrete expression and in depth economic application of the general principles of international law which have been quoted above. Specifically:

- the principle of equal participation of developing countries in international economic relations;
- the principle of permanent sovereignty over natural resources;
- the right of developing countries to receive assistance in their development.

c) The fundamental human rights, specifically the economic, social, cultural rights, and the right to development, insofar as the international juridical recognition of same rights can be considered a general obligation of contemporary international law, as it has been shaped by international practice on the basis of the UN Charter (without prejudice of other juridical obligations derived from international treaties or pacts which guarantee the same rights).

3.4 The global effects of the application of the strategy formulated by the IMF and the WB document their inadequacy with respect to the solution of the debt problem. On the contrary, they have generated situations which are openly contradictory:

- The economic, social and cultural rights which are recognized in the Universal Declaration of Human Rights, the American Declaration of Rights and Duties of Man, the International Covenant of Economic, Social, Cultural Rights, the Charter of the OAS (Chapter VII, VIII, X), the American Convention on Human Rights, the African Charter on Human and Peoples' Rights, as well as the conventions of the ILO, specifically n.87 on freedom and protection of the right to establish trade unions, and n.98 on the right to trade union organization and collective negotiation.

- The right to development, recognized by the UN in the Declaration on Development (General Assembly, 4 December 1986) as a

Declaration on Development (General Assembly, 4 December 1986) as a "human inviolable right of all human beings and all peoples to take part in an economic, social, cultural and political development, to fully realize all human rights and fundamental freedoms, to contribute to the development, to benefit from it".

- The right to the self-determination of peoples (Art.1,2, UN Charter, Res.1514(XVI)AG, Res.2625(XXV)AG, and Art.1 of the Covenant on Civil and Political Rights and of the Covenant on Economic, Social and Cultural Rights) which recognize that peoples should choose freely their economic, social and cultural development and that a people can never be deprived of the resources needed for the dignity of its life.

Such situations represent a clear contradiction with the principle of the NIEO which establishes the right of developing countries to receive development assistance. This principle is formulated in Art.22 of the Charter of Economic Rights and Duties of States, which establishes that all States must answer to the needs and objectives generally recognized or mutually agreed upon by developing countries, through the promotion of major net flows of resources towards these countries, while observing all obligations and agreements entered into by the concerned States. This has the goal of strengthening the efforts of developing countries for the acceleration of their economic and social development, making specific reference to the IMF and to the WB since it guarantees that "one of the main objectives of the reformed international monetary system will be to promote the progress of developing countries and to assure to them a sufficient flow of real resources" (res.3201(S-VI)AG:point 4, f).

- 3.5 Both with respect to the procedures which have been adopted in the negotiation and the conditions which have been imposed, as well as to the additional tutelage assigned to the IMF, the financial mechanisms and practices which have been used to recover the debt (rescheduling of the debt and transformation of the debt into investment) are openly contradicting the principle of equal sovereignty, according to which each State "enjoys the rights which characterize full sovereignty" and "has the right to choose fully its political, social, economic and cultural system" (res.2625(XXV)). They also contradict the principle of the NIEO which declares the equality of developing countries in international economic relations and specifically in the adoption of any decision which relates to them. They further contradict the principle of permanent sovereignty over natural resources (Res.1803 (XVII)AG and declaration of the NIEO), which is expressed in the Art.2 of the 1st Charter of Economic Rights and Duties of States, where the "responsibility of each State to promote the economic, social and cultural development of its people and to assume the full participation of the people in the process and in the benefits of the development" (Art.7, Charter

3.6 Because of their policy of imposing on debtor developing countries adjustment policies whose application produces effects which violate International Law, the IMF and the WB are co-responsible for the violation of that same law, specifically:

a) The non-accomplishment of the goals foreseen in their statutes, specifically Art.1 of the Convention on the IMF which declares that its objective is "to give confidence to associated countries through the availability of the Fund resources under such conditions that can assure protection and provide opportunity to correct the imbalances of their balance of payments without resorting to means which may destroy the national and international prosperity", and Art.1,iii) of the Statutes of the WB which declare that one of its objectives is "to help to increase productivity to improve the living standards and working conditions in the member States".

- The contradiction of their adjustment policies with respect to the goals set by the UN Charter, specifically Art.1,3; - the non-compliance with the conclusions of the General Assembly on external debt, specifically Res.41/202 of February 17,1987, and Res.42/198 of February 10,1988. It must be recalled that such dispositions refer to the IMF and to the World Bank, as both are specialized bodies of the UN.

- The imposition on the member States of adjustment policies which contradict the international obligations that the same States assumed in the context of the UN; the regional Conventions, the specialized bodies (e.g. the Conventions of the ILO, the instruments related to the fundamental human rights).

b) The contradiction of the adjustment policies imposed by the IMF and the World Bank with respect to the principles and rules of international law as they have been clearly established in international customary law or in the treaties, specifically: the principle of sovereignty and independence of the States, the principles of the self-determination of peoples, the duty to cooperate, and the respect for any observance of fundamental human rights;

c) The contradiction with respect to the principles and rules around which a general consensus is being developed through international practice, which is embodied in international law as it becomes further codified and developed. It is worthwhile in this context to further insist on the confrontation between the adjustment policies of the IMF and of the World Bank, and the principles of the NIEO: the principle of permanent sovereignty over natural resources, the principle of equality of participation of underdeveloped countries in international economic relations, the principle of collective autonomy and the human right to development.

4. The Verdict

The proceedings before the Tribunal have brought to light other responsibilities, namely those of the governments represented on the boards of governors, the responsibility of the USA as having contributed to the degradation of financial markets through its huge borrowing to cover its military expenditures without levying more taxes on its own population, but also the responsibility of Japan and Federal Germany, which use their own surpluses to finance the American deficit instead of transferring resources to Third World countries. The negative impact of transnational companies has also been stressed. Before passing over to the verdict itself, the Permanent Peoples' Tribunal observes that it limits itself to passing judgement on the request which was put before the Tribunal.

The Tribunal finds that:

1) The World Bank and International Monetary Fund are in breach of the Charter of the United Nations in that they have not promoted higher standards of living, full employment and conditions of economic and social progress and development, nor have they promoted a universal respect for the observance of human rights and fundamental freedoms for all, without distinction as to race, sex, language or religion, as required by Article 1,3 and Article 55 of the Charter.

Furthermore, they have violated the right of sovereignty of individual States and rights of peoples to self-determination.

2) World Bank/IMF are in breach of their own constitutions in that they have not contributed to the promotion and maintenance of high levels of employment and real income nor to the development of the productive resources of all members as primary objectives of economic policy, as required by Art.1, Articles of Agreement of the IMF and Art.1, Articles of Agreement of the World Bank.

Furthermore, the credit granted to dictatorial governments has often been diverted to armaments used against the people or invested in foreign banks without being applied to development, health, education or food programmes.

3) The World Bank has been negligent in that it has made loans without properly examining the needs of the debtor nations, nor has it considered fully the ability of the debtor nations to repay such loans. The structural adjustment policy of World Bank/IMF caused a growing net transfer of resources from indebted countries to creditor countries. Consequently, lives and living standards in indebted countries have deteriorated. The environment has been irreversibly damaged and living areas of indigenous peoples have been destroyed. The payment of reparations should therefore be considered. Through such practices the IMF/World Bank gave illusory legitimacy to the accumulation strategies of the industrial countries, MNCs and international finance capital, which led to the present

debt disaster. A disaster imperilling, not only the present but the future of most nations.

4) Considering the political and economic conditions that generated it, the repudiation of debt can be justified by the "defence of necessity", which is accepted by the international courts as a valid defence when payment of financial obligations would gravely impair the living standards of a nation's population, as is the case with all Third World countries.

5. Proposals for Action

The Permanent Peoples' Tribunal derives its legitimation from its capacity for representing the will of peoples to affirm their right to self-determination and life. The Tribunal and all those who promoted it are well aware that its decisions and verdict will not have any impact on the dramatic conditions, which have been so extensively documented during the hearings, if they are not taken up by all those who in the North and in the South believe in a serious and long-term commitment to liberation and peace. The proposals which follow have been derived from the analysis and testimonies presented to the Tribunal and are meant to indicate some of the goals which could be pursued through common action to put all the pressure on governments and international organisations required by the gravity of the debt crisis.

5.1 International Community

In view of the disappointing outcome of the Berlin IMF and World Bank assembly:

1. a general moratorium is justified and should be adopted because of the present unbearable conditions generated by the indebtedness

2. an international conference, convening creditor and debtor countries, involving governments as well as, Parliaments and NGOs should be called by the UN Secretary General in order to give the opportunity for collective bargaining. Such a conference should implement

- a wide-spread write-off of the debt;
- the transformation of external debt in the basket of local currency in order to finance regional development funds;
- the transfer to the indebted countries of the advantages resulting from the operations on the secondary markets.

3. The evidence brought to the Tribunal has led many to propose the dismantelling of the international Financial Institutions (IFIs). This would lead to a total deregulation of the international financial system which would hand financial power entirely over to the private financial institutions. But we recognize that the present financial institutions are not fulfilling the role of a proper crisis management, as set out in their charters, and as well they have failed to adapt to the massive changes in the post-war international political and financial systems. Because they have acted as biased, discriminatory and asymmetrical

institutions (serving the interests of the industrialized countries; imposing the simplistic market model as the only legitimate development model; applying adjustment policies only to LDCs, but never to countries which, because of their surplus, damage international trade relations; they eased and accelerated the integration of the LDCs into an unjust international division of labour by giving loans and technical help), this is why the governments and the peoples of the Third World demand a New International Economic Order (NIEO). The present dependency of the developing countries can only be overcome by a dissociation from the constraints of the monetary world market. Dissociation does not mean autarchy, which is not a feasible development goal for most countries and regions of the Third World, but it has to mean a new form of political control of capital flows, nationally as well as internationally. In this context a new Bretton-Woods-type conference would reshape the existing international institutions. We strongly support the demands of the Third World; we share their view that the existing economic order in the world is unjust and prevents people in underdeveloped countries from self-determination and genuine development.

Therefore, we insist on the reshaping of the World Bank and the IMF, which are not only part and parcel of the existing international power structure, but they are as well the most powerful institutions to keep this structure functioning.

Although we know that the international power structure, dominated by the industrialized countries in the West, will not change fundamentally in the short run, we call for comprehensive changes in the functions of the World Bank and the IMF, 44 years ago, the IMF and the World Bank were created at the conference of Bretton Woods. Since then, the international system has been changed substantially by the historic process of decolonization. Therefore, a new international conference of governments is to be convened in which the suggestions of different factors sectors of societies should be heard, which should take place not in the USA but in a Third World country. This conference should solve, in a spirit of fair partnership and awareness of the increasing interdependence of all nations, the following problems:

- To reshape international financial institutions. A reformed IMF would have to assist governments with balance of payment difficulties; a reformed World Bank should function as an institution for the development of peoples and, therefore, primarily to satisfy their basic needs.

- To democratize the voting and decision making procedures of the new institutions we suggest a fair distribution of votes and power. It should be guaranteed that no group of countries ("G5", "G7" or even one) can dominate the others; decisions should be taken in a spirit of consensus.

- In order to prevent the monopolization of decision, to respect the diverse cultural choices of different part of the world and to give every region the possibility of finding regional solutions to regional

challenges, we would consider a decentralization of the IFIs.

- The operations of the (new) IMF and the (new) Bank should be monitored and assessed by an international advisory committee (IAC), appointed by the parliaments of the member States. Their main tasks would be:

- To represent the economic, social, and cultural aspirations and needs of the different interest groups of member States with regard to sound development.
- To maintain a political dialogue between the societies of the North and the South, which could include agreed principles on the conditions of development.
- To evaluate the fairness of the adjustment policies imposed.

A justifiable policy should fulfill the following criteria: politically viable, socially acceptable and environmentally responsible.

4. Agreement on new rules of the game in development cooperation. As long as conditions attached to the granting of loans seem to be advisable or necessary (depending on the progress of democratization of the society) a development-oriented conditionality (DOC) would contain terms designed to eliminate structural defects in deficit countries.

This implies that not only a few power elites should benefit, but the majority of the people suffering from malnutrition, unemployment and ecological destruction. A new pattern of development should be pursued which should stimulate internal economic growth, new performance criteria should be agreed upon, such as: increase in food production, investment oriented to basic needs and institutional reforms; diversification of the economy etc.

5. Every loan given to a LDC should be planned so as not to damage the environment at the expense of the living conditions of the present and future generations. A new approach to development has to establish and promote alternatives to the systematic exploitation of nature. New structures of international production have to be developed and have to be based on a new and non-exploitative relationship between humanity and nature.

6. The above mentioned international advisory committee (IAC) will have the task of checking the ecological and social appropriateness of the projects which are to be financed by the foreign loans. In order to prevent an ecological disaster, the transformation of the present model of production and consumption in the North and in the South is indispensable. This is a long-term strategy; but in the short term we can at least ask the countries which are consuming more energy and natural resources than others

to contribute proportionally to an international fund which could help indebted countries to safeguard and reconstruct their environment, which is the common inheritance of human kind.

7. Women, who are the major victims of the destruction of the traditional economy and who have suffered more directly from the adjustment policies, should not merely be regarded as "target groups" and beneficiaries of development efforts. Rather they should be viewed as development agents and actors of a new economic order, where women's work would have to be reevaluated and reconsidered when defining social productivity.

8. Development is a precondition for democratic rule. A vital prerequisite for a solution to social and economic problems in the long search for sustained self-reliant development is to take the debt load off the Third World countries. A policy of far-reaching debt cancellation (which should be the result of a universal agreement between debtor and creditor countries) would be necessary to reverse the perverse pattern of "development" which we have today: to produce goods by loans in order to earn hard currency with which to repay the loans plus interest (the "development-cum-debt-strategy").

9. Debt relief is also a necessary precondition for the survival of the fragile beginning of democracy in LDCs. Only a government which can hope to legitimize its power by positive development results for the benefit of the majority of its people has a chance to be accepted (and voted for) by the people.

10. Duty of Surplus Countries to Adjust

The current practice whereby the deficit countries alone, the weakest members of the international community, are forced to adjust, would be replaced by a mechanism whereby surplus countries would also be forced to adjust.

One of the most urgent problems to be resolved is the decrease of export earnings of many raw material exporting countries.

Deterioration of the terms of trade, reduction in exports because of natural disasters, a fall in the demands for imports in industrial countries, protectionist policies etc., are causes which are beyond the control of deficit countries. One possibility would be to pay part of the surpluses of the industrialized countries into a Compensatory Financing Facility.

Conclusion

Only if such reforms are implemented, the international institutions could act as "honest brokers" between debtor and creditor countries.

The parliaments are called upon to carry out these political changes by the next IMF and World Bank annual convention. The Tribunal will then reassess the situation.

5.2 International Organizations

Since the adjustment policy of the IMF has a negative bearing on the developing countries with regard to the fundamental human rights and, more specifically, the economic, social and cultural rights, but also with regard to the independence, the sovereignty of the States and the right to self-determination of peoples, the General Assembly of the UN and the specialized institutions should take adequate measures to examine such policies of the IMF and the World Bank, which contradict their own aims.

1. The UN system

A. International Court of Justice

a. The General Assembly of the UN could request the International Court of Justice for an advisory opinion, according to Art.96 of the UN Charter:

- whether the IMF has an obligation to adjust its policies to Art.1.3 of the Charter and, if so, whether IMF policies are compatible with this obligation;
- whether Member States of the UN have an obligation not to implement structural policies violating Art.1,3 of the Charter;
- whether it is appropriate that within the UN system different specialised organizations implement contradictory policies.

b. Specialized Agencies such as ILO, FAO, UNESCO and WHO could request the International Court of Justice for an advisory opinion on

- whether membership in one of these agencies means that the State is obliged not to implement structural policies dictated by the IMF which violate the objectives of these agencies
- whether members can assume obligations which arise from their participation in the IMF and violate these agencies' objectives.

2. Specialized UN Agencies

The discussion within the specialized agencies of the UN concerning the contradiction between the IMF and World Bank policies and the UN system, and more specifically the purposes of each of those agencies.

A. WHO, UNESCO, FAO, General Conference

a. ordinary sessions dealing with the subject

FAO, UNESCO, WHO - if the Executive Board includes the subject in the agenda. (Art. 28 WHO Ch., Art. VB 5 UNESCO Ch., Art. 111.6 FAO Ch.)

ILO - if the Executive includes the subject in the agenda. It shall therefore consider suggestions made:

- by the government of any Member
- by any representative organization of workers or employers recognized for the purpose of choosing delegates to the General Conferences
- by any public organization (Art. 14.1 ILO Ch.)

b. special sessions

WHO - at the request of the Board

Art. 13 WHO Ch. - at the request of a majority of Members

UNESCO - if the General Conference itself decides so

Art. IV 09 (a) - if one third of the Members request it

UNESCO Ch. - at the request of the Executive Board, but by two thirds of the votes cast, the Conference can include the subject in the agenda of the following meeting.

3. Subsidiary organs of the UN

More specifically those whose purpose is to promote respect for fundamental human rights could investigate the contradiction between the adjustment policy of the IMF and safeguard of human rights.

A. Human Rights Commission of the ECOSOC

it is legally possible - 1235 (XLVII) / 1503 (XLVII) ECOSOC/I (XXIV)

- a) that the Commission undertake a study on "the negative consequences of IMF policies on the guarantees of economic, social and cultural rights in the Third World countries".
- b) that the Commission admit communications sent by private bodies either as individuals or as NGOs concerning the violation of fundamental rights caused by the implementation of IMF policies.

B. Human Rights Committee

It is legally possible -

- Art. 1 of the International Covenant on Civil and Political Rights R 2200 (XXI) AG
- Art. 1.2 Optional Protocol

that an individual alleging that his rights have been violated by measures taken by his country as a consequence of the implementation of policies related to the external debt, submit a written communication to the Committee for consideration.

The NGOs which have consultative status in international organizations could contribute to such actions.

4. Other organizations

Interamerican Court of Human Rights

The Member States or OAS organs which are authorized to do so can request the Interamerican Court of Human Rights for an advisory opinion (Art. 64 American Convention on Human Rights (San José Pact)) on:

- whether Art.26 of the American Convention on Human Rights means the adoption of the economic and social principles of the OAS Charter and, if so, whether these principles can be considered as rights which are enforceable.
- if so, whether internal policies violating these rights can be admitted.
- and, whether States have the right or even the obligation to refuse to implement policies dictated by the IMF in violation of these rights.

OAS (Organization of American States)

The Interamerican Juridical Committee can, on its own initiative, undertake a study or suggest the holding of a specialized juridical conference on the subject (Art. 106 OAS Ch.)

OAU (Organization of African Unity)

An NGO, a group of individuals or an individual could submit a communication concerning the violation of a right, especially the right to development (Art. 22 African Ch.), as a consequence of the implementation by his state of measures dictated by the IMF (Art. 55 African Ch.).

5.3 Disarm to stop the debt

Fortunately there already exists a lively movement with very wide support within the UN and among the NGOs for a quick and direct solution of the Third World debt. It would leave unsolved basic structural problems of the international politic and economic organization, and the global monetary system, yet would offer a distinct prelude to solving them.

According to the Tribunal, the top problem in our world is the arms' race. Next comes the Third World debt. How if the first could be used to solve the second?

The key to such a position lies in the realization that the entire Third World debt is slightly over one trillion (one thousand billion) dollars; and that the present worldwide expenditure on military affairs per year is nearly the same. At present there is cause for hope that large cuts in military spending may be on the way.

Consider the proposal that by common agreement the annual military expenditure be cut by 20 percent; and the savings applied to paying off the Third World debt. That would wipe out the debt in 5-6 years. A 10 percent cut so applied would wipe out the debt in 10-12 years. That would still leave a worldwide military expenditure of \$800-900 billion, surely more than enough to meet all military needs.

What is at the present state such a proposal?

It is already in action worldwide, but with an unfortunate twist that the Tribunal proposes to straighten out. The twist is to ask that the disarmament savings be applied, not to paying off the Third World debt, but to Third World "development". The extent to which this form of the proposal is supported should be indicated.

A report from the UN publication, "Disarmament" (v. 9, #3, Autumn 1986), headed "Prospects for Developing Economies, 1986-1995", begins: "International interest in the disarmament development relationship has increased considerably since the first special session of the General Assembly on disarmament, in 1978, which called for a systematic study of the subject." (This paper, incidentally, was prepared for the UN by none other than the World Bank). By the third UN special session on disarmament in June 1988, this was the main centre of attention.

Moreover, the Eastern Bloc of nations has taken up and is pushing this position strongly. It has been reported that Secretary General Mikhail Gorbachev has strongly recommended this position in a recent speech. As for NGOs, the principal U.S. peace coalition, the Mobilization for Survival, is strongly emphasizing this position under the slogan "Disarm to Develop". A motion to this effect has now been brought before the UN Assembly by the "Group of 77", an association of 123 Third World nations in the UN concerned particularly with economic issues.

The proposal is to apply the savings from disarmament, not to "development", but to paying off the Third World debt. The difference is fundamental, and here is where the Tribunal can make a unique contribution.

If one defined "development" as designed to meet the immediate and basic needs of peoples: food, adequate shelter, sanitation, health care, education - that would be fine; yet under the auspices of the World Bank

and IMF it has meant very different things, profitable to the lending powers and the Third World elites, but utterly demeaning and destructive to the masses of the peoples, their cultures, and their very lives, as well as their environments. There are other troubles with "development": the needs of the people are immediate. As "development" has been interpreted, its benefits, even if there were benefits, would reach the people only through a problematical trickledown process, if at all.

The Third World debt has become an intolerable burden upon the peoples of the Third World nations, destroying life and hope, an unceasing bleeding of them, their resources, their human condition. The immediate need is to stem that hemorrhage, to wipe out the debt. That will immediately free their own national resources, so that they could begin at once to fulfill their needs.

If that goal can be coupled, as proposed, with disarmament, that can open for all the world's peoples a new and happier existence.

