

On Development

By Che Guevara

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(UNCTAD)**

The delegation of Cuba, an island nation situated at the mouth of the Gulf of Mexico in the Caribbean Sea, is addressing you. It addresses you under the protection of its rights, on many grounds, to come to this forum and proclaim the truth about itself. It addresses you first of all, as a country that is building socialism; as a country belonging to the group of Latin American nations, even though decisions contrary to law have temporarily severed it from the regional organization, owing to the pressure exerted and the action taken by the United States of America. Its geographical position indicates it is an underdeveloped country that addresses you, one which has borne the scars of colonialist and imperial exploitation and which knows from bitter experience the subjection of its markets and its entire economy, or what amounts to the same thing, the subjection of its entire governmental

machinery to a foreign power. Cuba also addresses you as a country under attack.

All these features have given our country a prominent place in the news throughout the world, in spite of its small size, its limited economic importance, and its meager population.

At this conference, Cuba will express its views from the various stand-points which reflect its special situation in the world, but it will base its analysis on its most important and positive attribute: that of a country which is building socialism. As an underdeveloped Latin American country, it will support the main demands of its fraternal countries, and as a country under attack it will denounce from the very outset all the machinations set in train by the coercive apparatus of that imperial power, the United States of America.

We preface our statement with these words of explanation because our country considers it imperative to define accurately the scope of the conference, its meaning, and its possible importance.

We come to this meeting seventeen years after the Havana Conference, where the intention was to create a world order that suited the competitive interests of the imperialist powers.

Although Cuba was the site of that Conference, our revolutionary government does not consider itself bound in the slightest by the role then played by a government subordinated to imperialist interests, nor by the content or scope of the so-called Havana

Charter.

At that conference, and at the previous meeting at Bretton Woods, a group of international bodies were set up whose activities have been harmful to the interests of the dependent countries of the contemporary world. And even though the United States of America did not ratify the Havana Charter because it considered it too "daring", the various international credit and financial bodies and the General Agreement on Tariffs and Trade which were the tangible outcome of those two meetings, have proved to be effective weapons for defending its interests, and what is more, weapons for attacking our countries.

These are subjects which we must deal with at length later on.

Today the conference agenda is broader and more realistic because it includes, among others, three of the crucial problems facing the modern world: the relations between the camp of the socialist countries and that of the developed capitalist countries; the relations between the underdeveloped countries and the developed capitalist powers; and the great problem of development for the dependent world.

The participants at this new meeting far outnumber those who met at Havana in 1947. Nevertheless, we cannot say with complete accuracy that this is the forum of the peoples of the world. The result of the strange legal interpretations which certain powers still use with impunity is that countries of great importance in the

world are missing from this meeting: for example the People's Republic of China, the sole lawful representative of the most populous nation on earth, whose seats are occupied by a delegation which falsely claims to represent that nation, and which, to add to the anomaly, even enjoys the right of veto in the United Nations.

It should also be noted that delegations representing the Democratic Republic of Korea and the Democratic Republic of Vietnam, the genuine governments of those nations, are absent, while representatives of the governments of the southern parts of both those divided states are present; and to add to the absurdity of the situation, while the German Democratic Republic is unjustly excluded, the Federal Republic of Germany is attending this conference and is given a Vice Presidency. And while the socialist republics I mentioned are not represented here, the government of the Union of South Africa, which violates the Charter of the United Nations by the inhuman and fascist policy of apartheid embodied in its national laws, and which defies the United Nations by refusing to transmit information on the territories which it holds in trust, makes bold to occupy a seat in this hall.

Because of these anomalies the conference cannot be defined as the forum of the world's peoples. It is our duty to point this out and draw it to the attention of the participants, because so long as this situation persists, and justice remains the tool of a few powerful interests, legal interpretations will continue to be made

to suit the convenience of the oppressor powers and it will be difficult to relax the prevailing tension: a situation which entails real dangers for mankind. We also stress these facts in order to call attention to the responsibilities incumbent upon us and to the consequences that may result from the decisions taken here. A single moment of weakness, wavering, or compromise may discredit us in the eyes of history, just as we, the member states of the United Nations, are in a sense accomplices and bear on our hands the blood of Patrice Lumumba, Prime Minister of the Congolese, who was wretchedly murdered at a time when United Nations troops were presumably 'guaranteeing the stability' of his regime. What is worse, those troops had been expressly requested by the martyr, Patrice Lumumba.

Events of such gravity, or other similar events, or those which have negative implications for international relations and which jeopardize our prestige as sovereign nations, must not be allowed to happen at this conference.

We live in a world that is deeply and antagonistically divided into groupings of nations very dissimilar in economic, social, and political outlook. In this world of contradictions, the one existing between the socialist countries and the developed capitalist countries is spoken of as the fundamental contradiction of our time. The fact that the cold war, conceived by the warmongering West, has shown itself lacking in practical effectiveness and in political realism is one of the factors that have led to the

convening of this conference. But while that is the most important contradiction, it is nevertheless not the only one; there is also the contradiction between the developed capitalist countries and the world's underdeveloped nations; and at this Conference on Trade and Development, the contradictions existing between these groups of nations are also of fundamental importance. In addition there is the inherent contradiction between the various developed capitalist countries, which struggle unceasingly among themselves to divide up the world and to gain a firm hold on its markets so that they may enjoy an extensive development based, unfortunately, on the hunger and exploitation of the dependent world.

These contradictions are important; they reflect the realities of the world today, and they give rise to the danger of new conflagrations, which, in the atomic age, could spread throughout the world.

If at this egalitarian conference, where all nations can express, through their votes the hopes of their peoples, a solution satisfactory to the majority can be reached, a unique step will have been taken in the history of the world. However, there are many forces at work to prevent this from happening. The responsibility for the decisions to be taken devolves upon the representatives of the underdeveloped peoples. If all the peoples who live under precarious economic conditions, and who depend on foreign powers for some vital aspects of their economy and for their

economic and social structure, are capable of resisting the temptations, offered coldly although in the heat of the moment, and impose a new type of relationship here, mankind will have taken a step forward.

If, on the other hand, the groups of underdeveloped countries, lured by the siren song of the vested interests of the developed powers which exploit their backwardness, contend futilely among themselves for the crumbs from the tables of the world's mighty, and break the ranks of numerically superior forces; or if they are not capable of insisting on clear agreements, free from escape clauses open to capricious interpretations; or if they rest content with agreements that can simply be violated at will by the mighty, our efforts will have been to no avail, and the long deliberations at this conference will result in nothing more than innocuous files in which the international bureaucracy will zealously guard the tons of printed paper and kilometers of magnetic tape recording the opinions expressed by the participants. And the world will remain as it is.

Such is the nature of this conference. It will have to deal not only with the problems involved in the domination of markets and the deterioration in the terms of trade but also with the main reason for this state of world affairs: the subordination of the national economies of the dependent countries to other more developed countries, which, through investment, hold sway over the main sectors of their economies.

It must be clearly understood, and we say it in all frankness, that the only way to solve the problems now besetting mankind is to eliminate completely the exploitation of dependent countries by developed capitalist countries, with all the consequences that this implies. We have come here fully aware that what is involved is a discussion between the representatives of countries which have put an end to the exploitation of man by man, of countries which maintain such exploitation as their working philosophy, and of the majority group of the exploited countries. We must begin our discussion by acknowledging the truth of the above statements.

Even when our convictions are so firm that no arguments can change them, we are ready to join in constructive debate in a setting of peaceful coexistence between countries with different political, economic, and social systems. The difficulty lies in making sure that we all know how much we can hope to get without having to take it by force, and where to yield a privilege before it is inevitably wrung from us by force. The conference has to proceed along this difficult, narrow road; if we stray, we shall find ourselves on barren ground.

We announced at the beginning of this statement that Cuba would speak here also as a country under attack. The latest developments, which have made our country the target of imperialist wrath and the object of every conceivable kind of repression and violation of international law, from before the time of Playa Giron till now, are known to all. It was no accident that

Cuba was the main scene of one of the incidents that have most gravely endangered world peace, as a result of legitimate action taken by Cuba in exercise of its right to adopt the principles of its own people.

Acts of aggression by the United States against Cuba began virtually as soon as the Revolution had been won. In the first stage they took the form of direct attacks on Cuban centers of production.

Later, these acts took the form of measures aimed at paralyzing the Cuban economy; about the middle of 1960 an attempt was made to deprive Cuba of the fuel needed to operate her industries, transport, and power stations. Under pressure from the Department of State, the independent United States oil companies refused to sell petroleum to Cuba or to provide Cuba with tankers to ship it in. Shortly afterward efforts were made to deprive Cuba of the foreign exchange needed for its external trade; a cut of 700,000 short tons in the Cuban sugar quota in the United States was made by President Eisenhower on July 6, 1960, and the quota was abolished altogether on March 31, 1961, a few days after the announcement of the Alliance for Progress and a few days before Playa Giron. In an endeavor to paralyze Cuban industry by cutting off its supplies of raw materials and spare machine parts, the United States Department of Commerce issued on October 19, 1960, an order prohibiting the shipment of many products to our island. This ban on trade with Cuba was progressively intensified

until on February 3, 1962, the late President Kennedy placed an embargo on all United States trade with Cuba.

After all these acts of aggression had failed, the United States went on to subject our country to economic blockade with the object of stopping trade between other countries and our own. Firstly, on January 24, 1962, the United States Treasury Department announced a ban on the importation into the United States of any article made wholly or partly from products of Cuban origin, even if it was manufactured in another country. A further step, equivalent to setting up a virtual economic blockade, was taken on February 6, 1963, when the White House issued a communique announcing that goods bought with United States Government funds would not be shipped in vessels flying the flag of foreign countries which had traded with Cuba after January 1, of that year. This was the beginning of the blacklist, which now includes over 150 ships belonging to countries that have not yielded to the illegal United States blockade. A further measure to obstruct Cuba's trade was taken on July 8, 1963, when the United States Treasury Department froze all Cuban property in United States territory and prohibited the transfer of dollars to or from Cuba, together with other kinds of dollar transaction carried out through third countries. Obsessed with the desire to attack us, the United States specifically excluded our country from the supposed benefits of the Trade Expansion Act. Acts of aggression have continued during the current year. On February 18, 1964, the United States announced the suspension of its aid to the United

Kingdom, France, and Yugoslavia, because these countries were still trading with Cuba. Secretary of State Dean Rusk said that, "there could be no improvement in relations with Communist China while that country incited and supported acts of aggression in Southeast Asia, or in relations with Cuba while it represented a threat to the Western Hemisphere." That threat, he went on, could be ended to Washington's satisfaction only with the overthrow of the Castro regime by the Cuban people. They regarded that regime as temporary.

Cuba summons the delegation of the United States Government to say whether the actions foreshadowed by the Secretary's statement and others like it, and the incidents we have described are or are not at odds with coexistence in the world today, and whether, in the opinion of that delegation, the successive acts of economic aggression committed against our island and against other countries which trade with us are legitimate. I ask whether that attitude is or is not at odds with the principle of the organization that brings us together -- that of practicing tolerance between states -- and with the obligation laid by that organization upon countries that have ratified its Charter to settle their disputes by peaceful means. I ask whether that attitude is or is not at odds with the spirit of this meeting in favor of abandoning all forms of discrimination and removing the barriers between countries with different social systems and at different stages of development. And I ask this conference to pass judgement on the explanation, if the United States delegation ventures to make one. We, for our

part, maintain the only position we have ever taken in the matter: We are ready to join in discussions provided that no prior conditions are imposed.

The period that has elapsed since the Havana Charter was signed has been marked by events of undeniable importance in the field of trade and economic development. In the first place we have to note the expansion of the socialist camp and the collapse of the colonial system. Many countries, covering an area of more than thirty million square kilometres and with one-third of the world's population, have chosen as their system of development the construction of the communist society, and as their working philosophy, Marxism-Leninism. Others, without directly embracing the Marxist-Leninist philosophy, have stated their intention of laying the foundations on which to build socialism. Europe, Asia, and now Africa and America, are continents shaken by the new ideas abroad in the world.

The countries in the socialist camp have developed uninterruptedly at rates of growth much faster than those of the capitalist countries in spite of having started out, as a general rule, from fairly low levels of development and of having had to withstand wars to the death and rigorous blockades.

In contrast with the surging growth of the countries in the socialist camp and the development taking place, albeit much more slowly, in the majority of the capitalist countries, is the unquestionable fact that a large proportion of the so-called underdeveloped

countries are in total stagnation, and that in some of them the rate of economic growth is lower than that of population increase.

These characteristics are not fortuitous; they correspond strictly to the nature of the developed capitalist system in full expansion, which transfers to the dependent countries the most abusive and barefaced forms of exploitation.

Since the end of the last century this aggressive expansionist trend has been manifested in countless attacks on various countries on the more underdeveloped continents. Today, however, it mainly takes the form of control exercised by the developed powers over the production of and trade in raw materials in the dependent countries. In general it is shown by the dependence of a given country on a single primary commodity, which sells only in a specific market in quantities restricted to the needs of that market.

The inflow of capital from the developed countries is the prerequisite for the establishment of economic dependence. This inflow takes various forms: loans granted on onerous terms; investments that place a given country in the power of the investors; almost total technological subordination of the dependent country to the developed country; control of a country's foreign trade by the big international monopolies; and in extreme cases, the use of force as an economic weapon in support of the other forms of exploitation.

Sometimes this inflow takes very subtle forms, such as the use of

international financial credit and other types of organizations. The International Monetary Fund, the International Bank for Reconstruction and Development, GATT 2 and on the American continent, the Inter-American Development Bank are examples of international organizations placed at the service of the great capitalist colonialist powers essentially at the service of United States imperialism. These organizations make their way into domestic economic policy, foreign trade policy, and domestic and external financial relations of all kinds.

The International Monetary Fund is the watchdog of the dollar in the capitalist camp; the International Bank for Reconstruction and Development is the instrument for the infiltration of United States capital into the underdeveloped world, and the Inter American Development Bank performs the same sorry function on the American continent. All these organizations are governed by rules and principles which are represented as safeguards of equity and reciprocity in international economic relations, whereas in reality they are merely hocus-pocus masking the subtlest kinds of instruments for the perpetuation of backwardness and exploitation. The International Monetary Fund, which is supposed to watch over the stability of exchange rates and the liberalization of international payments, merely denies the underdeveloped countries even the slightest means of defense against the competition of invading foreign monopolies.

While launching so-called austerity programs and opposing the

forms of payment necessary for the expansion of trade between countries faced with a balance of payments crisis and suffering from severe discriminatory measures in international trade, it strives desperately to save the dollar from its precarious situation, without going to the heart of the structural problems which afflict the international monetary system and which impede a more rapid expansion of world trade.

GATT, for its part, by establishing equal treatment and reciprocal concessions between developed and underdeveloped countries, helps to maintain the status quo and serves the interests of the former group of countries, and its machinery fails to provide the necessary means for the elimination of agricultural protectionism, subsidies, tariffs, and other obstacles to the expansion of exports from the dependent countries. Even more, it now has its so-called "Programme of Action," and by a rather suspicious coincidence, the "Kennedy Round" is just about to begin.

In order to strengthen imperialist domination, the establishment of preferential areas has been adopted as a means of exploitation and neocolonial control. We can speak in full knowledge of this, for we ourselves have suffered the effects of preferential Cuban-United States agreements which shackled our trade and placed it at the disposal of the United States monopolies.

There is no better way to show what those preferences meant for Cuba than to quote the views of Sumner Welles, the United States Ambassador, on the Reciprocal Trade Agreement which was

negotiated in 1933 and signed in 1934: "...the Cuban Government in turn would grant us a practical monopoly of the Cuban market for American imports, the sole reservation being that in view of the fact that Great Britain was Cuba's chief customer for that portion of sugar exports which did not go to the United States, the Cuban Government would desire to concede certain advantages to a limited category of imports from Great Britain.

"...Finally, the negotiation at this time of a reciprocal trade agreement with Cuba, along the lines above indicated, will not only revive Cuba but will give us practical control of a market we have been steadily losing for the past ten years, not only for our manufactured products but for our agricultural exports as well, notably in such categories as wheat, animal fats, meat products, rice, and potatoes" [telegram from Ambassador Welles to the Secretary of State of the United States, sent on May 13, 1933 at 6 PM. and reproduced on pages 289 and 290 of Volume V (1933) of the official publication Foreign Relations of the United States]. The results of the so-called Reciprocal Trade Agreement confirmed the view of Ambassador Welles.

Cuba had to vend its main product, sugar, all over the world in order to obtain foreign currency with which to achieve a balance of payments with the United States, and the special tariffs which were imposed prevented producers in European countries, as well as our own national producers, from competing with those of the United States.

It is necessary only to quote a few figures to prove that it was Cuba's function to seek foreign currency all over the world for the United States. During the period 1948 to '957, Cuba had a persistent debit balance of trade with the United States, totaling 382.7 million pesos, whereas its trade balance with the rest of the world was consistently favorable, totaling 1,274.6 million pesos. The balance of payments for the period 1948-1958 tells the story even more eloquently: Cuba had a positive balance of 543.9 million pesos in its trade with countries other than the United States, but lost this to its rich neighbor with which it had a negative balance of 952.1 million pesos, with the result that its foreign currency reserves were reduced by 408.2 million pesos.

The so-called Alliance for Progress is another clear demonstration of the fraudulent methods used by the United States to maintain false hopes among nations, while exploitation grows more acute.

When Fidel Castro, our Prime Minister, indicated at Buenos Aires in 1959, that a minimum of 3 billion dollars a year of additional external income was needed to finance a rate of development which would really reduce the enormous gap separating Latin America from the developed countries, many thought that the figure was exaggerated. At Punta del Este, however, 2 billion dollars a year was promised. Today it is recognized that merely to offset the loss caused by the deterioration in the terms of trade in 1961 (the last year for which figures are available), 30 per cent a year more than the hypothetical amount promised will be required.

The paradoxical situation now is that, while the loans are either not forthcoming or are made for projects which contribute little or nothing to the industrial development of the region, increased amounts of foreign currency are being transferred to the industrialized countries. This means that the wealth created by the labor of peoples who live for the most part in conditions of backwardness, hunger, and poverty is enjoyed in United States imperialist circles. In 1961, for instance, according to ECLA figures, there was an outflow of 1.735 billion dollars from Latin America, in the form of interest on foreign investments and similar payments, and of 1.456 billion dollars in payments on foreign short-term and long-term loans. If we add to this the indirect loss of purchasing power of exports (or deterioration in the terms of trade), which amounted to 2.66 billion dollars in 1961, and 400 million dollars for the flight of capital, we arrive at a total of 6.2 billion dollars, or more than three "Alliances for Progress" a year. Thus, assuming that the situation has not deteriorated further in 1964, the Latin American countries participating in the Alliance for Progress will lose directly or indirectly, during the three months of this conference, almost 1.6 billion dollars of the wealth created by the labor of their peoples. On the other hand, of the 2 billion dollars pledged for the entire year, barely half can be expected, on an optimistic estimate, to be forthcoming.

Latin America's experience of the real results of this type of "aid," which is represented as the surest and most effective means of

increasing external income, better than the direct method-that of increasing the volume and value of exports, and modifying their structure-has been a lamentable one. For this very reason it may serve as a lesson for other regions and for the underdeveloped world in general. At present that region is virtually at a standstill so far as growth is concerned; it is also afflicted by inflation and unemployment, is caught up in the vicious circle of foreign indebtedness, and is racked with tensions which are sometimes discharged by armed conflict.

Cuba has drawn attention to these facts as they emerged, and has predicted the outcome, specifying that it rejected any implication in it other than that emanation from its example and its moral support; and events have proved it to be right. The Second Declaration of Havana is proving its historical validity.

These phenomena, which we have analyzed in relation to Latin America, but which are valid for the whole of the dependent world, have the effect of enabling the developed powers to maintain trade conditions that lead to a deterioration in the terms of trade between the dependent countries and the developed countries.

This aspect -- one of the more obvious ones, which the capitalist propaganda machinery has been unable to conceal -- is another of the factors that have led to the convening of this conference.

The deterioration in the terms of trade is quite simple in its

practical effect: the underdeveloped countries must export raw materials and primary commodities in order to import the same amount of industrial goods. The problem is particularly serious in the case of the machinery and equipment which are essential to agricultural and industrial development.

We submit a short tabulation, indicating, in physical terms, the amount of primary commodities needed to import a thirty to thirty-nine horsepower tractor in the years 1955 and 1962. These figures are given merely to illustrate the problem we are considering. Obviously, there are some primary commodities for which prices have not fallen and may indeed have risen somewhat during the same period, and there may be some machinery and equipment which have not risen in relative cost as substantially as that in our example. What we give here is the general trend.

We have taken several representative countries as producers of the raw materials or primary commodities mentioned. This does not mean, however, that they are the only producers of the item or that they produce nothing else.

Many underdeveloped countries, on analyzing their troubles, arrive at what seems a logical conclusion. They say that the deterioration in the terms of trade is an objective fact and the underlying cause of most of their problems and is attributable to the fall in the prices of the raw materials which they export and the rise in the prices of manufactures which they import -- I refer here to world market prices. They also say, however, that if they

trade with the socialist countries at the prices prevailing in those markets, the latter countries benefit from the existing state of affairs because they are generally exporters of manufactures and importers of raw materials. In all honesty, we have to recognize that this is the case, but we must also recognize that the socialist countries did not cause the present situation -- they absorb barely 10 per cent of the underdeveloped countries' primary commodity exports to the rest of the world -- and that, for historical reasons, they have been compelled to trade under the conditions prevailing in the world market, which is the outcome of imperialist domination over the internal economy and external markets of the dependent countries. This is not the basis on which the socialist countries organize their long-term trade with the underdeveloped countries. There are many examples to bear this out, including, in particular, Cuba. When our social structure changed and our relations with the socialist camp attained a new level of mutual trust, we did not cease to be underdeveloped, but we established a new type of relationship with the countries in that camp. The most striking example of this new relationship are the sugar price agreements we have concluded with the Soviet Union, under which that fraternal country has undertaken to purchase increasing amounts of our main product at fair and stable prices, which have already been agreed up to the year 1970.

Furthermore, we must not forget that there are underdeveloped countries in a variety of circumstances and that they maintain a variety of policies toward the socialist camp. There are some, like

Cuba, which have chosen the path of socialism; there are some which are developing in a more or less capitalist manner and are beginning to produce manufactures for export; there are some which have neocolonial ties; there are some which have a virtually feudal structure; and there are others which, unfortunately, do not participate in conferences of this type because the developed countries have not granted the independence to which their people aspire. Such is the case of British Guiana, Puerto Rico, and other countries in Latin America, Africa, and Asia. Except in the first of these groups, foreign capital has made its way into these countries in one way or another, and the demands that are today being directed to the Socialist countries should be placed on the correct footing of negotiation. In some cases this means negotiation between underdeveloped and developed country; almost always, however, it means negotiation between one country subject to discrimination and another in the same situation. On many occasions these same countries demand unilateral preferential treatment from all the developed countries without exception: i.e., including in this category the socialist countries. They place all kinds of obstacles in the way of direct trading with these states. There is a danger that they may seek to trade through national subsidiaries of the imperialist powers—thus giving the latter the chance of spectacular profits - by claiming that a given country is underdeveloped and therefore entitled to unilateral preferences.

If we do not want to wreck this conference, we must abide strictly by principles. We who speak for underdeveloped countries must

stress the right on our side; in our case, as a socialist country, we can also speak of the discrimination that is practiced against us, not only by some developed capitalist countries but also by underdeveloped countries, which consciously or otherwise, are serving the interests of the monopoly capital that has taken over basic control of their economy.

We do not regard the existing terms of world trade as just, but this is not the only injustice that exists. There is direct exploitation of some countries by others; there is discrimination among countries by reason of differences in economic structure; and, as we already pointed out, there is the invasion of foreign capital to the point where it controls a country's economy for its own ends. To be logical, when we address requests to the developed socialist countries, we should also specify what we are going to do to end discrimination and at least specify the most obvious and dangerous forms of imperialist penetration.

We all know about the trade discrimination practiced by the leading imperialist countries against the socialist countries with the object of hampering their development. At times it has been tantamount to a real blockade, such as the almost absolute blockade maintained by United States imperialism against the German Democratic Republic, the People's Republic of China, the Democratic Republic of Korea, the Democratic Republic of Vietnam, and the Republic of Cuba. Everyone knows that that policy has failed, and that other powers which originally followed

the lead of the United States have gradually parted company from it in order to secure their own profits. The failure of this policy is by now only too obvious.

Trade discrimination has also been practiced against dependent and socialist countries, the ultimate object being to ensure that the monopolies do not lose their sphere of exploitation and at the same time to strengthen the blockade of the socialist camp. This policy, too, is failing, and the question arises whether there is any point in remaining bound to foreign interests which history has condemned, or whether the time has come to break through all the obstacles to trade and expand markets in the socialist area.

The various forms of discrimination which hamper trade, and which make it easier for the imperialists to manipulate a range of primary commodities and a number of countries producing those commodities, are still being maintained. In the atomic era it is simply absurd to classify such products as copper and other minerals as strategic materials and to obstruct trade in them; yet this policy has been maintained, and is being maintained to this day. There is also talk of so-called incompatibilities between state monopoly of foreign trade and the forms of trading adopted by the capitalist countries; and on that pretext discriminatory relations, quotas, etc., are established -- maneuvers in which GATT has played a dominant role under the official guise of combating unfair trade practices. Discrimination against state trading not only serves as a weapon against the socialist countries but is also

designed to prevent the underdeveloped countries from adopting any of the most urgent measures needed to strengthen their negotiating position on the international market and to counteract the operations of the monopolies.

The suspension of economic aid by international agencies to countries adopting the socialist system of government is a further variation on the same theme. For the International Monetary Fund to attack bilateral payments agreements with socialist countries and impose on its weaker members a policy of opposition to this type of relations between peoples has been a common practice in recent years.

As we have already pointed out, all these discriminatory measures imposed by imperialism have the dual object of blockading the socialist camp and strengthening the exploitation of the underdeveloped countries.

It is incontrovertible that present-day prices are unfair; it is equally true that prices are conditioned by monopolist limitation of markets and by the establishment of political relationships that make free competition a term of one-sided application; free competition for the monopolies; a free fox among free chickens! Quite apart from such agreements as may emanate from this conference, the opening up of the large and growing markets of the socialist camp would help to raise the prices of raw materials. The world is hungry but lacks the money to buy food; and paradoxically, in the underdeveloped world, in the world of the

hungry, possible ways of expanding food production are discouraged in order to keep prices up, in order to be able to eat. This is the inexorable law of the philosophy of plunder, which must cease to be the rule in relations between peoples.

Furthermore it would be feasible for some underdeveloped countries to export manufactured goods to the socialist countries, and even for long-term agreements to be concluded so as to enable some nations to make better use of their natural wealth and specialize in certain branches of industry that would enable them to participate in world trade as manufacturing countries. All this can be supplemented by the provision of long-term credits for the development of the industries, or branches of industry, we are considering; it must always be borne in mind, however, that certain measures in respect to relations between socialist countries and underdeveloped countries cannot be taken unilaterally.

It is a strange paradox that, while the United Nations is forecasting in its reports adverse trends in the foreign trade of the underdeveloped countries, and while Mr. Prebisch, the secretary-general of the conference, is stressing the dangers that will arise if this state of affairs persists, there is still talk of the feasibility -- and in some cases, such as that of the so-called strategic materials, the necessity -- of discriminating against certain states because they belong to the socialist countries' camp.

All these anomalies are possible because of the incontrovertible fact that, at the present stage of human history, the

underdeveloped countries are the battleground of economic systems that belong in different eras. In some of these countries, feudalism still exists; in others a nascent, still weak bourgeoisie has to stand the dual pressure of imperialist interests and of its own proletariat, who are fighting for a fairer distribution of income. In the face of this dilemma a certain section of the national bourgeoisie in some countries have maintained their independence or have found a certain form of common action with the proletariat, while the other part has made common cause with imperialism; they have become its appendages, its agents, and have imparted the same character to the governments representing them.

We must sound a warning that this type of dependence, skillfully used, may endanger the achievement of solid progress at the conference; but we must also point out that such advantages as these governments may gain today, as the price of disunity, will be repaid with interest tomorrow, when in addition to facing the hostility of their own peoples, they will have to stand up alone to the monopolist offensive whose only law is maximum gain.

We have made a brief analysis of the causes and results of the contradictions between the socialist camp and the imperialist camp and between the camp of the exploited and that of the exploiting countries; here are two clear and present dangers to the peace of the world. It must also be pointed out, however, that the growing boom in some capitalist countries, and their inevitable

expansion in search of new markets, have led to changes in the balance of forces among them and set up stresses that will need careful attention if world peace is to be preserved. It should not be forgotten that the last two world conflagrations were sparked off by clashes between developed powers that found force to be the only way out. On every hand we observe a series of phenomena which demonstrate the growing acuteness of this struggle.

This situation may involve real dangers to world peace in time to come, but now, today, it is exceedingly dangerous to the smooth progress of this very conference. There is a clear distribution of spheres of influence between the United States and other developed capitalist powers, embracing the underdeveloped continents, and in some cases, Europe as well. If these influences grow so strong as to turn the exploited countries into a field of battle waged for the benefit of the imperialist powers, the conference will have failed.

Cuba considers that, as is pointed out in the joint statement of the underdeveloped countries, the trade problems of our countries are well known and what is needed is that clear principles be adopted and practical action taken to usher in a new era for the world. We also consider that the statement of principles submitted by the U.S.S.R. and other socialist countries forms the right basis on which to start discussion, and we endorse it fully. Our country also supports the measures formulated at the meeting of experts at Brasilia, which would give coherence to the principles we

advocate, and which we shall go on to expound.

Cuba wishes to make one point clear at the outset: We must not come here to plead for aid, but to demand justice; but not a justice subject to the fallacious interpretations we have so often seen prevail at international meetings; a justice which, even though the peoples cannot define it in legal terms but the desire for which is deeply rooted in spirits oppressed by generations of exploitation.

Cuba affirms that this conference must produce a definition of international trade as an appropriate tool for the speedier economic development of the underdeveloped peoples and of those subjected to discrimination, and that this definition must make for the elimination of all forms of discrimination and all differences, even those emanating from allegedly equal treatment. Treatment must be equitable, and equity, in this context, is not equality; equity is the inequality needed to enable the exploited peoples to attain an acceptable standard of living. Our task here is to lay a foundation on which a new international division of labor can be instituted by making full use of a country's entire natural resources and by raising the degree of processing of those resources until the most complex forms of manufacture can be undertaken.

In addition the new division of labor must be approached by restoring to the underdeveloped countries the traditional export markets that have been snatched from them by artificial measures for the protection and encouragement of production in the

developed countries; and the underdeveloped countries must be given a fair share of future increases in consumption.

The conference will have to recommend specific methods of regulating the use of primary commodity surpluses so as to prevent their conversion into a form of subsidy for the exports of developed countries to the detriment of the traditional exports of the underdeveloped countries, or their use as an instrument for the injection of foreign capital into an under-developed country.

It is inconceivable that the underdeveloped countries, which are sustaining the vast losses inflicted by the deterioration in the terms of trade and which, through the steady drain of interest payments, have richly repaid the imperialist powers for the value of their investments, should have to bear the growing burden of indebtedness and repayment, while even more rightful demands go unheeded. The Cuban delegation proposes that, until such time as the prices for the underdeveloped countries' exports reach a level which will reimburse them for the losses sustained over the past decade, all payments of dividends, interest, and amortization should be suspended.

It must be made crystal clear that foreign capital investment dominating any country's economy, the deterioration in terms of trade, the control of one country's markets by another, discriminatory relations, and the use of force as an instrument of persuasion, are a danger to world trade and world peace.

This conference must also establish in plain terms the right of all peoples to unrestricted freedom of trade, and the obligation of all states signatories of the agreement emanating from the conference to refrain from restraining trade in any manner, direct or indirect.

The right of all countries freely to arrange the shipment of their goods by sea or air and to move them freely throughout the world without let or hindrance will be clearly laid down.

The application of economic measures, or the incitement to apply economic measures, used by a state to infringe the sovereign freedom of another state and to obtain from it advantages of any nature whatsoever, or to bring about the collapse of its economy, must be condemned.

In order to achieve the foregoing, the principle of self-determination embodied in the Charter of the United Nations must be fully implemented and the right of states to dispose of their own resources, to adopt the form of political and economic organization that suits them best, and to choose their own lines of development and specialization in economic activity, without incurring reprisals of any kind whatsoever, must be reaffirmed.

The conference must adopt measures for the establishment of financial, credit, and tariff bodies, whose rules are based on absolute equality and on justice and equity, to take the place of the existing bodies, which are out of date from the functional point of view and reprehensible from the stand-point of specific aims.

In order to guarantee to a people the full disposal of their resources, it is necessary to condemn the existence of foreign bases, the presence, temporary or otherwise, of foreign troops in a country without its consent, and the maintenance of colonialism by a few developed capitalist powers.

For all these purposes the conference must reach agreement and lay a firm foundation for the establishment of an International Trade Organization, to be governed by the principle of the equality and universality of its members, and to possess sufficient authority to take decisions binding on all signatory states, abolishing the practice of barring such forums to countries which have won their liberation since the establishment of the United Nations and whose social systems are not to the liking of some of the mighty ones of this world.

Only the establishment of an organization of the type mentioned, to take the place of existing bodies that are mere props for the status quo and for discrimination, and not compromise formulae, which merely enable us to talk ourselves to a standstill about what we already know, will guarantee compliance with new rules of international relations and the attainment of the desired economic security.

At all relevant points, exact time-limits must be laid down for the completion of the measures decided upon.

These, gentlemen, are the most important points which the Cuban

delegation wished to bring to your attention. It should be pointed out that many of the ideas which are now gaining currency upon being expressed by international bodies, in the precise analysis of the present situation of the developing countries submitted by Mr. Prebisch, the secretary-general of the conference, and many of the measures approved by other states -- trading with socialist countries, obtaining credits from them, the need of basic social reforms for economic development, etc. -- have been formulated and put into practice by Cuba during the revolutionary government's five years in office, and have exposed it to unjust censure and acts of economic and military aggression approved by some of the countries which now endorse those ideas.

Suffice it to recall the criticism and censure aimed at Cuba for having established trade relations and cooperation with countries outside our hemisphere, and its de facto exclusion, to this day, from the Latin American regional group which meets under the auspices of the Charter of Alta Gracia, namely the Organization of American States, from which Cuba is barred.

We have dealt with the basic points concerning foreign trade, the need for changes in the foreign policy of the developed countries in their relations with the underdeveloped countries, and the need to reconstruct all international credit, financial and similar bodies; but it must be emphasized that these measures are not sufficient to guarantee economic development, and that other measures -- which Cuba, an underdeveloped country, has put into practice --

are needed as well. As a minimum, exchange control must be established, prohibiting remittances of funds abroad or restricting them to an appreciable degree; there must be state control of foreign trade, and land reform; all natural resources must be returned to the nation; and technical education must be encouraged, together with other measures of internal reorganization which are essential to a faster rate of development.

Out of respect for the wishes of the governments represented here, Cuba has not included among the irreducible minimum measures the taking over by the state of all the means of production, but it considers that this measure would contribute to a more efficient and swifter solution to the serious problems under discussion.

And the imperialists? Will they sit with their arms crossed? No!

The system they practice is the cause of the evils from which we are suffering, but they will try to obscure the facts with spurious allegations, of which they are masters. They will try to compromise the conference and sow disunity in the camp of the exploited countries by offering them pittance.

They will try everything in an endeavor to keep in force the old international bodies which serve their ends so well, and will offer reforms lacking in depth. They will seek a way to lead the conference into a blind alley, so that it will be suspended or adjourned; they will try to rob it of importance by comparison with other meetings convened by themselves, or to see that it ends

without achieving any tangible results.

They will not accept a new international trade organization; they will threaten to boycott it, and will probably do so.

They will try to show that the existing international division of labor is beneficial to all, and will refer to industrialization as a dangerous and excessive ambition.

Lastly, they will allege that the blame for underdevelopment rests with the underdeveloped.

To this we can reply that to a certain extent they are right, and they will be all the more so if we show ourselves incapable of joining together, in wholehearted determination, in a united front of victims of discrimination and exploitation.

The questions we wish to ask this assembly are these: Shall we be able to carry out the task history demands of us? Will the developed capitalist countries have the political acumen to accede to minimum demands?

If the measures here indicated cannot be adopted by this conference, and all that emerges once again is a hybrid document crammed with vague statements and escape clauses; and unless, at the very least, the economic and political barriers to trade among all regions of the world, and to international cooperation, are removed, the underdeveloped countries will continue to face increasingly difficult economic situations and world tension could

mount dangerously. A world conflagration could be sparked off at any moment by the ambition of some imperialist country to destroy the socialist countries' camp, or in the not too distant future, by intractable contradictions between the capitalist countries. In addition, however, the feeling of revolt will grow stronger every day among the peoples subjected to various degrees of exploitation, and they will take up arms to gain by force the rights which reason alone has not won them.

This is happening today among the peoples of so-called Portuguese Guinea and Angola, who are fighting to free themselves from the colonial yoke, and with the people of South Vietnam who, weapons in hand, stand ready to shake off the yoke of imperialism and its puppets.

Let it be known that Cuba supports and applauds those people who, having exhausted all possibilities of a peaceful solution, have called a halt to exploitation, and that their magnificent defiance has won our militant solidarity. Having stated the essential points on which our analysis of the present situation is based, having put forward the recommendations we consider pertinent to this conference, and our views on what the future holds if no progress is made in trade relations between countries -- an appropriate means of reducing tension and contributing to development -- we wish to place on record our hope that the constructive discussion we spoke of will take place.

The aim of our efforts is to bring about a discussion from which

everyone will gain and to rally the underdeveloped countries of the world to unity, so as to present a cohesive front. We place our hopes also in the success of this conference, and join our hopes, in friendship, to those of the world's poor, and to the countries in the socialist camp, putting all our meager powers to work for its success.