

February 9, 1983

**From the Introductory Remarks by the Chairman of
the North-South Commission, Brandt, at the
Presentation of the Report 'Aid in the World Crisis'
Before the Federal Press Association in Bonn**

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Summary:

This speech is Brandt's commentary on the report "Aid in the World Crisis". Brandt states the importance of communication between nations which are playing important roles at upcoming international conference; and the agenda should include ways to provide Financial stability through increasing IMF's capital.

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From the introductory remarks by the Chairman of the North-South Commission, Brandt, at the presentation of the report “Aid in the World Crisis” before the Federal Press Association in Bonn 9 February 1983¹

AdsD, North-South Commission, B 81.

Published in: Berliner Ausgabe, vol. 8

English translation: Dwight E. Langston

1. Members of the Independent Commission for International Development Issues have adopted a joint document which we are presenting to the public today. The original English version with the title “Common Crisis” will be published by Pan Books, which also brought out our report “North-South: A Programme for Survival” in February 1980 and which to date is available in 21 languages.

This time, in conjunction with the original English version, we can also present the German edition, which appears with the title “Hilfe in der Weltkrise” [...].

2. The official presentation to the Secretary General of the United Nations will occur on 15 February in Geneva where I will meet with him – at present he is travelling through various African countries and will be stopping in Geneva on his return trip.

3. Our new report is a reaction to the increasing deterioration of the international economic situation and to the worsening international crisis.² We suggest a series of immediate measures, a kind of minimal programme, which ought to be undertaken conjointly by governments and international institutions without delay.

4. For this reason, we have communicated our proposals to those governments which are playing important roles at upcoming international conferences.³ To that purpose, we have requested that the proposals be put on the respective agendas so that not only continued impoverishment in Third World countries, but also the collapse of the international economy can be averted.

5. Our proposals should help create conditions which will be favourable to the recovery of the international economy. We would like to prevent a further curtailing of international trade through additional protectionist measures and to usher in a new expansion of trade; we would like to help developing nations achieve a higher degree of self-sufficiency with food and energy; and we would like to improve the procedures in North-South negotiations so that they finally lead to useful outcomes. We insist that long-term reforms for international economic relations be decisive and that economic recovery and appropriate growth cannot be assured in the long term without such reforms.

The immediate measures suggested constitute a minimal programme whose realisation, in our opinion, must be undertaken immediately and conjointly by all nations.

6. Our earlier report dealt with practically all aspects of North-South relations. By contrast, our new memorandum is concerned with the immediate crisis, especially the developing nations' balance of payments problems and their effects on the industrial nations.

7. Financing development is the focal point of most of the proposed measures. We ask governments, politicians and statesmen to undertake the following steps without delay:

- to immediately increase the available capital in the International Monetary Fund;
- the renewal of the pledge by industrial nations, which they made at the ministerial meeting of the GATT, to resist further demands for protectionist measures;⁴
- We propose measures for improving and broadening the financing of agricultural projects, and especially the support of national strategies for the provision of food. We also recommend steps for improving the system of international food security, to battle ecological overexploitation, to support extensive development of agricultural research, most of all in Africa, and to increase food aid while, at the same time, carefully monitoring to avoid adverse effects on the production of food in the recipient country;

- We propose establishing an Energy Agency to increase self-provision by the developing nations;
and finally
- We propose improvements in procedures for North-South negotiations, which in their present form have become a hindrance along the way to solving the most important problems of the global economy.

[...] ⁵

9. Most of what we said three years ago is today even more germane to the matter. The international community has made little progress in solving the most difficult issues; in many areas the situation has deteriorated in a way that we ourselves had not anticipated – and back then we were criticized by many as fear mongers.

Practically none of the proposed reforms have been undertaken since then, and the lion's share of the immediate steps proposed has not yet been undertaken. As we feared, the global economy has fallen into a recession which is becoming more and more similar to the economic crisis of the Thirties. If this process of contraction continues to intensify, that will deepen the economic crisis and shatter prospects for a step-by-step reform of the international monetary system.

Therefore, in our new report we have addressed particularly the immediate financial predicaments of many countries and the immediate measures which can be taken to avert them.

10. Since we are already having to deal with a crisis of negative growth – with the simultaneous decrease in activity, trade and production as well as in credits and development aid –, the temptation to further “slimming down” must not gain the upper hand. If every country seals itself off from the outside, then conditions in every individual country and in all countries combined will continue to deteriorate.

We need a transition from a policy of battling inflation to a policy of avoiding a depression.

11. The urgency for measures in the present situation is often based on the argument that it is already, in a sense, five minutes to twelve. I'm afraid this image is false. We are not moving at a steady pace towards the crisis, but rather with increasingly rapid steps. Much like the image in a French children's riddle: If the number of leaves in a water lily pond doubles each day and the pond is full on the 30th day, then when – the riddle's question asks – is the pond half full? The answer: on the 29th day.

¹ Template copy is the text, distributed as a press release, of Brandt's opening remarks to the Federal Press Association in Bonn before which he, together with Edward Heath and Shridath Ramphal, presented the English and German editions of the second report of the North-South Commission on 9 February 1983.

² Cf. Introduction.

³ In a joint letter Brandt, Heath and Ramphal had addressed, among others, to the American President Reagan, the British Prime Minister Thatcher and the German Chancellor. See AdsD, North-South Commission, B 81.

⁴ The annual meeting of the General Agreement on Tariffs and Trade (GATT) had taken place from 21 – 23 November 1982 in Geneva.

⁵ A technical reference was left out.