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Brandt Commission - Chronofiles (Parliamentary Debate) March 1980



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Brandt Commission - Chronological Records (Parliamentary Debate) - March 1980

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Volume 981
No. 148



Friday
28 March 1980

HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES
(HANSARD)

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1799 International Development 28 MARCH 1980

(Brandt Report)

1800

HOUSE OF COMMONS

Friday 28 March 1980

*The House met at half-past
Nine o'clock*

PRAYERS

[Mr. Speaker in the Chair]

PETITION

London Dockland

9.35 am

Mr. Nigel Spearing (Newham, South):
I beg to ask leave to present a petition,
which reads:

To The Honourable The Commons of The
United Kingdom of Great Britain and North-
ern Ireland in Parliament Assembled.

The Humble Petition of the Mayor and
Burgesses of the London Borough of Newham
Sheweth:—

Your petitioners are the local planning
authority for the purposes of the Town and
Country Planning Act 1971 of the area of
the London Dockland within the boundaries
of its Borough and which comprises approx-
imately one third of the total area of the
Borough and are the freehold owners of a
substantial part thereof.

Your petitioners' Council did on the Fourth
day of March 1980 pass the following reso-
lution:—

This Council

Takes Note of the expenditure already
undertaken by the five Dockland Boroughs
on the infrastructure and site preparation in
Docklands.

Welcomes the development currently in
progress in the area

Deplores the undemocratic proposals of Her
Majesty's Government to establish an Urban
Development Corporation

Considers that this proposal will impose
delay and confusion and will inhibit public
and private development

Invites Her Majesty's Government to partici-
pate in the progress of Dockland development
by joining with the Docklands Joint Commit-
tee in genuine partnership...

And Your Petitioners, as In Duty Bound,
Will Ever Pray, etc.

The Common Seal of The Mayor and
Burgesses of the London Borough of Newham
was hereunto fixed in the presence of:—
Majorie Helps, Mayor and J. Warren, Chief
Executive.

To lie upon the table.

BILL PRESENTED

SOCIAL SECURITY (No. 2)

Mr. Secretary Jenkin, supported by
Mr. Secretary Prior, Mr. Secretary
Younger, Mr. Secretary Edwards, Mr.
Secretary Atkins, Mr. Nigel Lawson,
Mr. Reg Prentice and Mrs. Lynda
Chalker presented a Bill to amend the
law relating to social security for the
purpose of reducing or abolishing cer-
tain benefits and of relaxing or abolish-
ing certain duties to increase sums: And
the same was read the First time; and
and ordered to be read a Second time
on Monday next, and to be printed. [Bill
180.]

INTERNATIONAL DEVELOPMENT (BRANDT REPORT)

Mr. Speaker: I have not selected the
amendment on the Order Paper, but it
will be in order to discuss its contents with
the main motion.

9.37 am

Mr. Robert Rhodes James (Cam-
bridge): I beg to move:

That this House takes note of the Report of
the Independent Commission on International
Development Issues chaired by Herr Brandt.

When I had the fortune to win the
ballot for motions today I decided that it
would be of value if I were to initiate a
debate on the report of the Brandt Com-
mission and the immensely complex in-
ternational issues with which it deals. I
believe that a debate on these matters at
an early stage is highly desirable, while
recognising that it would be unreasonable
to expect the Government to have reached
any firm conclusions at this stage. In these
circumstances there is particular value in
having a take-note debate at this stage,
while the Government are considering the
report and its implications. The House of
Commons may then have the opportunity
to play some part in the discussion process
that will take place before the Special
Session of the United Nations at the end
of August.

I have lamented before in the House
and in my constituency my concern at the
almost suffocating parochialism and nar-
row-mindedness of contemporary British
politics. Furthermore, I believe that these

[Mr. Rhodes James.]

dismal attitudes are not only contrary to our national character and interests but are out of tune with public opinion in our nation, and particularly among young people. The remarkable manner in which large sums of money are raised every year from the British people for voluntary organisations working in developing countries and the outstanding popularity and success of Voluntary Service Overseas testifies to that. As a council member of the Save the Children Fund and Voluntary Service Overseas, I feel that I am in a good position to emphasise that point.

On 21 December 1976 I made my maiden speech on the subject of the developing nations. It was a somewhat lengthy speech and it prompted my right hon. Friend the Member for Sidcup (Mr. Heath), whose presence I particularly welcome today as a member of the Brandt Commission, to congratulate me afterwards on "both your maiden speeches". Ever since I have tried to be rather briefer. In the course of that debate, which was on our national economic situation, I followed a remarkable speech by my right hon. Friend the Member for Daventry (Mr. Prentice) who was then the right hon. Member for Newham North-East, who said:

"However else we tackle our severe economic problems, do not let us retreat into a parochial attitude of self-pity. As a leading European nation, a middle-sized world power and a considerable trading nation, we have a positive role to play, both in the defence of our basic freedoms and in the fight against abject poverty in the developing countries. I hope that we shall not be so obsessed with our own backyard that we have."—[*Official Report*, 21 December 1976, *lities*.]

In the course of my contribution to that debate I said:

"I see no way in which we can achieve reasonable political stability on this planet so long as there are these glaring economic inequities between the few and the many—and in the establishment of that political stability no nation has a greater interest and concern than we have."—[*Official Report*, 21 December 1976, Vol. 923, c. 519-40.]

I believe that both those statements have equal relevance today.

I hope that this debate will not be shadowed, as have so many in the past, with obsessions about a grievously simplistic view of the world, neatly divided into "North" and "South", or "First" and "Third" Worlds. That has little to

do with the subject of overseas aid. In the words of the Brandt report:

"The issue today is not only, or even mainly, one of aid; rather of basic changes in the world economy to help developing countries pay their own way."

The very language of development itself has contributed to a lack of public understanding of this subject. It either tends to be dangerously simplistic, emotional and polemic, or excessively arid, academic and incomprehensible. One of the many virtues of the Brandt report is that although sections, particularly the introduction, are permeated with genuine idealism—some might even say romanticism—the commissioners have generally avoided these pitfalls. The Brandt report vividly demonstrates that the old language of development is hopelessly out of date.

The so-called rich Western industrialised economies are under great collective strain, grappling with a combination of high interest rates, high inflation, industrial stagnation, lowered expectations and mounting unemployment, which is wholly unparalleled in their experience. The economies of the Soviet Union and the East European Socialist States are under equal, and perhaps even greater, strain. In contrast, the fortunes of several nations previously regarded as Third world have been spectacularly transformed to their advantage, while others are now notably poorer and even more desperate than they were five years ago.

Generalisations are always dangerous in discussing international political and economic situations. In this context they are particularly so. The Brandt Commission undertook its task in a sombre international context, which deteriorated even further in the two years in which it was engaged upon it. One does not have to agree with all its conclusions to accept that its analysis is wholly and bleakly realistic. If it errs on the side of pessimism, it must be bluntly admitted that there is a lot to be pessimistic about.

A world in which 12 million children under the age of 5 in the developing nations died of malnutrition and hunger in one year alone, and in which between 20 million and 25 million children under 5 die from these causes and easily preventable diseases every year, is not one that inspires optimism and congratulation, any more than the grim fact of 18

million unemployed countries can cause apprehension to

This is a world. Bank estimates destitute people countries is 80 million in Latin in which blindness and 40 million countries, as people die every the direct result world of vast decay, health, opportunity and hope. The world. It is Brandt Commission sombre picture, sombre. But, his introduction.

"sets out to dangers threatening children can be avoided."

I have reservations conclusions drawn and some of its example, it is equal transfer of countries, but the difficulties involved for one, question proposal. The growth of wealth within a major cause of dealing with nations, managing own affairs. In the international very limited. The again for the United Nations Secretary-General.

"high-level and and that is a response to a real

On this subject comed specified absurd to have the development Program Agricultural Organization Food Council, the Agricultural Development Bank, the International and the regional all involved in a grotesque and de just within the United self. In addition emphasis on agriculture

the subject of overseas aid. In the Brandt report:

"Today is not only, or even mainly, a matter of basic changes in the economy to help developing countries in their own way."

The language of development itself is tainted to a lack of public understanding of this subject. It either tends to be grossly simplistic, emotional and/or excessively arid, academic and incomprehensible. One of the many faults of the Brandt report is that its sections, particularly the introduction, are permeated with genuine errors. Some might even say romantic errors. The commissioners have generally made these errors. The Brandt report demonstrates that the old language of development is hopelessly out of date.

So-called rich Western industrialised countries are under great collective pressure, coping with a combination of high unemployment, high inflation, industrialisation, lowered expectations and unemployment, which is wholly new in their experience. The problems of the Soviet Union and the European Socialist States are under perhaps even greater strain. In the fortunes of several nations, the Third world have been spectacularly transformed to their advantage, while others are now notably more desperate than they were a few years ago.

Disinflation are always dangerous in the international political and economic situations. In this context they are only so. The Brandt Commission took its task in a sombre international context, which deteriorated even in the two years in which it was working upon it. One does not have to read all its conclusions to accept that its analysis is wholly and bleakly pessimistic. If it errs on the side of pessimism, it must be bluntly admitted that there is no reason to be pessimistic about.

World in which 12 million children under the age of 5 in the developing world died of malnutrition and hunger alone, and in which between 100 million and 25 million children under 10 from these causes and easily preventable diseases every year, is not one that inspires optimism and congratulation more than the grim fact of 18

million unemployed in the OECD countries can cause anything but dismay and apprehension to the so-called rich nations.

This is a world in which the World Bank estimates that the number of totally destitute people in the developing countries is 800 million, including 100 million in Latin America. It is a world in which blindness afflicts between 30 million and 40 million people in the developing countries, and in which about 10,000 people die every day from malnutrition or the direct results of malnutrition. It is a world of vast disparities of wealth, literacy, health, opportunity, life expectancy and hope. This is the reality of our world. It is not surprising that the Brandt Commission presented a bleak and sombre picture, because it is bleak and sombre. But, as Herr Brandt writes in his introduction, the report

"sets out to demonstrate that the mortal dangers threatening our children and grandchildren can be averted."

I have reservations about some of the conclusions drawn by the Commission, and some of its recommendations. For example, it is easy to call for a substantial transfer of resources to developing countries, but the political and practical difficulties involved are so vast that I, for one, question the realism of this proposal. The gross and glaring inequities of wealth within developing countries is a major cause of instability. But we are dealing with sovereign independent nations, managing or mismanaging their own affairs. In this context, the role of the international system is necessarily very limited. The Commission calls once again for the "streamlining" of the United Nations system by a

"high-level and continuing monitoring body" and that is a somewhat disappointing response to a real and major problem.

On this subject, I would have welcomed specified proposals, because it is absurd to have the United Nations Development Programme, the Food and Agriculture Organisation, the World Food Council, the International Fund for Agricultural Development, the World Bank, the International Monetary Fund and the regional economic commissions all involved in agricultural matters. This grotesque and deplorable overlapping is just within the United Nations system itself. In addition, there is a major emphasis on agriculture by the European

Development Fund, the regional banks and bilateral aid programmes. As the commissioners emphasise, agriculture is absolutely crucial, but this vast proliferation of competing organisations is wholly undesirable and unnecessary.

Although reservations can be made about certain recommendations in the report, there are two positive features that I wish to emphasise. First, it was absolutely right to emphasise the mutual interest for all nations in establishing some degree of acceptable order out of the present chaos. Here, I would recommend chapter 12, on the role of multinational corporations and sharing technology, and chapter 13 on the international monetary system. These go to the heart of the principal of mutual self-interest, and both the analysis and the recommendations should be taken very seriously. But perhaps the key chapter is chapter 9, which relates to the crucial and intractable problems of commodities.

Honourable Members may remember the passage at the end of Sir Winston Churchill's "My Early Life" when he and his rebellious Tory friends entertained Joseph Chamberlain for dinner immediately after they had denounced and voted against the Government. Chamberlain was highly displeased, but as the evening progressed and the champagne flowed, he became more mellow. This was Churchill's account of the end of the evening:

"As he rose to leave he paused at the door, and turning, said with much deliberation, 'You young gentlemen have entertained me royally, and in return I will give you a priceless secret. Tariffs! There are the politics of the future, and of the near future. Study them closely and make yourselves masters of them and you will not regret your hospitality to me.'"

Equally it could now be said with truth that commodities are the international politics of the future, and the near future. As the commissioners say:

"Commodities are the South's lifeblood, especially for the poorer countries, and to know what damage is done by the vagaries of the market is to understand why the South feels so passionately about them."

Here is a classic example of mutual interest and mutual distrust, because the commodity-producing nations—I exclude oil, because that is unique—talk of the need for stable prices. What they are really talking about are high stable prices. The commodity-importing industrial nations cannot be expected to welcome

[Mr. Rhodes James.]
this addition to their massive existing difficulties. It is this basic problem that has caused the impasse in resolving the matter.

I confess that I do not have the answer to a problem that has baffled resolution for the past five years in a variety of forums. Nor am I personally convinced that the support by the commission for a common fund is the answer. What I do know is that there must be some reasonably acceptable agreement negotiated internationally rather than by bilateral deals. It is not, in reality, a technical, legal or even an economic problem. It is a problem of political will and careful political calculation. The mutuality of long-term interest is obvious.

What is intensely difficult to achieve is the realisation of short-term goals by commodity producers and users alike. Until now, the short-term calculation of advantage has always predominated, with the melancholy consequences that we face today. When I say "we", I do not mean only this nation but we, as members of this planet. We are all the losers from the present imbalance.

If it is said that such international political will is impossible to master and is a chimera, I draw the attention of the House to the eradication of smallpox by the United Nations within seven years. That was a technical achievement of great efficiency. It stemmed from an agreed political will by all nations to eradicate a terrible disease. They did. What was done with smallpox can equally be done with malaria and polio.

It is no more than the truth to say that if the international community could drastically improve the present commodity situation the results could be dramatic in resolving many global economic problems, not only of the poorer commodity producers themselves but of the industrialised nations. Both need a guarantee of supply, some parity between the cost of raw materials, on the one hand, and the equipment and technology sold by the industrial nations, on the other, and stability in the price of both. It is an awesome challenge, whose complexity and difficulty cannot be over-emphasised. I believe, however, that the commodities issue is the key issue.

Although it is fair to say that the commission asked all the right questions but perhaps failed to produce entirely convincing replies to all of them, I do not regard this as a particularly severe criticism. After all, the answers must come collectively from Governments. There is great value in making them face international and national realities. For example, in chapter 11 the commission rightly takes a hostile view of protectionism. In my view, it does not present a wholly convincing argument that substantial industrialisation in the developing countries need not pose a threat to the industrial nations. It could well do so, as Japan and, to a lesser extent, South Korea have vividly demonstrated. I would also comment that the chapter on energy presupposes that the principal oil-producing countries have a sensible understanding of their long-term interests. I personally doubt that.

If the world were governed by people of such experience and reason as the commissioners, the need for their report would never have existed. Their call to reason, based upon facts and perceptions, is particularly welcome. In the words of E. V. Lucas—this is one of my favourite quotations—

"The light is not lost, simply because it shines upon a fog."

I believe and hope that international reaction to the report will be considerably more favourable than that.

I could not cover all aspects of this report without making a speech of intolerable length. I am sure that my right hon. Friend the Member for Sidcup and other hon. Members will emphasise certain aspects of the report that I have not covered and to which I have deliberately not referred. I should like to conclude by pointing out that in chapter 3 the commission draws attention to the fact that there is a moral as well as a hard-headed and practical aspect to the problems of the developing nations. We are not talking simply about cold statistics; we are talking about our fellow citizens of this planet, hundreds of millions of whom exist under circumstances that to us are literally unimaginable. Not only our heads but our hearts should make us resolve to endeavour to meet these problems and certainly not to ignore them.

It is time for I do not always but I agree to the introduction

"It is precisely basic world issues initiatives taken."

The report is to the Government the British Government so justly remarkable achievement Rhodesia, will report the respect consideration that it deserves. missionaries

"We have to lift diate constrictions, and a vision and substantial can be

I passionately I believe that rendered a notable and to the world when my right report they will business and consider

9.55 am

Mr. Eric Dea I congratulate the bride (Mr. Rhodes) and on choosing subject on which ded about the so has performed a for us, as Members for the people of we are concerned ing together in little paperback receive wide circulations of the problem with serious implications. I do not wish of the report if it contains is not read World Bank 1970s, as well as will be aware of the erty in the development, it is invaluable information in one

If I make two report, that is not my respect for the who contributed to Member for Cambridge the motion, sa

it is fair to say that the asked all the right questions ps failed to produce entirely replies to all of them, I do this as a particularly severe After all, the answers must ectively from Governments. eat value in making them face al and national realities. For in chapter 11 the commission es a hostile view of protection- ny view, it does not present a onvincing argument that sub- dustrialisation in the develop- ies need not pose a threat to rial ons. It could well do in and, to a lesser extent, South ve vividly demonstrated. I o comment that the chapter on resupposes that the principal ing countries have a sensible ding of their long-term interests. ly doubt that.

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It is time for boldness, a time for vision. I do not always agree with Herr Brandt, but I agree totally with his statement in the introduction to the report, that:

"It is precisely in this time of crisis that basic world issues must be faced and bold initiatives taken."

The report is to the World Bank, not to the Government. I hope, however, that the British Government, with their reputation so justly high, as a result of their remarkable achievements in Zimbabwe-Rhodesia, will give to the commission's report the respect, the thoughtfulness, the consideration and the common sense that it deserves. In the words of the commissioners

"We have to lift ourselves above the immediate constrictions, and offer the world a plan and a vision and hope, without which nothing substantial can be achieved."

I passionately believe that to be true. I believe that the commissioners have rendered a notable public service to us and to the world. I hope very much that when my right hon. Friends consider the report they will treat it with the seriousness and consideration that it merits.

9.55 am

Mr. Eric Deakins (Waltham Forest): I congratulate the hon. Member for Cambridge (Mr. Rhodes James) on his speech and on choosing this subject. It is a subject on which politicians may be divided about the solutions, but the report has performed a valuable public service for us, as Members of Parliament, and for the people of this country with whom we are concerned—our electors—in drawing together in one volume—a nice little paperback which I hope will receive wide circulation—the major dimensions of the problem facing the world, with serious implications for this country. I do not wish to diminish the value of the report if I say that much of what it contains is not new. Anyone who has read World Bank reports throughout the 1970s, as well as various OECD reports, will be aware of the dimensions of poverty in the developing countries. Nevertheless, it is invaluable to have this information in one volume.

If I make two major criticisms of the report, that is not intended to diminish my respect for the achievement of those who contributed to the report. The hon. Member for Cambridge, when introducing the motion, said that one or two

things were, not perhaps impracticable, but romantic. My criticisms perhaps go, perhaps a little deeper and have implications for our domestic political scene.

My first criticism—it is important—is that the report contains no chapter on the moral dimensions of the problem. The chapter to which the hon. Member for Cambridge referred, chapter 3, on mutual interests, which I have read closely, has a few statements in the opening pages on the need for greater international equity and social justice, which are moral principles, and at the end it has a paragraph headed "The Moral Imperatives". If one reads that paragraph, one sees that there is only half a sentence about what are the moral imperatives. The rest of the paragraph, and the whole of the chapter, a vital one, are concerned with mutual interests.

It is in our own interests to help the poor and to reform the world trading and economic systems. No one disputes that. I believe, however, that if we are to appeal to the whole of the electorate in this country—a task that faces all of us as politicians, whatever our political beliefs—we have to put this issue on a more elevated plane than merely that of mutual interest. We have to appeal to mutual interest—we are practical politicians—but there is, I believe, a mood among many people in this country that needs expression in politics. It is not currently being expressed. I hope that this debate will lead to further expressions and further debates where the moral dimension of the problem will be clearly brought out.

The moral dimension is not new. I wish to quote briefly from one of the world's most practical men, a man with perhaps the most impressive record of experience of almost anyone of whom I am aware, namely, **Robert McNamara**, president of the World Bank, whose background is well known. He said in a World Bank report seven years ago:

"In my view, the fundamental case for development assistance is the moral one. The whole of human history has recognised the principle—at least in the abstract—that the rich and the powerful have a moral obligation to assist the poor and the weak. That is what the sense of community is all about—any community; the community of the family, the community of the village, the community of the nation, the community of nations itself."

Mr. McNamara went on to castigate the United States for being very bad with

[Mr. Deakins.] regard to aid to the developing countries. Therefore, I believe—and this is a criticism of the report—that we as politicians must not merely appeal to self-interest among our electorate, which will be a powerful motivating force in achieving changes, but must put the appeal on the higher plane of morality. I believe that that will appeal to many people in this country who may have become rather dissatisfied with party politics in the last few decades.

My second criticism, which is also a major and fundamental one, relates to economic growth. The report is clear—this is mentioned by Herr Brandt both in his introduction and in the various chapters—that it is crucial to return to the path of reasonable economic growth in the North not only to aid the South much more but to cope with the consequences of increased industrial imports from the South. This is a plausible argument. It is not a new one. It was used by Mr. Tony Crosland in a Fabian pamphlet some years ago, and it is an argument that is almost universally accepted. I say almost universally, because I know that a few people happen to disagree with it.

I should like to state briefly why one disagrees with it. It is not a question of moral principle, but purely one of arithmetic. It is what I call the arithmetic of growth. It is a well-known arithmetical fact that to apply the same percentage to a large amount and a small amount continuously over a period of time will lead to the gap between the original and small amounts getting wider. It is a fact—and one need only look at World Bank reports and United Nations' statistical yearbooks to see that there is no improvement year by year—that, on the whole, the rich countries, have a standard of living, expressed in GNP dollars per capita, that is many times that of the average standard of living in the poor countries of the world. There are various differences. For example, South Korea is probably very well off in comparison with Chad, Upper Volta, Niger and such places, but, basically, the poor countries enjoy a standard of living between one-tenth, one-twentieth or even one-thirtieth of that which we enjoy.

Whether that is practical is a subject for a different debate, and I make no comment in that regard. I am now talking

about the desirability of economic growth. If we feel that we ought to return to 3 or 4 per cent. economic growth a year, which is by no means beyond the range of possibility if we manage to get our economy right either under the present Government or a future Government, that 3 to 4 per cent. as applied to our present GNP per Capita—I am using Britain as an example of a rich country—will lead to substantial increases in our standard of living each year. I do not object to that. But if one applies the same percentage per capita to the GNP of a poor country of, say, \$200 to \$300 a year, the gap will get bigger.

Let me quote one example to show the dimension of that problem. I am concerned only with arithmetic, and if hon. Members cannot accept the arithmetic we shall not get beyond first base. If a rich State with, say, a GNP per capita of only \$2,000 a year, which is very small—we are well above that—grows at 3 per cent. a year and a poor State with a GNP per capita of, say \$200 a year—and there are many with less than that—grows at a higher growth rate of, say, 4 per cent. a year, the gap in living standards will increase for the next 209 years, and subsequently, under the laws of arithmetic, it will take another 30 years for the poor State to catch up.

That is a small, conservative estimate, because many poor States are not growing at anywhere near 4 per cent. per capita a year. Indeed, many have a declining growth rate per capita. Of course, the normal pattern in rich States is to have a growth rate of 3 or 4 per cent. regularly, although we may have dropped below that at present.

I do not know the answer to that problem, but what I know is that if we merely put our faith in faster economic growth in the rich countries as a means of closing the gap, it is arithmetically impossible. Unless the poor States grow at something like 10 per cent. per capita—and that does not take account of their increasing population problems or the distribution—we shall not get out of the mess in which we are at present.

I turn briefly to where I agree with the report, and I am sure that all hon. Members will agree with the fundamental points that it makes. The report is excellent on the problems that divide the North and the South. It is particularly

encouraging to devoted to the countries themselves commissioners on barking on a sp might provoke a we are interfering of the poor count ever, that is a nett because a lot is v organisation in n tries of the world of government. Th indeed.

Here I draw pe am sure the com to the work of that ist, Gunnar Myr "Asian Drama", in a small Penguin of World Poverty years ago, said tha countries—this is c "centre on breaking economic and social culture, land reform issue. Birth control masses of the people tion of education and tion campaign are ne stamped out and enforced."

In echoing those forcing them, I be has done a great public debate a ma to all of us, not me the poor countries also that the report ing attention to the countries, such as s that they are not sacrifices, which are among much of pub a much better infor and the report will that respect.

The report also di problems of world i great difficulty; to on world energy and and echoes the fac echoed in World Ban years, that the rich c —if that is not too a disproportionate s resources, be they c or food. The rep drawing attention—gratulate the right

ability of economic growth. That we ought to return to economic growth a year, means beyond the range if we manage to get out either under the present or a future Government, per cent. as applied to our per Capita—I am using an example of a rich country with substantial increases in our living each year. I do not at. But if one applies the age per capita to the GNP country of, say, \$200 to \$300 up with it bigger.

note one example to show on of that problem. I am only with arithmetic, and if we cannot accept the arithmetic, all not get beyond first base. State with, say, a GNP per year of \$2,000 a year, which is we are well above that—per cent. a year and a poor GNP per capita of, say \$200 there are many with less grows at a higher growth rate per cent. a year, the gap in the next and subsequently, under the arithmetic, it will take another 30 years for the poor State to catch up.

A small, conservative estimate, any 1 States are not growing. Year 4 per cent. per year. Indeed, many have a death rate per capita. Of course, the pattern in rich States is to grow at a rate of 3 or 4 per cent. Although we may have dropped at present.

I know the answer to that problem. I know is that if we merely wish in faster economic growth in countries as a means of closing the gap is arithmetically impossible. Poor States grow at something like 4 per cent. per capita—and that takes account of their increasing problems or the distribution of income. They are not getting out of the mess in which they are at present.

chiefly to where I agree with the report. I am sure that all hon. Members agree with the fundamental principle it makes. The report is exposing the problems that divide the world. The South. It is particularly

encouraging to see a whole chapter devoted to the problems in the poor countries themselves. I congratulate the commissioners on their courage in embarking on a sphere of criticism that might provoke a counter criticism that we are interfering in the internal affairs of the poor countries of the world. However, that is a nettle that must be grasped, because a lot is wrong with the internal organisation in most of the poor countries of the world, whatever their forms of government. They face many problems indeed.

Here I draw particular attention, as I am sure the commissioners were aware, to the work of that great Swedish economist, Gunnar Myrdal, who in his book "Asian Drama", which was boiled down in a small Penguin called "The Challenge of World Poverty", published a few years ago, said that the problems in poor countries—this is echoed in the report—"centre on breaking up inegalitarian and rigid economic and social stratifications. In agriculture, land reform stands out as the crucial issue. Birth control must be spread among the masses of the people. A fundamental redirection of education and a vigorous adult education campaign are needed. Corruption must be stamped out and stricter social discipline enforced."

In echoing those comments, and in reinforcing them, I believe that the report has done a great service in raising for public debate a matter that is of interest to all of us, not merely to the people in the poor countries themselves. I believe also that the report is excellent in drawing attention to the problems in the rich countries, such as selfishness and the fact that they are not willing to make real sacrifices, which are based on ignorance among much of public opinion. We need a much better informed public opinion, and the report will play a great part in that respect.

The report also draws attention to the problems of world recession, which is a great difficulty; to increasing pressure on world energy and mineral resources; and echoes the fact, which has been echoed in World Bank reports over recent years, that the rich countries are hogging—if that is not too an inelegant a word—a disproportionate share of the world's resources, be they energy, raw materials or food. The report is invaluable in drawing attention—I particularly congratulate the right hon. Member for

Sidcup (Mr. Heath) on this—to the waste that is involved in arms spending throughout the world, be it in rich countries or poor countries. We all suffer from the same disease in that regard.

My final comment is directed to my colleagues in the Labour Party. It is up to each of us to develop this theme in ways that are best suited to the needs of his own political party. Therefore, I speak only to my own colleagues. This is important because the Labour Party is moving towards policies which I rather fear will hinder the task of closing the gap between the rich and poor countries of the world. I refer particularly to suggestions that we should have import controls on exports from rich countries. There are arguments for and against, but I do not want to develop them now. However, there is absolutely no argument whatever for imposing import controls on the poor countries of the world. The only acceptable basis for having import controls by a rich country on poor countries is, as in the multi-fibre arrangement, a mutually agreed international arrangement which is accepted by the poor countries themselves.

I believe that we in the Labour Party must do a lot more serious thinking, even though many declining industries in Britain are affected, such as textiles, footwear and electronic components. As politicians, we in the Labour Party must face that challenge. I hope to play my part, along with my hon. Friends who agree with me, to ensure that if at the next general election, we have a policy of import controls, it will not be one that will harm the interests of the poor countries of the world.

10.10 am

Mr. Raymond Whitney (Wycombe): I am happy to join all hon. Members in congratulating most sincerely my hon. Friend the Member for Cambridge (Mr. Rhodes James) on his good fortune in the ballot and on his wisdom and perspicience in offering to the House the opportunity to debate a most important report. It is a debate of great significance, because there is no doubt that the Brandt Commission report is an important document. It is remarkable that so many people of such eminence and distinction, not least my right hon. Friend the Member for Sidcup (Mr. Heath)—I echo my hon. Friend the Member for

[Mr. Whitney.]

Cambridge in welcoming my right hon. Friend's presence—and others from a wide diversity of countries and experience, brought their acute perception to an enormous problem about which there can be no dispute.

It has not been a perfunctory venture. It has taken about two years. It is a unique contribution to a vital world debate. My reaction to it is not one of unalloyed joy and an absence of criticism. It strikes me that the report has something in common with the Bible, the works of Shakespeare or even the selected sayings of Chairman Mao. It is possible to take a selection of quotations from the Brandt Commission report to justify any viewpoint that one has or any policy that one wishes to advocate. That makes it rather difficult to disagree with about 90 per cent. of the report.

I believe that the fundamental analysis of the problem is essentially sound. However, the report ignores, or in some instances fails to consider, some rather important issues. There is a tendency to approach the problem from a materialistic point of view and, indeed, from a Western point of view.

The hon. Member for Waltham Forest (Mr. Deakins) rightly referred to the moral dimension. There is a danger of considering the problem in only that dimension. We tend to examine it with Western eyes. Many of Herr Brandt's colleagues are not from the West, but they are members of the Western materialistic culture. We have begun to see the strains that Western goals can impose upon different parts of the world. That applies to the world of Islam. We have seen it in Iran and, in different ways, in Kuwait, Venezuela and Algeria. These countries are beginning to pause and to draw back from the road down which we have progressed, and progressed very far. The Western approach may not be the answer.

That is not a recipe for saying "We are rich. We like this. You cannot have it. You have missed the bus and you should not get on the bus". We must understand the different cultural backgrounds. I am not sure that the Brandt Commission report takes full weight of that factor, which is a growing one.

It is possible to get carried away by statistics. The hon. Member for Waltham

Forest referred to World Bank statistics and year books. The statistics are horrifying, but the differences are equally horrifying. The reality of the figures in the year books does not equate to the reality of life on the ground.

The hon. Member for Newham, South (Mr. Spearing) knows the country people in Sylhet, in Bangladesh. I spent about two years in that country, and I think that the hon. Gentleman spent a few days there. In the World Bank atlas the villagers and country people in Sylhet would rate an income of 40 dollars a year, with perhaps a footnote stating "This cannot be measured". That would distort statistically the difference between the British, the Swedes or the Americans to an enormous extent. The real difference in life is not that much. It is a great deal, but not as much as the arithmetic indicates.

Mr. Christopher Brocklebank-Fowler (Norfolk, North-West): I find these remarks deeply unacceptable. Is my hon. Friend aware that since he has been talking—for about 5 minutes—60 children have died of diarrhoea?

Mr. Whitney: I much regret that my hon. Friend finds my remarks unacceptable. I do not believe that the offering of a statistic about 60 people—

Mr. Brocklebank-Fowler: —children.

Mr. Whitney:—dying of diarrhoea takes the debate a great deal further forward. We have a problem, but we must approach it in a realistic manner, and not in such an emotive manner that leads us to offer statistics about how many children die from diarrhoea. We must recognise the realities of the problem. When we have achieved that, we shall have a much better chance of dealing with it.

Mr. Nigel Spearing (Newham, South): Although we may agree or disagree marginally on the findings of the Brandt Commission, the problem is what to do in practice. Does the hon. Gentleman agree, from his own experience, that the role of Great Britain as a member of a truly international organisation of nations, namely, the Commonwealth, is crucial? As the Commonwealth represents many of the problems in microcosm, there is a moral obligation upon Britain and the Commonwealth, by co-operation and discussion, to take the lead.

referred to World Bank statistics in books. The statistics are not, but the differences are equally large. The reality of the figures in the books does not equate to the reality of life on the ground.

Mr. Whitney: I am a Member for Newham, South-East (London). I know the country people in that country, and I think the hon. Gentleman spent a few days in the World Bank atlas the village country people in Sylhet would have an income of 40 dollars a year, with a footnote stating "This cannot be sure". That would distort statistics. The difference between the British and the Americans is an enormous one. The real difference in life is not much. It is a great deal, but not much as the arithmetic indicates.

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Brocklebank-Fowler: —children.

Mr. Whitney:—dying of diarrhoea is a great deal further from the problem, but we must look at it in a realistic manner, and not in an emotive manner that leads us to statistics about how many children die from diarrhoea. We must face the realities of the problem. We have achieved that, we shall have a much better chance of dealing

Nigel Spearing (Newham, South): I think we may agree or disagree on the findings of the Brandt Report, the problem is what to do about it. Does the hon. Gentleman agree from his own experience, that the role of Great Britain as a member of the United Nations, the Commonwealth, is crucial? The Commonwealth represents many problems in microcosm, there is a responsibility upon Britain and the Commonwealth, by co-operation and action, to take the lead.

Mr. Whitney: I happily agree that there is a moral dimension to the problem. I shall suggest solutions in which, most definitely, Britain has an important part to play from the point of view of its history, wealth, traditions, and Commonwealth links.

Another gap in the analysis in the Brandt report—reference is made to the factor, but, in my view, not sufficient attention is given to it—is the effect of the succession of oil price rises on the economy of the world and, of course, the economies of developing countries. As I said earlier, it is possible to find references to everything in the report. There is a recognition that there must be a move from aid to the structure of the world economic system.

That is the factor to which my hon. Friend the Member for Cambridge drew attention. However, there is a tendency in the report having stated an acceptable and fundamental truth, to turn back the spotlight, or the heat, on to the North. I suggest that more of the spotlight should have been directed on to the OPEC countries. Every time that the price of a barrel of oil increases by \$1, the cost to the non-oil developing countries, the LDCs, is nearly \$2 billion. In 1979 they had a current account deficit of about \$45 billion. This year, following the latest round of oil price increases, they will have a deficit of about \$65 billion. When we begin talking of these figures we are, even in arithmetical terms, moving outside the realms of development assistance. As we have already agreed, it is a problem that extends beyond that. We must understand that development assistance is barely tinkering with the problem. There is a role for such assistance, but I was particularly glad to note in the report the emphasis on the need for more programme aid.

I do not want to detain the House on that aspect. It is one of my hobby horses. After the creation of the Ministry of Overseas Development I spent 10 years in practical administration in the field—if a diplomatic compound in a capital can be called the field. At least it is nearer to the problem than is Stag Place or the Palace of Westminster.

On the basis of my experience I became increasingly disenchanted with the development aid industry and its phobia for massive projects that always seem to

take at least 10 years to generate and eventually usually go wrong. I offered some suggestions in the recent debate on the Consolidated Fund Bill on a much simplified way of implementing programme aid. It caused a shock and horror to the professionals in the development aid industry because it was simple. They did not like it. Like any other Parkinsonian group, they have built up a superstructure of vested interests.

Mr. Kevin McNamara (Kingston upon Hull, Central): The hon. Gentleman, perhaps inadvertently, is being discourteous and unfair to those in this country concerned with development aid. The development aid industry going in for massive projects is a political decision of the Western Government concerned. The development aid industry actually consists of those who are in favour of small projects, immediate help to the poor and assistance to those most in need. If the hon. Gentleman had read the recommendations of various Select Committees, including those chaired by the hon. Member for Essex, South-East (Sir B. Braine) and Sir Geoffrey de Freitas he would have seen that that view was always taken by those to whom he has been referred.

Mr. Whitney: I hope that I am not being unfair to the practitioners of the development aid industry, but each of us, when we get into our specialisations, understandably tends to become blinkered. Like the rest of us, the development aid industry is not exempt from fashions. Sometimes there are fashions for helping the poorest sector, and sometimes there are fashions for appropriate technology or other developments. For example, when the British development aid industry had discovered the needs of the rural poor, the World Bank, under the leadership of Mr. McNamara, was moving back towards the urban poor. My remarks were not meant to be a total condemnation of dedicated and knowledgeable people, but I believe that they are often led astray by their own enthusiasms and structures.

I particularly welcome the idea of programme aid, because I do not believe that the enormous projects that are still being undertaken can go on. I believe that they do considerable harm and cannot work if the structure and fundamental political background of the

[Mr. Whitney.] country are wrong. That needs endorsing time and again. I endorse what the commission said when it pointed out that whatever is done by the rest of the world cannot remove the principal responsibility from individual countries. I quote the example of Tanzania, which has enjoyed many advantages, not least that of stable government. It has also received massive aid from the West—about £2 billion—for a relatively small country of 16 million people.

However, we all know the economic state of Tanzania. Massive emergency relief aid is called for. Tanzania should have succeeded, because it has natural possibilities, but even with the £2 billion it has failed, not only in economic terms, but in broader terms, including human rights terms. Again we come back to the question of moral values.

I should like to quote from a document produced by the American State Department. Some hon. Members may think that that damns it for a start, but it was produced at the time when Mr. Andrew Young was riding high and the Department could not be written off as an anti-Tanzanian, anti-African agency. The analysis states:

"Tanzania tends to ignore, or at best to justify in the interests of state security, most domestic violations of human rights. National security laws empower the Government to detain indefinitely without trial or public hearing any individuals considered dangerous to... safety.... Prosecution and the threat of prosecution are used to harass opponents of government policies."

Of course, Tanzania is not the only such country. I use it as an example in relation to one of the solutions offered by the Brandt Commission, namely, that there should be a tax or levy on, for example, world trade. Is it within the realms of political reality to expect that we should tax our trade to enforce a levy and to offer it to a regime that produces that sort of country? It might be possible, but I believe that it would be difficult to sell it to the citizens of this country. A tax on trade is surely a damaging way of solving the problem about which we are agreed. The solution must come through an expansion of trade and not through crippling it. Hon. Members can imagine the practical problems involved in a world tax on trade.

Mr. Ioan Evans (Aberdare): The hon. Gentleman is misinterpreting what the Brandt Commission stated. It called for a tax on the arms trade, not on trade generally. The hon. Member for Cambridge (Mr. Rhodes James) referred to the estimate of the United Nations Children's Fund that in 1978 alone 12 million children under the age of 5 died of starvation—that is five times the total population of Wales. That was the year before we celebrated the Year of the Child. Surely when the public are made aware of such facts they will want us to do more than we are doing at present.

Mr. Whitney: I do not dispute that the problem exists. I am trying to help us all to reach a realistic solution. The hon. Gentleman suggested that I had misinterpreted the recommendations. I do not believe that I had done so.

The summary of recommendations includes:

"Introduction of automatic revenue transfers through international levies on some of the following: international trade."

If we arrived at such a situation we could face the sort of problem that we were discussing in the Budget debate yesterday, namely, the levying of VAT on traders in this country. That creates problems, even in our own law-abiding, controlled and disciplined country.

I shall be interested in the comments of my right hon. Friend the Member for Sidcup, but the Brandt Commission proposal seems to offer an international VAT, with scope for international fiddling on a scale that extends beyond my imagination. The commission's proposal is an example of trying to take national policy methods which have not worked well, or at all, and extend them internationally, suggesting thereby that we have not learnt from our mistakes when we are trying to solve this huge international problem.

This is also a danger in the talks on the commodity fund which my hon. Friend the Member for Cambridge discussed so sympathetically. The report mentions the desire to stabilise prices and expand the commodity system, but that is a problem that has been wrestled with year after year in exchanges which have not yet produced satisfactory results.

We cannot ignore the problems. We must be careful not to take a national or

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Also a danger in the talks on commodity fund which my hon. Member for Cambridge discussed sympathetically. The report does not desire to stabilise prices and the commodity system, but that is what has been wrestled with for years in exchanges which have produced satisfactory results.

Do not ignore the problems. We must be careful not to take a national or

European problem and elevate it. If we got it wrong we could end up having the same problems that we have with the common agricultural policy. We risk having an international problem similar to that which we have with the CAP if we enforce a straitjacket on a stabilisation scheme for commodities and if we try to escape from the realities and pressures of economics.

I have already detained the House for too long. I do not wish to be as destructive or as cynical as some hon. Members may think I am. I believe that we have to grasp this problem, and I should like to offer a few positive suggestions.

We must look more closely at the role that the OPEC countries have to play. I hope that there will be a translation of the paperback into Arabic—or into Spanish, as is appropriate—and that copies are left in all the embassies and chancelleries of the OPEC countries because this \$100 billion overhang on the world economy is one of the major causes of the structural problems that are at issue.

Though this must be a series of arbitrary judgments, the World Bank has estimated that the net capital need of the non-oil developing countries for this year is \$70 billion, increasing in 1985 to \$122 billion and in 1990 to \$184 billion in a single year. With financial needs of that scale everyone has to be involved, not least those who have that sort of money—such as the OPEC countries.

At present an especially dangerous problem faces the world because the OPEC countries, on the whole, keep their money on short credit. They put it into the Western banking system, which then produces long credits of various kinds for the developing countries. It is very dangerous, using the old banking cliché, to borrow short and lend long, because that is a recipe for inevitable banking disaster. Therefore, if we involve the OPEC countries, we must guarantee that they do not contribute to inflation, and there are many aspects of the Brandt proposals which seem to threaten inflation.

I believe that the suggestion to double the gearing of the World Bank fund is highly dangerous and needs to be looked at. We must look more closely at the contributions of the IMF. Over the last

few years the IMF has been maligned. It has become one of the booh words, like monetarism. When the IMF's sensible policies are abandoned, that is damaging not only for the fund but for the countries involved. It is worth looking at some of the failures of the IMF when it has gone soft.

Finally, we must look at energy. I was encouraged by the remarks of Sheikh Yamani the other day about the way in which we should handle oil and energy as a whole. As part of the solution to the energy problem we must consider the energy needs of the whole world, which includes the use of nuclear energy.

My hon. Friend the Member for Cambridge suggested that many who were interested in aid tended to verge on protection, and there is a paradox there which they must resolve. Similarly, many who are interested in aid are anti-nuclear energy development, and that is another paradox which they must resolve themselves. Nuclear energy must make a contribution to the development of the world and help in solving its problems.

In conclusion, I suggest that we should not fall into the trap of taking interventionist and Socialist solutions, which have patently failed the developed and otherwise strong economies of the West, and impose them on other countries of the world which have weaker economies and greater problems. There, too, they will fail.

10.36 am

Miss Joan Lester (Eton and Slough): I congratulate the hon. Member for Cambridge (Mr. Rhodes James) on bringing the Brandt report to the attention of the House and also those who compiled it. It has brought to the attention of all nations the dilemma that exists between the North and the South—the rich and the poor—and puts forward at least some suggestions that must be considered in great depth to enable us to bridge the gap before it is too late. If we take it on board, it is a charter for survival. If we do not, it will be the death knell of not only the countries about which we are concerned but many of those countries that regard themselves as advanced and industrialised.

One thing that is clear throughout the whole report is that since the United Nations took up responsibility for areas

[Miss Lestor.] of the developing world we have discovered that many of the lessons of the past 30 years had not been learnt. The message that I get from the report is that we have ignored problems that were staring us in the face. I was moved by the comment of Herr Willy Brandt, who said that when he was head of a Government he ignored—because he was involved in matters of State—what some of his advisers in his own country and other parts of the world said to him about what was happening in the developing world, and how that had an effect on his own country and a country such as our own.

Reference has been made to the moral dimension here. When I read the report last night I wondered whether some of those involved had been tempted to flirt with the moral appeal of aiding the underdeveloped countries. If the moral appeal does not get across it may be that we shall have to remind the rich countries of their interdependence and that their survival also depends on what happens in the developing world.

Even though I am not a Christian, I have always believed that I am my brother's keeper and that the rich have a responsibility to the poor and the strong have a responsibility to the weak. However, the initial impact of the presentation of poverty on the industrialised world is always very short. People are easily moved by poverty, an earthquake, and destruction, but only for a short while. It is easy for them to write cheques or serve in an Oxfam shop on a Saturday morning and feel that they have made their contribution. It is not so easy to say "I will make a positive contribution and support my Government or any Government who are willing to say we must change direction" when looking at the riches that surround us. We might have to suffer, but we have a responsibility for what is taking place in the developing world. We are discussing a moral problem. The survival of us all is at stake.

I was depressed by the report in one respect. It says that countries that have not reached the 0.7 per cent. target must do so by 1985 in order to make a positive contribution to the developing world. It says that the annual target should be raised to 1 per cent. before the end of

the century—that is, within 20 years. It says that the quality of aid should be less tied—that it should be more multilateral and more concessionary. We have heard that before. The statement by the Foreign Secretary on 20 February was depressing and sobering. That statement moved away from the direction taken in the report. We must take that on board. We should not examine the report and make eloquent speeches while allowing to go unchallenged statements by Governments, and particularly that by the Foreign Secretary in February.

I disagree with the Government's public expenditure cuts. Statements about the direction of aid and our responsibility to the developing world are undermined by our internal policies.

We have heard about the 12 million children who die from malnutrition each year. It has been said that that is not the underlying factor in the report. When confronted with such suffering on television people are moved. It is difficult to speak about the sight of hundreds of children who one knows will die within a few weeks of having seen them. When one has picked them up and held them it is difficult to accept that they and others like them will be dead perhaps before one leaves their country. It is not easy to talk about it. The magnitude of the problem is unbelievable. It is difficult to speak of children who are blind because of poverty and malnutrition, when the resources and means exist to prevent them.

The Brandt report emphasises the benefit to the developed world of helping the poorer countries. I am no different from thousands of people in Britain. We have not been successful in bringing home to people the magnitude of the problem. The report does not deal with that adequately. A strong moral issue is involved. I do not believe that the majority of people are sufficiently selfish to be concerned solely with their own survival. I find it distressing when politicians say on television that we cannot afford aid to poorer countries because we are so poor ourselves.

The mass media indulges in advertising techniques. Everybody is told that status depends upon having the latest shower or washing machine. People are educated to believe that that is all that matters in our society. The selfishness of the West

and the industrialised world are helped by advertising and

Several other areas have been struck me. A total of one year's military expenditure for all the farming in the world to increase food production for the world and we are suffering from food shortages. self-sufficiency within the world is a staggering thought. The fact that if the world were to case for military expenditure set against the question of

Defending ourselves is at stake. The moral dimension is particularly in development, the massing of weapons for war, the arms race, and the moral about the future. the stockpiling of weapons for peace, but it is for war. We must stop are the survival of survival of 12 million have greater priority of weapons upon depends because the

The West is characterised by pessimism about the future. Controls have been made, but we wish to become involved in arguments, but the world must be examined deeply. The developing world must be balanced against the cost. The only success controls have been agreed against which they are controls are likely to be in the world. We must per cent. of the world's agriculture and more other than oil, origin countries. It is important that when examining protectionism.

There is a connection between workers in this country and people in the developing world too poor to buy the goods to improve their economic conditions, as well as the fact that it should be made clear to the people of all countries that the rich in resource and the quality of living.

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and the industrialised world is created by advertising and politicians.

Several other aspects of the report struck me. A total of 0.5 per cent. of one year's military expenditure would pay for all the farming equipment needed to increase food production in the developing world and would allow countries suffering from food deficiency to approach self-sufficiency within 10 years. That is a staggering thought. We must face the fact that if the world is to survive the case for military expenditure must be set against the question of human survival.

Defending ourselves is not all that is at stake. The more that human beings, particularly in developing societies, see the massing of weapons and the preparation for war, the more insecure they become and the more terrified they feel about the future. Some may say that the stockpiling of weapons is a preparation for peace, but it is also a preparation for war. We must state that our priorities are the survival of the world and the survival of 12 million children. They must have greater priority than the stockpiling of weapons upon which the economy depends because they can be exported.

The West is characterised by a growing pessimism about the future. **Import controls have been mentioned.** I do not wish to become involved in Labour Party arguments, but the whole question must be examined deeply in terms of the developing world. Any short-term gain must be balanced against the long-term cost. The only successful import controls have been agreed with the country against which they are imposed. Import controls are likely to hurt the developing world. We must remember that 60 per cent. of the world's exports of major agriculture and mineral commodities, other than oil, originate in Third world countries. It is important to remember that when examining the impact of protectionism.

There is a connection between steel workers in this country being unemployed and people in the developing world being too poor to buy the steel that they need to improve their economies. Such connections, as well as the moral issue, must be made clear to the British people and to the people of all nations which are rich in resource and enjoy high standards of living.

One of the greatest indictments of our age is that mass hunger exists in a world where technological advance could enable us to feed, clothe and protect millions more of the world's inhabitants in the next 10 years. The Brandt report stresses the stark reality of the gaps between the rich and the poor and the North and the South. The report brings out the moral issue and condemns the wanton selfishness of the West. It presents us with a challenge. When the poor countries are victimised, we share their woe. Our survival depends on what we are prepared to invest in their world.

10.50 am

Mr. Alastair Goodlad (Northwich): I associate myself with the congratulations expressed to my hon. Friend the Member for Cambridge (Mr. Rhodes James) for bringing this motion before the House, and for the eloquence and expertise that he brought to bear on it.

I share the pride of the House in the role played by my right hon. Friend the Member for Sidcup (Mr. Heath) in the composition of the motion.

The hon. Member for Waltham Forest (Mr. Deakins) said that we should not be too reticent about emphasising the moral aspects of the matter. I share that feeling with him. Many do not share some of the cynicism that we apply to our affairs. They are more idealistic than we realise.

For many years it has been a received orthodoxy in politics in Britain that the better-off have a duty as well as an interest to help the less well-off. It is widely accepted also that the better-off countries have a duty to help the less well-off countries.

The hon. Member for Eton and Slough (Miss Lestor) wisely adopted a belt-and-braces approach by saying that mutual self-interest should be emphasised in the way that it was in the report. We should adopt that approach. The coincidence of morality and self-interest has been a British tradition for many years.

I shall deal briefly with the **population** aspects of the report, contained mainly in chapter 6. Last autumn, **Mr. Robert McNamara** said that short of nuclear war itself population growth was the greatest issue that the world faced over the decades immediately ahead. Similar public concern has been expressed in recent months

[Mr. Goodlad.] in various fora by President Giscard d'Estaing, Chancellor Schmidt and Prime Minister Ohira.

The Commission said that the staggering growth of world population would be one of the strongest forces shaping the future of society. The report recommends that development policies should include a national programme aimed at appropriate balance between population and resources.

Unlike my hon. Friend for Wycombe (Mr. Whitney), who, in his otherwise admirable speech, said that we should not be carried away by the statistics, I believe that we should be carried away by them. There is no precedent in world history for the numbers being added to human population. We took thousands of years—up to 1830—to reach our first billion. The most recent addition—the fourth billion—took just 15 years, between 1960 and 1975.

Because half of the inhabitants of the less developed countries are under 15, there is a built in momentum for further growth, even if the average family size should decline substantially. World population will continue to grow from the current 4.3 billion to more than 6 billion by the end of the century because of the tremendous number of young people entering their reproductive years.

The figures are difficult to comprehend but it is the equivalent of adding in two decades more than 20 countries the current size of Bangladesh, or, adding the entire population of the world as it was in 1914 to our population by the end of the century.

Despite the widely publicised decline in the overall growth rate from 2 per cent. to 1.7 per cent. a year, world population will increase each year until the end of the century because of the expanding base. Overall, our population cannot stabilise until 50 or 60 years after the average family size of two children is reached, and we are a long way from that. For each decade of delay in reaching that norm the eventual stabilised population will be at least 11 per cent. higher.

Barring a substantial natural catastrophe or nuclear war, the population will not stabilise below 10 billion—more than double the current level. In the absence of co-ordinated international

efforts—as the report said—it could reach between 11 billion and 15 billion. That is a conservative estimate, with incalculable implications for human condition.

Mr. John Patten (Oxford): I do not dispute the force of my hon. Friend's remarks, but does he not agree that in the past demography has proved to be an inexact science? In the late 1940s demographers suggested that world population would be no more than 2 billion by the year 2000. I do not dispute the rate of growth projected by my hon. Friend. However, will he recognise that in the less developed and undeveloped countries that have begun to experience demographic decline and transition—such as Taiwan, Korea and Singapore—once that decline has begun it has proceeded rapidly?

Mr. Goodlad: My hon. Friend is right in saying that demography is an inexact science, but even if the present generation were to restrict its reproductive rate to two children per family—which is highly unlikely—we would be faced with a problem of terrifying dimensions.

The present symptoms of imbalance between world population and its resources and productivity are appalling. Twenty per cent. of world population is seriously under-nourished—with millions of children starving each year—60 per cent. is without health care, 50 per cent. is without safe water, and 50 per cent. is illiterate.

We could continue to discuss the symptoms for a long time. The International Labour Organisation estimate that within the next two decades about 700 million will enter the labour pool in developing countries. That is more than the total current labour force of the industrial advanced countries. An enormous amount of investment is required to provide work for them.

What, if anything, can be done to help them? Should Governments, metaphorically, put their heads back under the blankets and hope that the problem will go away? Should we wash our hands of the matter and let the developing countries stew in their own juices? I think not. As the report indicates, the search for solutions is not an act of benevolence but a condition of mutual survival.

The world population plan of action was ratified by more than 130 countries

in Bucharest in most developing countries. The programmes adopted will reduce population growth by 10 per cent. of the lives in more than 100 countries adopting such policies.

The programme is aimed at increasing effectiveness. So far, China, South Korea, Chile, Colombia, Mexico, having success in reducing population growth, including Pakistan and Egypt, have begun to face the problem while sub-Saharan Africa has still about 317 million people. It is vital that they make a reasonable

As my hon. Friend for Wycombe said, the factors are political and economic at the top level. The countries concerned need effective administration, field workers and some sort of community enthusiasm.

External assistance will continue to be provided by the United States of America. To say, been far from providing bilateral, multilateral and The main donor figures show that contributed more than

the report said—it could reach billion and 15 billion. That is a massive estimate, with incalculations for human condition.

Patten (Oxford): I do not force of my hon. Friend's does he not agree that in the demography has proved to be an over-estimate? In the late 1940s demographers suggested that world population would reach more than 2 billion by the year 2000. I do not dispute the rate of population growth projected by my hon. Friend. Will he recognise that in the developed and undeveloped countries have begun to experience demographic change and transition—such as Japan and Singapore—once that has happened it has proceeded

Mr. Patten: My hon. Friend is right that demography is an inexact science even if the present generation restrict its reproductive rate to two children per family—which is highly unlikely. We would be faced with a problem of alarming dimensions.

Present symptoms of imbalance in the world population and its reproductive productivity are appalling. One per cent. of world population is under-nourished—with millions starving each year—60 per cent. without health care, 50 per cent. without safe water, and 50 per cent.

continue to discuss the symptoms. The International Labour Office estimate that within 20 decades about 700 million people will be in the labour pool in developing countries. That is more than the total labour force of the industrial countries. An enormous amount of money is required to provide work

anything, can be done to help the world Governments, metaphorically, to hold their heads back under the water. I hope that the problem will not be solved by washing our hands of it and letting the developing countries fend for themselves. I think the report indicates, the search for a solution is not an act of benevolence but an act of mutual survival.

A population plan of action has been adopted by more than 130 countries

in Bucharest in 1974. In recent years most developing countries have established programmes aimed at limiting population growth. It is estimated that 95 per cent. of the Third world population lives in more than 60 countries that are adopting such policies.

The programmes vary widely in effectiveness. Several countries, such as China, South Korea, Thailand, Indonesia, Chile, Colombia and, more recently, Mexico, having achieved significant success in reducing fertility rates. Others, including Pakistan, Nepal, Bangladesh and Egypt, have made little progress, while sub-Saharan Africa have barely begun to face the problem. There are still about 317 million couples with no access to family planning information. It is vital that they should be assisted to make a reasonable choice.

As my hon. Friend the Member for Wycombe said, the most important factors are political will and determination at the top levels of government in the countries concerned, together with effective administration, properly trained field workers and medical staff, and some sort of community involvement and enthusiasm.

External assistance has played—and will continue to play—a vital role. The United States of America has, needless to say, been far in the lead, both in providing bilateral aid and in supporting multilateral and private organisations. The main donor programmes at 1977 figures show that the United States contributed more than \$140 million; the

United Nations Fund for Population Activities, \$78 million; and the International Planned Parenthood Federation, \$51 million. Norway, Sweden, Japan, Canada and Germany all contributed, the United Kingdom gave \$7 million, and France and Italy gave negligible assistance.

Measured against the magnitude of the problem, current global levels of assistance in population matters are very small. They amount to only about 2 per cent. of total aid flows.

It is vital for the success of world development and for the survival of the human race in anything like tolerable conditions that people everywhere should have access to information on, and the means of regulating the size of their families if they so desire. All aid programmes should include population elements. Research into reproductive physiology and contraceptive development must be stepped up. The need for support is urgent. The United Nations Fund for Population Activities can now meet only two-thirds of the requests that it receives.

The international conference of parliamentarians on population and development, jointly sponsored by the Inter-Parliamentary Union and the United Nations Fund for Population Activities, which I attended in Colombo last August, called on the world community to increase international assistance.

It being Eleven o'clock, Mr. SPEAKER interrupted the proceedings, pursuant to Standing Order No. 5 (Friday sittings).

INTERNATIONAL DEVELOPMENT (BRANDT REPORT)

Question again proposed.

11.21 am

Mr. Goodlad: I was saying that the Colombo declaration called on the world community to increase its international assistance for population matters from an annual level of approximately £400 million to £1 billion by 1984.

I conclude by commenting on the Government's response. My hon. Friend the Minister for Overseas Development—the hon. Member for Banbury (Mr. Marten)—in his statement to the House on 20 February, said that we shall need to look critically at our expenditure on multi-lateral aid programmes. I trust that he will do so, because they are not adequate. To the United Nations Fund for Population Activities, for example, the Government initially pledged a £4 million contribution in 1979, but this was subsequently reduced to £2 million. One reason was that the fund had unallocated resources carried over from previous years. That condition will not prevail in 1980, when it is estimated that the fund will have a \$20 million deficit, together with requests, pending funding decisions, that will require substantial additional resources. I hope that the Government will respond positively, at least in this area, and play their proper part in supporting the fund.

I also hope that a higher proportion of total aid will be tied to population projects. Out of a total of over £700 million given in overseas aid, less than 1 per cent. has been tied to such projects. As my noble Friend Lord Vernon said in another place, aid to a country that is taking no steps to curb population growth is, like as not money down the drain.

I also think that the Government have a responsibility to educate people to the enormity of the crisis with which the world is threatened so that they are more prepared to will the means of its alleviation, if not its solution. I do not think that people fully appreciate the implications of the doubling of the world's population within a generation.

The late Mr. Reginald Maudling was fond of saying that there is a rhythm in politics. There is also a rhythm in the

life cycle of a Government. There is a period during which they chart their course and retain the initiative. Then there is usually a period when the momentum begins to run down, when they are afflicted by adverse and unforeseen circumstances, and they stagger from compromise to compromise and crisis to crisis. Happily, we are still in the first phase—and long may it continue.

In the wake of the Rhodesian settlement and the response to the Afghan crisis, I think that our prestige in the Third world is as high as it has been for some time. I hope that we shall hear from my hon. Friend today that the Government are determined, with the implacability for which they are respected, to commit themselves to safeguarding the future of our children by playing a leading part in moving our Allies and friends in the direction indicated by the Brandt report.

When faced with distant threats of future problems of this nature it is tempting to say that we shall cross that bridge when we come to it. In this case, such an approach is not an option. The bridge will have been swept away long since on an irresistible tide, carrying with it the prospects of a reasonable life for our children and grandchildren.

11.25 am

Mr. Kevin McNamara (Kingston upon Hull, Central): I join those right hon. and hon. Members who have congratulated the hon. Member for Cambridge (Mr. Rhodes James) on initiating this debate today. I admire his courage in doing so, in view of the Government's expenditure paper yesterday.

I take issue with the hon. Gentleman on one point that he raised. He said that this was not a question of development aid and assistance. I suggest that this is very much a question of development aid and assistance, and I shall come to that point later.

We welcome the hon. Gentleman's initiative, but this debate should not be taken as a substitute for a full debate in the House, with responsible Members of the Cabinet taking part, after perhaps having had the benefit of reading this debate, and announcing their decision to the House—a decision that has to be announced not only before the United

Nations Special Session in the late summer but before the OECD meeting earlier in the summer, when some of these issues are to be raised.

But it is not merely a question of saying that the Government must state their position, or have an opportunity to consider the Brandt report and then state their position. I believe that the Government have already stated their position, and that they must change that position.

Looking at the Government's expenditure plans, published in conjunction with the Budget, in table 2.2 we see it all laid out. There is a reduction in spending on development aid from a peak in 1978-79 of £795 million, falling in 1983-84 to £680 million—a fall over the six years of £115 million, or between 14 per cent. and 15 per cent. In the expected years of this Administration, a fall from £794 million to £680 million from 1979-80 to 1983-84 means a cumulative total of over £307 million. Those figures make nonsense of the Brandt recommendation of 0.7 per cent. of GNP being reached by 1985 by this Government. This is the most serious criticism to be made.

It is no use hon. Members on either side of the House—because this applies equally to Members of the Labour Party—saying “We endorse Brandt; Brandt is lovely; it is like apple pie and mother; it is something to be supported wherever we go”, and then refusing to put their money where their mouths are. That significant pointer must be considered. Anything said by the Government about this matter must be considered in the light of the cuts in expenditure.

At the same time there has been an increase in defence expenditure. Looking at table 2.1, we see that over the same period there has been an increase of £927 million over the same period, cumulatively, of £2,278 million. There has been a cut in overseas aid of £307 million and an increase in defence expenditure of £2,278 million. That is the policy of the cold war. We have not learnt any lessons from the cold war.

The Foreign Secretary, speaking before the Select Committee on foreign affairs, said that he feared not so much Russian direct aggression as subversion in the developing world. Subversion is fought not by tanks and cruise missiles but by tractors, ploughs, pure water, rural

development, basic hygiene, liberation of serfs, education, and an understanding of human dignity. More is done for the dignity of man by putting a hoe or a spanner in his hand than by putting a rifle in it, or by seeing him threatened by a rifle or a tank.

That is what Brandt tells us when he talks about the arms race and the effects of the arms race on human development. That is what the Government are ignoring.

To increase arms spending at the expense of aid is as self-defeating as it is wasteful. It heightens world tensions and instability in developing countries. It is against that failure by the Government that I wish to consider the report and to compare actions with statistics. The hon. Member for Wycombe (Mr. Whitney), who I regret is not in his place, since we all sat for half an hour listening to him—

Mr. Patten: For 27 minutes, actually.

Mr. McNamara: I am sorry; I did the hon. Gentleman an injustice. The hon. Member for Wycombe took umbrage when his hon. Friend the Member for Norfolk, North-West (Mr. Brocklebank-Fowler) pointed out in the first part of his speech that 60 children had died of diarrhoea. He suggested that we should not be emotional about this matter.

As my hon. Friend the Member for Eton and Slough (Miss Lestor) pointed out graphically, it is human problems that we are talking about—about 800 million people who are destitute; about 17 million children under 5 who die every year in developing countries; about the fact that blindness affects between 30 million and 40 million people; about 34 countries in which more than 80 per cent. of the population is illiterate; about the biggest cities of the Third world, which are likely to have populations of more than 30 million each by the end of the century.

These are not useless statistics; they represent ordinary individuals like ourselves, who have for themselves and their families the same hopes and aspirations, the same desire for dignity and for a share in the sum of the benefits of mankind. It is right to be emotional about it. If we fail to be emotional, we cannot be concerned enough to think

[Mr. McNamara.]

and plan how to improve things. That is why the statistics are important.

Considered in terms of human beings, these complex problems become simple. Once we know what the goal is, everything else that Brandt says about rich and poor, the status of developing societies, the attitudes of different Governments, and pressure on resources, is put into perspective.

If this debate is to be valuable, it will be in terms of education. There is a massive need to educate public opinion on the importance of co-operation—a need that starts from the Government's White Paper and with the Cabinet, and proceeds through the rest of our society. There should be a massive campaign of development education.

The first, and perhaps the meanest, act of this Government when they came to power was to cut out development education altogether. As a result, one of the most important aids that the House could give the nation to understand these problems was lost.

We are cutting aid, and the United States is cutting aid massively. Only Holland, of all the countries of the European Community, has reached the United Nations target of 0.7 per cent. of spending. There must be a massive campaign. That is the first and most important step that the House and the Government should take—educating public opinion.

Then we should educate people about the need to co-operate. Brandt makes much of co-operation between North and South, but we should follow that up with an important programme of industrial restructuring, retraining and investment, so that no cry goes up about universal protectionism.

I make no bones of the fact that I agree with selective protectionism, but it is interesting that the latest cry about protectionism has come in the form of threats not from the Third world but from the United States—about its subsidy to oil supplies, which have so cheapened its textile exports. The real threat may not come from the developing world, but its people will be the unfortunate sufferers. We must be prepared for value to be added to raw materials and resources imported by the West and the East from developing countries.

The hon. Member for Wycombe sought to blame OPEC for these problems, but they existed long before the increase in the price of oil. People from the OPEC countries—their economists and those seeking to develop their nations—will rightly point to the aid that they have given, which in percentage terms far exceeds much that is given by many Western countries. Also, those OPEC countries that are developing cannot get the West to agree, for example, to adding value to petroleum products in their own countries. Anyone who wants to understand what is going on should speak to the Iraqis about their wish for downstream development.

The Third world itself must appreciate that the changes that the West will have to make will be fraught with political problems for the West. Although the Third world has the right to be impatient, it also needs to be patient for change. I do not agree with what the hon. Member for Cambridge said about commodity prices and a common fund. When he said that that suggestion should not be seen as self using a common fund approach. However, we must be careful to make sure that that suggestion should not be seen as neo-imperialism. The common fund should give stability in both directions—to the West in prices and to the developing countries in certainty of markets and fixed returns.

I have, finally, a number of criticisms of Brandt. We have to be careful that Brandt's idea, in the chapter on the very poorest countries, is not sold as co-operation between those countries that have the resources and those that have the technical know-how, while the middle band of countries that have neither are left out in the cold. We must analyse why some countries have failed to solve problems of rural reform and redistribution. Why, after all the preaching of the past 20 or 30 years, was Archbishop Romero martyred last week? The answer is that while he looked carefully at economic structures, Brandt failed to consider political structures.

It is true that we cannot interfere with the sovereignty of other nations, but we are at least entitled to say that the maldistribution of wealth in developing countries must be rectified—whether in the very poorest countries or in the countries of Latin America, in societies

such as that of the Fourteen Families—or there will be bloody and horrible revolution.

If we follow Brandt through, it could give us not only a blueprint, such as the Pearson report was, but a return to spiritual as well as economic values. It is only by a combination of both that we shall achieve the world in which we all want our children to be brought up.

11.39 am

Mr. Christopher Brocklebank-Fowler (Norfolk, North-West): I add my thanks to those expressed from all parts of the House to my hon. Friend the Member for Cambridge (Mr. Rhodes James) for giving us the opportunity to debate this important subject today.

May I express the hope that this take-note debate will not be a substitute for a full debate at a later stage? It is important for the House to have an opportunity to debate the matter, with Cabinet and Shadow Cabinet Members discussing the issues in the House after the Government have reached their conclusions, presumably prior to the Venice meeting in June.

Without doubt the Brandt Commission report is one of the major documents of the century. The problems that it describes are of vital concern to the international community, and the recommendations will doubtless be the subject of considerable debate over the next decade and into the future. Energy, trade, international finance, development, food, commodities and disarmament all present problems which affect the whole world and which require a world solution.

The scale of deprivation of millions of people deserves to be, and, if there is justice in the world, will be, the principal pre-occupation of men of good will throughout the world for the remainder of my life. If this debate today provides a perspective of the huge problems that exist, within which our own narrow, indeed, myopic, pre-occupation with domestic book-keeping can be seen for the relatively selfish and unimportant exercise that it is, we shall have spent our time well.

With bland understatement the Brandt Commission report points on page 49:

"Few people in the North have any detailed conception of the extent of poverty in the Third World or of the forms that it takes."

I add, sadly, that too few of those who do seem to care.

I first saw the horrors of poverty and disease in Africa 25 years ago. Many right hon. and hon. Members have reminded the House of the horrors, but I also wish to remind the House of some stark and emotional facts. In these days of moon exploration and colour televisions in almost every home in Britain, millions of people are without homes, sanitation, fuel or fresh water. Those of us who travel overseas in developing countries remember pathetic structures of wood, cardboard or straw that serve as a home in some countries, sited in streets littered with faeces and running with urine. In those conditions, as I said earlier, 8 million children a year die from diarrhoea alone. Fifteen children every minute die from that basic disease.

We have seen women walking 10 to 15 miles a day to pick up their water supplies, and that water is almost always contaminated. We have seen women carrying huge parcels of wood on their heads to take home for fuel to cook their food. The tragedy in some areas is that, as forests are cut down, domestic animal dung is burnt for fuel. That in turn reduces the availability of nutrients for the soil and the possibility of growing sufficient food.

Millions live without sufficient food. Deaths from starvation are estimated at between 10 million and 20 million per annum, which is 18 to 36 each minute. Estimates also suggest that more than 500 million people in the world suffer from hunger and malnutrition. Millions suffer from ill-health, without adequate medical services. I have mentioned diarrhoea. Cholera, malaria, blindness and other tropical diseases make life miserable and death sometimes welcome for 700 million people.

Infant mortality in the West is 15 per thousand, compared with 90 per thousand in South America. It rises to a staggering 200 per thousand in sub-Saharan Africa. In Africa one child in every five dies before its first birthday.

Millions have no employment and no cash. For them there are no unemployment benefits, wage-related or otherwise. There are no supplementary benefits. Their only hope is charity from their

[Mr. Brocklebank-Fowler.]
fellow men and families. Without that they face the spectre of starvation.

Although in the North we face genuine economic problems, such as inflation or a static standard of living, we are rich and fortunate by comparison with those who endure a combination of malnutrition, illiteracy, disease and low income, which is the daily reality for too much of the Third world.

As has been pointed out, there are two main reasons why we should help the developing world. The first is on moral grounds. The second is, quite simply, out of self-interest. The moral case is justified by the distressing facts of human misery to which I have referred.

We should remember that the enormous scale of the problem will be further exacerbated by population growth. In the developing world, that is forecast by the United Nations to be as much as 50 per cent. by the end of the century—from 3,300 million to more than 5,000 million. When one also considers the economic comparison of GDP per head, calculated in 1977 to be £3,023 per head in developed countries and £266 per head in developing countries, and, when one remembers that the gap is widening, the unacceptable inequity that exists in the world cannot be denied. By what right can we in rich countries expect to be more than 10 times better off than those who live in the developing world?

I regret to say that in some quarters the moral case might be thought to be "wet," but self-interest does not lay itself open to that criticism. What are our self-interests? Expressed simply, Britain's self-interests are international peace, a stable world economy and the promotion of our commercial interests.

I shall not develop the profound observation of the Brandt Commission report that

"more arms do not make mankind safer, only poorer,"

or make any comment on the obscene statistics of world arms sales at \$450 billion and official development assistance at \$20 billion, but the House must agree with the assertion that

"while hunger rules peace cannot prevail".

Indeed, the House will have noticed that in recent weeks the Foreign Secretary,

in evidence to the Select Committee on Foreign Affairs, and the Minister for Overseas Development, in his statement to the House on aid policy, both referred to the importance of action to relieve poverty in the interests of world peace and stability.

I turn to the need for a stable world economy. The Chancellor in his Budget speech referred to international inflation and the rich country response. My right hon and learned Friend said that the United Kingdom economic prospects were poor:

"in part, a consequence of the weakness in world demand, in part a consequence of our own inflation".—[*Official Report*, 26 March 1980; Vol. 981, c. 1442.]

My right hon. and learned Friend at least recognises Britain's vulnerability to fluctuations in the world economy. However, it is astonishing that in his Budget Statement, although he referred to that, he mentioned no British plans to help find a solution.

My hon. Friend the Member for Leek (Mr. Knox), in the debate on the Budget resolution, as reported at col. 1505 of *Hansard*, asserted—and I agree—that the stability of the international monetary system in the 25 years after the war contributed to the post-war expansion in world trade. He went on to say that since the Bretton Woods arrangement had broken down the stable conditions for the maintenance and expansion of world trade no longer existed. As we export a higher percentage of our gross national product than any other country of the world—32 per cent. of it—we should recognise that we are the losers.

I turn to the promotion of our commercial interests. Apart from our important trade within the EEC and with other OECD countries, we should never forget our reliance on the Third world for raw materials. Nor should we forget the huge balance of payments advantages of our trade with those countries. Last year 24 non-OPEC Third world countries, with whom our import or export trade exceeded £50 million each, gave us a balance of payments surplus of £1,221 million, and Nigeria alone, although a member of OPEC, gave us a further surplus of £452 million.

High exchange rates and cuts in export service seem likely to reduce our capacity to benefit from increased trade with the

developing world, and the existence of any tariff or non-tariff barriers against Third world countries against our commercial interests. Unless we accept Third world exports, how will they afford our exports?

Our national objectives and my brief comments on them spell out the inevitable logic of Britain paying the utmost attention to the important document that we are discussing. It is clear that the developing world and Britain have much to gain from interdependence, and a good deal to lose from ignoring it. The climate for Britain to take a lead in international discussions and to gain substantial and enduring credit for any material contribution is the most favourable since the end of Empire. Our achievement in bringing Zimbabwe to independence, is widely acclaimed in the Third world, and our record over many years in overseas development is well appreciated.

By contrast, Russia's violation of Afghanistan, and its growing reputation as a purveyor of expensive and obsolescent arms, rather than development assistance, provides a major opportunity for us. If the West takes action now to restructure out of international recession, as proposed by Brandt, if we increase our aid to improve the lives of the world's poorest people and concentrate on creating labour-intensive opportunities for employment in the Third world, we shall stimulate demand for exports and help to avert a world recession. More than that, we shall show the world that the compassionate face of capitalism is more attractive than Communism.

The Government's response to Brandt in another place was, by any standards, muted. The Budget decision to reduce aid in the Estimates published yesterday is not only totally immoral but shows a complete ignorance of our real interests. Are the British taxpayers really so poor that they cannot afford the 15p a week that it would cost to keep our aid at the level that had been planned, especially as two-thirds of that comes back in orders for British industry and jobs for our people? Surely aid is a small price to pay for the prospect of international peace and a buoyant world economy.

I hope that the Government will understand, before they reach their conclusions on the Brandt Commission report, that if only we can help solve the major prob-

lems of poverty in the world, the problem of domestic book-keeping, fascinating though it appears to be to some of my right hon. and hon. Friends, will largely disappear.

11.55 am

Mr. Bruce Douglas-Mann (Mitcham and Morden): I congratulate the hon. Member for Cambridge (Mr. Rhodes James) on introducing this debate, and also the hon. Member for Norfolk, North-West (Mr. Brocklebank-Fowler) on a very good and courageous speech, with almost all of which I entirely agree.

Like my hon. Friend the Member for Kingston upon Hull, Central (Mr. McNamara), I should like to take issue with the hon. Member for Cambridge on his claim that the principle at issue is not principally one of aid. Of course, Brandt rightly points out that the search for a solution is not an act of benevolence, but a search for mutual survival. But the theme running through most of the recommendations in the report is that in order to achieve that objective it will be necessary to have a transfer of funds on a very considerable scale and a doubling of the current £20 billion of annual official development assistance.

The issues raised by the Brandt report are not new. However, what is new is the greater degree of attention given to them by the media. In 1972 a document was produced by the Department of the Environment entitled "Sinews for Survival" which was prepared for the United Nations conference in Stockholm on the environment. Its conclusion was:

"It must be apparent that we are by no means complacent about the management of natural resources in Britain or in the world . . . Above all, we doubt whether our many misgivings can be overcome unless our human population is stabilised. There is not much time to spare."

That report received little publicity, and was never debated here.

In 1976 the Cabinet Office produced a document entitled "Future World Trends". That document has also never been debated in the House and it did not receive the slightest attention in the media. Yet it was prepared by a body of considerable experts, after much high quality research. After reviewing the problems of population, food, mineral resources, energy, pollution and economic aspects, that document concluded:

[Mr. Douglas-Mann.]

"Unless there are resource transfers on a scale many times greater than at present the effective check to world population will be the Malthusian trilogy of war, famine and disease."

Once again stress was placed upon the importance of a large volume of transfer of assistance from the developed to the developing world.

Of course this is a moral issue, and it is right to stress that. My hon. Friend the Member for Eton and Slough (Miss Lestor) and the hon. Member for Norfolk, North West gave examples of what they had seen, and those examples should stir the compassion of every hon. Member, and indeed, everyone who sees such examples in print or on television. But we must face the fact that it does not. Massive presentation of human misery is a deterrent to either reading or watching. I hope that one of the things that will emerge from the discussions on the report will be the possibility of debating overseas aid in terms which do not deter the majority of the population from taking an interest in the matter.

It is also a question of survival for ourselves and for our children. It is possible to foresee an uncontrolled world population developing in the way that was outlined by the hon. Member for Northwich (Mr. Goodlad)—growing from the present 4.3 billion to well over 6 billion by the turn of the century, and probably to 15 billion within the following 100 years. Can we foresee in a world in which nuclear weapons are available, and in which such vast numbers of people are starving, any likelihood of maintaining the standard of living that we enjoy in the developed world?

The Brandt report also argues that a large-scale transfer of resources from North to South could make a major impact on establishing growth in the South as well as enabling us to revive the economy of the North. The most important aspect of the report, and of the discussions that have emerged from it is the impact that it may have on the population of the world. It was pointed out in Brandt and also in "Future World Trends" that fertility regulation programmes become effective only when the expectation of life has risen significantly and living standards have started to rise. We shall not achieve birth control or a limit to the growth of world population unless we can raise the

living standards of the South as well as of the North.

In order to get public interest and public support, it is important to stress the ingredients in the Brandt report that point to the self-interest of the developed world.

It is important also to remember the success of the Marshall plan after the war and the contribution of the relatively rich United States in rebuilding the shattered economies of Europe. That contribution has, undoubtedly, in the long term, benefited the United States, as it has benefited Europe. I hope to see a repetition of that action emerging as a consequence of the report. It is distressing that the immediate response of the Government to the Brandt Commission report is the public expenditure White Paper and the reduction in the figures for foreign aid to which my hon. Friend the Member for Kingston upon Hull, Central referred. It is even more disturbing to find not only a reduction in the level of aid from £794 million in 1979-80 to £680 million in 1982-83, but also a redirection of that aid. Instead of pursuing the Brandt Commission recommendation that aid should be concentrated most on the poorest countries, the Government are reducing the level of aid to India and Bangladesh and increasing it to countries where the need is not so intense.

Many hon. Members wish to speak. I shall be brief. The reactions to the Brandt report that I should like to see are an educational programme, launched by the Government and supported, I sincerely trust, by successive programmes in the media, a sustained effort to educate the public on the need and on the dangers, and about our own self-interest in restraining world growth of population and restoring the economies of the world through a bigger increase in resources applied to aid.

I should like to see a response from the Government to the appeal for a summit of world leaders. I should like the Government to appoint a senior Minister with responsibility for co-ordinating the activities of all the Departments of Government involved in responding to the Brandt appeal, with a view to enabling the Prime Minister, when attending the world summit called by Brandt, to do so on the basis of thoroughly prepared

ground and a policy that will enable the world to see some prospect of survival.

12.2 pm

Mr. Julian Ridsdale (Harwich): As a member of the trilateral commission that met in London this week to discuss North-South relations, I was fortunate enough to hear two brilliant speeches. The first was made by the Commonwealth Secretary-General, who spoke in such idealistic terms that one could not help being caught up in the emotionalism that he felt about this important issue. The second speech was made by my right hon. Friend the Member for Sidcup (Mr. Heath) who, again, spoke in idealistic terms but, being the man he was, also spoke in practical terms of what should be done at this time to deal with the problems that face us.

I congratulate my hon. Friend the Member for Cambridge (Mr. Rhodes James) on his excellent and short speech in introducing this subject. My hon. Friend realises more than anything else, as the Member for Cambridge, the importance of educating opinion on what is a vital matter. My hon. Friend mentioned the speech in which Winston Churchill, in his young days, saw the importance of the future politics of trade and stressed the importance of commodities.

Whether we are free traders or protectionists, the important issue is to recognise that this problem must be met through co-ordination by Governments. Those of us who, ideally, are free traders realise that we have to face much more managed trade, particularly internationally, to solve this difficult problem.

My hon. Friend the Member for Northwich (Mr. Goodlad) referred to the world population problem and said that the increase in 20 years would be 2,000 million, equivalent to the population of the world at the beginning of the century. I underline his remarks by pointing out that half of the growth of population will occur in China. I do not want to be complacent, but I do not want to be too pessimistic. I recall that in 1938-39, when first dealing with Japan, we talked about a population problem reaching as high as 250 million people, whereas the present population has levelled off at about 114 million. In making estimates

one has to fall back on the economist's phrase "other factors being equal".

A better way to limit population is by raising standards. That is why Japan has been able to level off its population. Those who study the developing world would do well to note the industrialisation of that country. There are 18 million unemployed in OECD countries alone. Production could be increased by between \$250 million and \$400 million. But, because of the oil shock and the price rise in 1973 and the further increase in oil price last year, we have excess capacity in shipbuilding. Anyone who has gone to Korea since 1973 and seen the huge Hyundai yard is able to recognise the waste of capacity in that yard that might have gone into other investments. One realises how oil prices have forced a cutback in demand.

We have to examine the practical investment side. Private banks are now more cautious than in 1973. Since that year, deficits and debt of \$300 million have been incurred largely by the more advanced developing countries. That is why those countries must now double their efforts to sell. But banks are more cautious.

Developing countries start now with a much higher level of debt than in 1973. Each dollar of new investment debt now contracted also represents a much smaller transfer of resources, since much of it must go to cover the rising cost of old loans. It is an enormous problem.

Much as we would like to see further industrialisation in the developing countries, those of us who visit the new industrial countries, such as Korea, Hong Kong, Taiwan and the Philippines, know that this new industrialisation is competing with existing industrial capacity, unused in the developed world. It is a problem to which we shall have to apply our minds.

I have travelled in China and Korea. It is important to encourage the rural industries. Eighty per cent. of China's population lives in rural areas. It has been suggested that one of our best exports has been a complete farm to China. I think, sometimes, in a lighter tone, that it is a pity that we cannot export the common agricultural policy to the developing world. At least, it

[Mr. Ridsdale.]

would enable a more workable solution in Europe. Much has to be done.

Industrialisation is all very well, but the rural problems must also be recognised. In November, in Peking, I met a 30-year old official from the Peking Foreign Office. I asked how much he was being paid, and he told me £5 a week. Yet prices there are almost as high as in other capitals of the world. Nevertheless, the Chinese are extremely flexible and pragmatic about their problems. I spoke to a Chinese economist who was very high up in the Chinese Government. I asked whether he was a Keynesian or a monetarist, and he replied "Well, after a great deal of study, I am a little bit between the two."

That is the sort of problem that we face, and added to it is Russia's invasion of Afghanistan and her adventures in Africa. I have the feeling that we are playing draughts while the Russians are playing chess. There must be more concerted action. Governments cannot step aside from what is being done at the present time. As a member of the trilateral commission, I was glad to note that many of the bankers and leaders who were represented there were well aware of the problem that the world faces.

The United States, Japan and the EEC, which represent the trilateral commission, must take much more practical action. Personally, I should like to see the appointment of a consultative staff to serve the seven countries who meet at the summit—a sort of joint chiefs of staff—so that we can face the realities of what is happening in the world today. There should be a joint chiefs of staff on energy, the economy and on the military side, for as long as we must continue the wretched balance of power fight with the Russians.

The GATT is not enough. It is a rich man's club. UNCTAD is not enough. It is a poor man's club. The World Bank and the IMF do not have enough political drive. From a practical point of view, much as I hesitate to suggest the creation of a new international staff, that is why it is important for the summit to have a joint staff to back it up. If that were done we could go some way towards facing up to this very difficult problem.

I repeat that Governments cannot step aside, because the banks have exhausted what help they can give. I recommend my own Government to think seriously about the help that they can offer. I do not refer to help from our own economy, but as we are a good creditor nation we could probably get loans from other countries. If we used those loans properly we could help to solve this problem, which I believe is the biggest that has faced the world in the whole of its existence.

12.12 pm

Mrs. Gwyneth Dunwoody (Crewe): Together with all Members who have spoken, I welcome the initiative of the hon. Member for Cambridge (Mr. Rhodes James) in introducing this subject. This is an important debate, not least because it is now an urgent one. If the hon. Gentleman will forgive my saying so, it is a sad commentary that we are debating this subject in the same week as the Government have cut back on their own aid contribution. The hon. Gentleman has demonstrated that within the House there are hon. Members who understand the importance of the Brandt Commission report. I hope that the Government will take on board the fact that we shall expect of them a full day's debate in which they will, if they can, justify their attitude, not just to the recommendations on aid but also to the recommendations on trade. As we have heard from more than one hon. Member, Governments cannot slough off their responsibility in this matter.

I strongly welcome the Brandt report. Although it does not say anything that is particularly new, it sets out the facts, which are horrifyingly familiar. It is wrong that at this stage in our development we should be talking about the problems, only larger, that we have debated since the Second World War. It is horrifying that in our own Budget we can talk about expanding the amount of money that we are prepared to put into defence, while at the same time cutting the amount of money that we are prepared to make available for aid.

Brandt reminds us that the problems are urgent and that they are capable of solution only if we are prepared to demonstrate not just political will but a willingness to put money and effort into facing the problems.

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The hon. Member for Harwich (Mr. Ridsdale) said that we should not look for solutions within our own Budget and that the Government should be prepared to use their status and ability as a creditor nation. That is not an attitude that I would support. All politicians have a clear, moral duty to explain to their electorates exactly why they think that the tiny amount of money that we have allocated in the past in our own budgetary arrangements should be maintained and if possible increased.

Mr. Ridsdale: It is not that I want to give less help. I believe that we should give more, but in the way that I have suggested rather than by asking for more help to be given on the budgetary side, especially at the present time.

Mr. Dunwoody: The hon. Gentleman and I differ on that point. Brandt makes clear that in the North there is still no understanding of the scale, scope and enormity of the problems. I was particularly struck, and wryly amused, by the remark made by Herr Brandt himself, when he said that when he had responsibility in these matters he perhaps did not give enough weight to those who advocated different aid problems. In a sense, that is a measure of the difficulties that we face. When people are dealing with the day-to-day problems of their own political lives, inevitably those things that can be regarded as being slightly removed from the immediate can be pushed out of their minds. We all do it. It is almost inevitable. How many hon. Members mentioned the problems of overseas aid in their election addresses? —[HON. MEMBERS: "We did."]—I am glad to learn that those who are present actually did so, but how many Members of the full House of Commons were elected by explaining to their constituents that we do not live in a capsule that is insulated from the rest of the world?

My hon. Friend the Member for Eton and Slough (Miss Lestor), in a most moving speech, said that she found it difficult to talk in an unemotional way about the deaths of children. I agree absolutely. We do not have to apologise for that. When we lose our ability to be emotionally involved in the death of another human being, we lose our ability to be good politicians because we are no longer

sensitive to the problems that human beings face, wherever they may be. If there is one thing that I find infinitely obscene, it is that inside the EEC we can have vast stores of food which, in some instances, are kept until they rot, while elsewhere in the world millions of children are dying of starvation. We should ask ourselves about the ambivalence of our own attitudes. For example, we should ask ourselves why we are so proud of the Lomé convention, when it does not begin to deal with the problems of the associated States. The Lomé convention actually rules out two of the major areas of the world which are among the poorest. Therefore, the Community has a responsibility to look to its own laurels to see whether it is fulfilling its direct task.

Mr. McNamara: Does my hon. Friend agree that not only does the Lomé convention fail to deal with South-East Asia and other places, but that the materials with which it deals are of specific benefit to the West and have little to do with the development of the ACP countries?

Mrs. Dunwoody: I was coming to precisely that point. The Lomé convention seems to be a clear example of the way in which we frequently have dual standards. In effect, the Lomé convention states that we should seek a means of stabilising prices, especially in raw materials and commodities generally. It has STABEX, and it has at long last accepted that it should have the rather inadequate scheme known as MINEX. However, there is a real fear in my mind that we might give the impression to the countries with which we deal that our only interest in trying to stabilise commodity prices is a personal one. I am concerned that we should seem to be saying to Third world countries "As we are already fairly well developed, and as we have a continuing need for your materials, when it suits us we shall give you support so that we can import your raw materials. However, when you begin to develop to the point where you are exporting semi-manufactured or manufactured goods, our response will be one of horror. We shall close the barriers and ensure that you do not have full access to our markets".

My hon. Friend the Member for Waltham Forest (Mr. Deakins) said that we

[Mrs. Dunwoody.]
in the Labour Party have a particular responsibility not to support the cry for import controls, without realising the full implications. I agree with him. However, as Socialists we have a responsibility to look wider than that. I have never been able to understand a world that finds it simple always to find money to support underdeveloped countries when they wish to buy arms. It is astonishing how often lines of credit are available to countries in which people are dying of starvation to buy weapons and military hardware, when it is plain that they need implements that will enable them to feed their populations.

The Brandt report makes it clear that we cannot sustain that position for very much longer. We should ask ourselves why the figures that we are talking about are so pitifully small and why we still cannot manage to achieve the level of aid that is desperately needed by the countries of the Third world.

With the one minor exception of the hon. Member for Wycombe (Mr. Whitney), who is no longer in his place, a noticeable feature of the debate has been the demonstration that the House is capable of turning its mind to a wider dimension and a wider responsibility. We must ensure that that is the message that goes out to the peoples of the world generally, and especially to those of the underdeveloped nations.

The Brandt report states that a massive transfer of resources can take place only if the political will exists and if we are prepared to consider what we are going to do today as opposed to tomorrow. We have many abilities in Britain that we could translate into action. For example, we have shown that it is possible to transform our agriculture from small farms to a large and effective industry. We should consider means of translating that sort of technology into areas where it will be of most use. We should consider means of developing the technology—that enables us to produce and use drugs and prophylactic medicine to help keep alive rather than seeking means of destroying them. Those are areas in which our own ideas are still not clear.

Multinational companies have a specific role to play, and the Brandt report

makes that obvious. However, they must not regard the Third world as a suitable area for their experiments. There are still instances of major drug companies using in underdeveloped countries drugs that would not be found acceptable in more highly educated countries in the area that Brandt calls the North. There are still instances of companies freely offering for use in underdeveloped nations contraceptive methods that they would not offer in the Western world. There are still instances of multinationals unloading, for commercial reasons, harsh tobaccos when they know the risk to public health and when they would find it difficult to justify that sort of transition in the West.

These instances demonstrate repeatedly to the people's of the underdeveloped world that we have dual standards. We talk to them of aid and trade, but we talk always from the standpoint of our own narrow interests. We frequently fail to demonstrate our commitment to the interests of the people's of the world. Let us consider the idea advanced by the Brandt report for a tax on arms sales. I see nothing wrong with asking those who sell weapons of death and destruction to consider making a positive grant at the same time. We should give careful consideration to the common fund and how best we may act on commodity prices.

Far more important than all the topics to which I have referred is the message that goes out from the House. It should be one of commitment. It should be one that says "We may be inadequate in the amount of money that we have provided and in the political will that we have demonstrated so far, but we shall not be inadequate in future. It is our wish, desire and strong intention to ensure that in a modern society and in a modern world it will not be necessary for children to die of starvation and disease while we have the ability and the will to change that pattern".

12.26 pm

The Minister for Trade (Mr. Cecil Parkinson): I join all those who have contributed to the debate in congratulating my hon. Friend the Member for Cambridge (Mr. Rhodes James) on choosing this interesting subject and on the inspiring way on which he started our debate.

I am sure that he will understand when I tell him that during the past few days there were times when I was not so enthusiastic about his choice as I solemnly waded my way through the interesting 305 pages of the report. It is an important subject; and my hon. Friend has done the House a great service in raising it.

The Brundt Commission set itself a most daunting task. It took the precaution of equipping itself with a membership that measured up to the size of the task. The Government welcome the report as a major attempt to outline some of the great problems that the developed and developing world will face in the next 20 years and to suggest answers. We congratulate its authors. I am sure that the House will join me in paying tribute to my right hon. Friend the Member for Sidcup (Mr. Heath), who is recognised as having played a decisive role in the commission's work. My right hon. Friend explained to me this morning that he was able to express his views in 305 pages and that he wanted to listen to the views of others. Many will regret that we did not have the opportunity of hearing my right hon. Friend. However, we admire the selfless way in which he has made time available for the rest of us.

The report covers activities that are the responsibility of many Government Departments. It is appropriate that a Minister from the Department of Trade should respond to the debate. It is my Department that has to deal from day to day with the practical problems of maintaining the open trading system. Foreign producers, especially, from the developing world, seek greater access to our markets. Home producers argue that that access should not be given. There are some on both sides of the House who argue both points of view, by implication, at the same time. There are those who make great speeches about their concern for the developing world, but press the Government like mad to introduce import controls when a factory in their constituency is threatened.

We understand the motives of hon. Members who are under constituency pressures, but I have been heartened to hear Labour Members arguing the case against import controls. I wish them every success in the argument within their party in the face of the growing pressure there for protectionism.

The developing world takes about 22 per cent. of our exports and contributes about 18 per cent. of our imports. Trade dominates relations between North and South. For example, in 1977 developing countries' exports to OECD countries totalled \$203 billion. Two-way trade, exports and imports, amounted to more than \$500 billion. In comparison, official development assistance from OECD donors was just under \$15 billion. Two-way trade is 35 times more significant than the flow of aid. In the face of those figures, can anyone deny that trade is by far the most significant element in the relationship between the developed and the developing world?

The report runs to nearly 300 pages, and covers a huge area. It will take time for the Government to complete their study and analysis of the report. Since, as the report recognises, only concerted action will be effective, we shall need to consult other Governments, especially our partners within the EEC.

Today, I am able to give only the Government's preliminary reactions to the many ideas and proposals in the report. It would be foolish for me to attempt an instant response to a document on which a group of distinguished people have worked hard for more than two years and that has been available to the public for only three weeks.

However, I can say that in three aspects we consider the report to be notable. First, in its scope, it is a comprehensive report covering a whole range of issues touching on development and the management of the world economy that have been under discussion in the United Nations system and elsewhere in the world throughout the 1970s.

Secondly, in its analysis, it offers a cogent account of the problems that the world, and particularly the developing world, will face in the 1980s. No one will underestimate the gravity of those problems. To solve the problems of under-development, poverty and malnutrition more effectively we need growth in the world economy to generate the additional resources that are needed.

Yet, at the start of the 1980s we face rising inflation and a global recession. The Budget Statement on Wednesday made clear how serious the implications

[Mr. Parkinson.]

are for our country and for the industrialised West as a whole. The implications for the developing world are still more serious. Rising oil prices, which will increase the already heavy burden of debt referred to by my hon. Friend the Member for Harwich (Mr. Ridsdale), require changes in the plans of all countries, and that will be even more painful for developing countries than for ourselves.

A slow-down in world trade will squeeze the export earnings on which developing countries rely in order to finance their import needs. Inflation and recession which are compelling Governments in all industrialised countries to set tight limits on public expenditure, will inevitably squeeze the resources available for development assistance.

The third reason why we consider the report notable is its timeliness. At a time when Governments all over the world are in danger of becoming obsessed with staring at their own economic navels, the report reminds us that huge problems face the world and will have to be approached in a most imaginative way. The report reminds us that developed and developing countries share a joint interest in tackling those problems. In Herr Brandt's own words:

"A quickened pace of development in the South also serves people in the North."

As many hon. Members have said, the debate is not about who is to prosper at the expense of whom, but about how the prospects of all of us can be improved.

I turn to four main themes of the commission's report, summarised in its proposals for an emergency programme in the 1980s. The commission calls for massive transfer of resources from North to South, an accommodation with the OPEC countries on oil prices and supplies, a global food programme, and reform of the existing system of international economic co-operation.

The commission believes that a massive transfer of financial resources to developing countries is perhaps the best single way to benefit them, and that such transfers would provide a stimulus to world economic activity as a whole. I suspect that the reality may be more complex.

Massive increases in aid in current circumstances would imply major changes

in the economic strategies of all the major Western countries, with considerable implications, not least for the fight against inflation, which must remain our main priority.

Mrs. Dunwoody: I have been waiting for the Minister to tell us why the Government, far from going along with a massive increase in aid, have this week actually cut back on aid.

Mr. Parkinson: If the hon. Lady had contained her impatience she would have found that I intend to deal with that matter.

Whatever conclusions economists and development experts may reach on the optimum flow of resources from North to South—and there is no doubt that there will be many differing opinions—the essential point for us in Britain is a simple one. We have to tailor what we can afford.

Many hon. Members referred to the reductions in the United Kingdom's aid programme, which were announced this week. The cuts, like all cuts in public expenditure, were painful, but they were unavoidable if we were to strengthen our own economy, and it is on that that our ability to support overseas development ultimately depends.

One of the most shameful incidents in the history of recent years occurred in 1976, when Britain became the biggest creditor in the history of the IMF, using its position as the second biggest quota holder to become the IMF's biggest ever borrower, pre-empting a huge slice of the Fund's scarce resources to prop up a standard of living that its people were not earning.

I suggest that putting our own economy on a sound basis, which enables us to become contributors and not dependants, must be a major objective for the United Kingdom.

Despite the cuts, the aid programme will remain a substantial one of nearly £700 million a year. The Government have also removed exchange controls, thus aiding the private flow of money, which is an important consideration.

I shall certainly draw the attention of my hon. Friend the Minister of Overseas Development to the interesting speech of my hon. Friend the Member for

Northwich (Mr. Goodlad) about the dangers for the world of the population explosion and the need for more of the aid programme to be diverted in that direction. My hon. Friend made a moving speech and a telling case.

Mr. McNamara: Does the Minister accept that if we stimulate other economies they will have money with which to buy goods from us, but if we cut back on encouraging them to improve their own position the effect on our industry will not be that we shall become more competitive, but that we shall become unemployed?

Mr. Parkinson: I repeat to the hon. Member for Kingston upon Hull, Central (Mr. McNamara), what I said in my speech. There is something absurd in talking about increasing our aid programme when the result would be that our economy would get in a mess and we would then start pre-empting huge slices—4,000 million dollars—of the resources of the IMF. What is sensible or helpful about that? What is sensible about one of the better-off countries of the world using scarce resources in huge quantities, at the expense of the developing countries, to prop up a standard of living that has not been earned? That is not helpful to the world economy or to the developing countries.

Mr. Russell Johnston (Inverness): There are clearly two facets to that argument. The Minister has already said that the Brandt report has been available about three weeks. Does that mean that the cuts did not in any way take into account the recommendations of the commission? Would not it have been more sensible for the Government to wait for the report and to take some account of it before considering what they were going to say?

Mr. Parkinson: I note what the hon. Member for Inverness (Mr. Johnston) said. However, I cannot agree with him. The Chancellor of the Exchequer was in the process of putting his Budget together, and that process does not happen overnight. The public expenditure programme has been considered over a long period. It may be unfortunate that we did not have the Brandt report earlier, but I do not believe that by the time it came out there was time to review those pro-

grammes. As I said earlier, I do not believe that the country or the Government are being selfish in seeking to put our own economy on a sounder footing and to turn ourselves into a would-be contributor and not a would-be dependant of the IMF.

I turn now to energy. The report forcefully presents the case for an attempt to reach an understanding with the OPEC countries on the vital issues of oil prices and supplies. No one will deny that an arrangement of this kind could provide a framework for a revival of world economic activity. Equally, I am sure that no one will deny the practical difficulties of achieving and maintaining such an understanding.

We welcome the emphasis that the report gives to the need and the scope for better relations between oil producers and oil consumers, and on the need to avoid large, sudden oil price increases that are economically damaging, especially to developing countries. However, we accept that the long-term trend of oil prices is upward. The problem is to ensure that the transition is orderly and no more disruptive than it need be.

We welcome the emphasis placed by the Brandt commission on the raising of food production in the Third world and on making food supplies more secure. We have a food aid programme of our own amounting to about £40 million a year. But I would suggest—the report recognises this—that agrarian reforms within the developing countries have an essential contribution to make.

As Minister for Trade one of the problems that I find in my travels all over the world is the tremendous drift away from the land and into the cities. In many countries in Africa fertile land is available, but there is a shortage of people to cultivate it. Countries that are capable of providing a substantial part of their own food supplies are actually short of labour on the land while there is massive unemployment in the cities. It is a problem that one finds in all parts of the world and it is one that must be a major preoccupation for Governments of developing countries, which I know it is.

We should not forget the need to liberalise the world trade in food. This is an aspect which, for obvious reasons, we

[Mr. Parkinson.]

shall have to consider with our Community partners. But as this is a relatively non-controversial occasion I had better leave the common agricultural policy there.

The commission calls for a reform of the existing institutional arrangements for the management of the world economy. I accept that the present system must continue to evolve and adapt to meet new international circumstances and needs. I believe it has done that. For instance there have been eight renegotiations of the quotas since the IMF was formed. It is an organisation that is continually evolving and changing and it is capable of doing that in the future.

In recent years the GATT, the IMF and the World Bank have amply demonstrated their capacity to meet new changes and challenges. This is a process that should and will continue. But we should aim to strengthen the existing system and not overturn it. I see no advantage in the proliferation of new international machinery or of the new international bureaucracy which would inevitably go with such machinery.

That touches on another point that causes the Government concern. The Brandt report lays much emphasis on multilateral action by Governments. Such action certainly has a role to play, but I hope that we will not allow global discussions to become a substitute for bilateral actions both by Governments and countries. After all, in the West companies are the custodians of a great deal of the West's technology and capital.

I will give an example of what I have in mind. I led the United Kingdom delegation to UNCTAD V in Manila last year. I was struck by the amount of time, money and effort devoted there to the discussion and negotiation of resolutions which dealt in very general terms with global issues on trade and development. It was difficult to reach any sort of agreement; and the agreements, when reached, were so opaque as to be almost meaningless. One almost despaired about the apparent unbridgeable gap between the developed and the developing countries.

On my way back from that conference I visited three developing countries and

I found that the very processes of adjustment and technology transfer that we found it difficult to reach agreement about or pass resolutions on in Manila were happening. We must not allow global negotiations and the need to discuss these problems on a global basis to slow down the process of bilateral action—which is theoretically almost impossible but in practice is happening on an ever-increasing scale.

I referred to the role of trade in the economic development of the Third world. The Brandt report rightly warned of protectionist pressures in industrial countries. Many hon. Members mentioned this problem today. They are increasing as we enter a period of recession and there is a danger of a lapse into widespread protectionism. This country is probably more dependent on international trade than any other industrialised country, and we need no reminding of the disastrous consequences of protectionism. But the preservation of the open world trading system is essential if the developing countries are to fulfil their development roles.

Import restraints have been necessary in a number of areas, but I hope that no one will be tempted to argue that the action that we have taken to give a home-based industry time to adjust to a sudden surge of imports should become the norm. There is a great danger that that mood could grow in the House.

I remind hon. Members, as my hon. Friend the Member for Norfolk, North-West (Mr. Brocklebank-Fowler) reminded us, that those who argue for protection against the import of goods from low-cost suppliers should remember that the West runs a substantial surplus with those countries. In cutting off that trade the West would be damaging developing countries and damaging its own economies even more. We should not see developing countries as a threat. We should recognise that, more and more, they will not be passengers on the world economy but will be a vital part of the motor that drives it. I hope that all hon. Members will join the Government in resisting pressures for protection.

My hon. Friend the Member for Harwich spoke about the newly industrialised countries. They are a particular problem, but they represent a great

opportunity. Many of them, while expanding rapidly, are reluctant to open up their markets. We must urge them to open up those markets and to recognise their new role. They must be persuaded to stop seeking the protection and help that the poor developing countries need. The newly industrialised countries owe it to the rest of the trading world to open up their markets as quickly as possible. Failure to do that will be used as an argument in favour of protectionism.

If we ask our own industrialists to accept import competition from the newly industrialised countries, there will be a displacement of jobs. We have a right to expect those countries to play their part by opening up their markets to our goods and those of other developed countries. We expect trade between such countries and ourselves to be increased. We shall press that case in the renegotiation of the general scheme of preferences.

Mr. Deakins: Is not this a matter for the general agreement on tariffs and trade? Will he ask the Secretariat to look at the problem urgently?

Mr. Parkinson: The renegotiation has involved pressure on some of the newly industrialised countries to become signatories to the GATT and to accept its rules. They owe it to the rest of the trading community to accept them.

We must accept that our own economy must be adjusted. We must cease the resistance to change which has been a feature of Britain's industrial scene. We must accept that in more and more industries a transfer of technology should take place. That is nothing new to us. In the 1960s and 1970s over 400,000 jobs in the textile industry were lost. Such changes must continue, although they are not welcome. Those who believe that global plans for adjustment will be implemented easily would be wise to think again.

We have had many problems in the steel industry in agreeing that certain works must be phased out so that production can be concentrated more efficiently in other places. It has taken many years to obtain agreement about that. To suggest that it is easy, on a global basis, to fix on a country to be the base for an industry is misleading. Adjustment is a difficult but necessary process. We must do all that we can to aid that

process, but we must not pretend that global negotiations will produce short-term answers.

A tremendous amount of material could, and should, be debated. Some hon. Members concentrated on the importance of the common fund and commodities. We support the development of international commodity agreements where they are feasible, cost-effective and of benefit to both producers and consumers. We welcome the recent agreement on natural rubber, for example.

We have a certain amount of scepticism about the scope for reaching agreements over the whole range of commodities. We shall press on with negotiations wherever there is an opportunity for improvement and progress. I am glad that the Government back the development of the common fund and that they are taking part in the negotiations on the rules of that fund. We have also committed ourselves to a second window.

I draw three broad conclusions from the debate. The first is that although views may differ on the feasibility and desirability of some of the Brandt proposals, there is no doubt that the commission has done the world a great service in drawing renewed attention to issues which must be debated in the next decade. The debate will be continued in the autumn in the global negotiations on North-South issues at the United Nations in New York.

The second conclusion is that all countries, not only Western countries, have a part to play in tackling development problems. The Brandt Commission rightly underlines the inadequate performance of the Soviet Union and its allies as aid donors and as markets for the exports of developing countries. The commission has emphasised that successful development depends ultimately on the efforts of the developing countries. The prime object of our development policies must be to maintain and strengthen the efforts of the developing countries.

The third conclusion is that it is important not to forget the measures which have been, and are being taken for the benefit of developing countries, and which the Government support. We worked hard with our Community partners to secure last year's successful outcome of the multilateral trade negotiations. As a

[Mr. Parkinson.]

result, specially favourable treatment for developing countries was agreed as well as substantial reductions in trade barriers.

We hope that the developing countries will be actively associated with the implementation of the MTN package. The new Lomé convention extends and improves the trade arrangements and will provide a total of £3.3 billion in the next five years. The general capital of the World Bank is to be doubled and a sixth replenishment of the International Development Association is in prospect. In total, financial flows to developing countries have greatly increased.

I make no apology for stressing the role of trade, investment and technology. They are the great engines of development. In Western economies they lie mainly in private hands, much as Opposition Members may resent that. Experience in developing countries which have most successfully expanded their industrial base and exports, underlines the dynamic effect of private initiative working with Government on development and growth. Theirs is an example to be pondered, not least by Britain. In spite of assertions from Opposition Members, wealth is not created by Governments. Wealth must be created before it can be distributed, either nationally or internationally.

Mr. Arthur Bottomley (Middlesbrough): May I put one question to the Minister before he sits down?

Mr. Deputy Speaker (Mr. Bryan Godman Irvine): Order. I was under the impression that the Minister had sat down.

12.59 pm

Mr. Russell-Johnston (Inverness): There is not much time, and therefore it is not possible to do more than underline a few arguments. I congratulate the Brandt Commission on its work. I congratulate the right hon. Member for Sidcup (Mr. Heath), who has sat patiently throughout the debate. According to *The Observer* he played a critical role in ensuring that commission arrived at an agreed solution. For that he deserves congratulations. I congratulate also the hon. Member for Cambridge (Mr. Rhodes James) on his initiative in raising the issue, which has been debated

already in the Lords. I hope that it is not an indication of the degree of priority given to the question either by the Government or by the Opposition—who both have access to time—that the first debate has resulted from the initiative of a private Member.

I was surprised at the Minister's response to an earlier intervention of mine. I shall not argue about his conclusion that there are insufficient resources to increase our budget, although I dissent from that. The report deals with a major issue, yet it appears that the Government did not consider the matter in depth before reaching a conclusion on the overseas aid budget.

Overseas aid was not by any means a minor item in the report, which the hon. Member for Cambridge seemed to suggest. It is in that area, perhaps more than in any other, that the moral argument appears. That was referred to by the hon. Member for Waltham Forest (Mr. Deakins). The report said that a number of countries had not reached a gross national product of 0.7 per cent. and that they should be given until 1985 to do so. Thereafter, they should aim for a target of 2 per cent. GNP by the end of the century. That is not very much. All these matters are relative.

There was a time when the Church exacted from its citizenry a tithe which amounted to one-tenth of the resources of the individual. That was accepted as a reasonable action in the Middle Ages and before. Therefore, the Government's sights are aimed considerably lower than they should be.

In the debate in another place, Lord Tanlaw drew attention to the shortcomings of the energy section of the report, especially its failure to contemplate the potential capacity of nuclear energy as a means of alleviating some of the energy shortages. We understand the problems and concerns that are linked with nuclear energy, and which are discussed fully in Britain. However, it still represents a major potential provider of power. We are discussing potentials, and that is an aspect to which the commission should have paid more attention.

Protectionism has been dealt with by many hon. Members, and there is no point in covering the ground again except to say that I agree with the Minister. He rightly said that often a Member

makes a speech calling for generosity to the underdeveloped world, but if, perchance, the export from that underdeveloped country affects a factory in his constituency, he rapidly begins to sing a different tune. It would be hypocritical if we condemned that hon. Member, because we would not necessarily find ourselves in his position. However, it is a factor that must be taken into account, and we must be honest about that.

The report emphasises the need for increased food production and for a better emergency food supply. Only the hon. Member for Harwich (Mr. Ridsdale) referred to the common agricultural policy, and that was in a somewhat flippant manner. The Minister mentioned it, but only to say that he had no intention of saying anything about it.

The hon. Member for Crewe (Mrs. Dunwoody), in a short but effective speech, said that she was ashamed that we should pile up surpluses of food, which are often left to rot, while people were starving. Should not the Government make proposals for the dispersal of surplus food supplies in appropriate ways, rather than selling them to the Soviet Union at reduced prices? There is a relationship between those two matters. Perhaps the Minister will tell us the Government's view about that.

The hon. Member for Northwich (Mr. Goodlad) tabled an amendment dealing with population and he drew attention to a fundamentally important matter. One million new individuals every five days is a terrifying statistic. However, no one said that in the Christian world the main religious organisation the Roman Catholic Church, is absolutely against population regulation and control. That is an important issue in South America. What do we do about that? In large areas of Africa and Asia fecundity is a sign of virility and strength. It is an approved social activity to have a large number of children.

It is all very well for the civilised bourgeois—most of us tend to be bourgeois although we claim to be working class—to project the theory that the world should be satisfied with 1.5 children per family, but it is an illusionary idea. We are not facing the fundamental problem or, indeed, even recognising how serious it is.

The report contains a powerful passage on disarmament. It emphasises the need for detente, to strengthen the United Nations, and to control arms sales. In all fairness to the Minister, those three points have not been in the lead in Conservative manifestos during the past few years. The Government are not being traditionally enthusiastic about these matters. The subject is best summed up in the first sentence of the conclusion of the report, which states,

"The public must be made more aware of the terrible danger to world stability caused by the arms race, of the burden it imposes on national economies, and of the resources that it diverts from peaceful development."

The map on the cover of the report is divided by a wavy black line. There is a large chunk called the Eastern world, which we have not mentioned, but it has a big influence on these matters, especially in arms expenditure. Lord Trefgarne drew attention to the fact that in 1978 the Soviet Union received £135 million in repayments of loans, whereas we disbursed £1.5 billion. The Soviet Union said that it could not do better because of what it called necessary arms expenditure. Before the Minister says "Yes", I point out that that is exactly the same argument as he advanced in relation to our economy. Neither argument is well-founded.

It is vital to stress the urgency that permeates the report. Regrettably, it does not yet permeate the House or the country. As politicians, we have a job to inform the public. I hope that in this regard we shall have the co-operation of the media. The media—particularly the popular media—usually deal with these matters deplorably. They are generally treated as human interest in-fill stories, and no more. Certainly no comprehension of the gravity of the matter gets across. I think that it has got across in this short debate, particularly with such excellent speeches as those made by the hon. Members for Eton and Slough (Miss Lestor) and Norfolk, North-West (Mr. Brocklebank-Fowler). I again congratulate the hon. Member for Cambridge on taking this initiative, which has been to the benefit of us all.

1.11 pm

Mr. Richard Body (Holland with Boston): Everyone has rightly congratulated my hon. Friend the Member for

[Mr. Body.]

Cambridge (Mr. Rhodes James), and I add my own thanks for his introducing what has been for me, and I think for all of us, a most interesting debate.

I have not always been the most forthcoming in paying tribute to my right hon. Friend the Member for Sidcup (Mr. Heath), but I am sure that the whole House much appreciates his having listened to the whole debate.

However, my comments about the Brandt Commission will perhaps be less warm than those of others. Of course, its analysis is right: of course it has put its finger on the right problems; but my fear is that it has not led to the radical conclusion that so much of the evidence warrants.

I was delighted, however, that in its chapter on food and hunger the commission made it plain that the cause of the world's hunger was simply poverty and not what we have been told so often in recent years—a lack of food grown or of resources to enable it to be produced. I find that a refreshing change. It conflicts with so much of what we have heard in recent years in defence of the ultra-protectionism of the common agricultural policy.

According to studies carried out by the United States Department of Agriculture, about 44 per cent. of the world's arable land is not being cultivated. That does not mean that if that land were to be cultivated we should be able to double food production. But if that conclusion is anything like correct, it must be indisputable that we could, if we had the will and if we are willing to divert resources, effect a substantial increase in food production.

Even on the present figures of cereal production, published from year to year, we see that sufficient is grown to enable every member of the human race to have enough cereals to provide him with about 3,000 calories a day. That is a significant figure. The World Health Organisation has devised a creature called "reference Man". He is aged 25 and has an occupation that is neither wholly sedentary nor wholly the opposite. He works eight hours a day, sleeps for eight hours, and for eight hours is engaged in what the WHO calls non-occupational activity. The climate that he lives in is neither excessively hot nor excessively cold.

The importance of reference man is that in the WHO's opinion he should have 3,000 calories a day. If he has that quantity, there is no question of under-nutrition as regards calories. Yet the coincidental fact is that that is precisely the number of calories that could be made available to every member of the human race if the world's existing cereal production were divided equally and we all had the same rations. That takes no account of the fish, fruit, vegetables and other foodstuffs that are available.

Therefore, I do not agree with the Malthusian gloom expressed by my hon. Friend the Member for Northwich (Mr. Goodlad) and others. However, the wretched fact is that so much of the 44 per cent. of the world's arable land that lies uncultivated is in the very area where the hunger is worst. In the Sudan, only 10 per cent. of the arable land is being cultivated. That information was given by Mr. Ibrahim at the World Food Conference in 1975. In Latin America there is 16 per cent. of the world's tillable land. Yet in Columbia, to name just one country, more than half the arable land is not cultivated, though it is a country where many thousands go desperately hungry.

I am sure that the commission was right to attribute some of the blame to existing land tenure and the need for land reform, especially in Latin America. Some of us are only too well aware that certain companies based on the United States have taken over the control of hundreds of thousands of acres and driven peasant farmers off that land in order that they should become cheap labour in the enterprises that those companies control. The companies are mainly engaged in monoculture, not to supply the needs of the people of that country, but to supply the United States with food more cheaply than otherwise.

There must be hundreds of millions of farmers in the world. I suspect that they have at least one instinct in common. It is not to begin—I say this as someone who has been a farmer—the long, laborious and expensive process of cultivating land and getting it ready to grow a crop unless they are reasonably certain that by the time the harvest comes they will receive a fair cash price for it. The supply of the world's food depends on that demand being expressed in cash terms. If the

money is there in the pockets or the loincloths of the world's poor, the food will be forthcoming. The evidence for that seems to be overwhelming. I am a little sad that the Commission did not give due weight to that, which seems to be indisputable.

How, then, are we to put the necessary money into the pockets of the world's poor, who are going so much hungrier than they should? This is where the report is rather disappointing. My right hon. Friend the Member for Sidcup has often visited China. He is, as I am, an admirer of what that country has achieved. In days gone by, many millions went without food in China. That no longer happens. Yet China is a country where the soil and the climate are not always conducive to a high level of food production.

Against all the odds, China has achieved something that verges on a miracle. A lesson is there for all of us to learn. It is their belief that where there is work there is an income, and that where there is an income there is food capable of being demanded in cash terms, and ultimately grown. So everyone in China has work to do whether or not it is "economic". The one kind of work, above all, that the people can do in the South is in agriculture. They cannot grow food for their own needs, for the reason that I have given, and they cannot grow it for the North because of the ultra-protectionism that we practise against them.

I am more than conscious that the clock is moving very fast, and I would merely say this to those who have criticised the Government today for cutting back on overseas aid. How many of them have consistently gone into the Lobby in recent years to oppose legislation designed to protect those industries whose pressure groups have urged us to give them some kind of protection? Casting my eye around, I regret to say that the answer seems to be nil.

I hope therefore, that in the months to come, when we consider more fully this most valuable report, we shall also consider how this House might play a better part in bringing down the barriers of protectionism that exist against the Third world and prevent Third world countries from doing the very kind of thing that they can do best—to grow the food and

to produce the textiles that this country could enjoy.

1.21 pm

Mr. Tam Dalyell (West Lothian): On page 8 of his introduction to the report, Willy Brandt describes how, as a young journalist opposing dictatorship, he was not blind to the problems of colonialism and the fight for independence. He goes on to describe how he met Nehru, Tito, Nasser and other leaders, at a time when most people in Western Europe had not even heard about a Third world or the beginning of a non-aligned movement. Then we come, on page 9, to two crucial sentences:

"But it is nonetheless true that, as a head of Government, other priorities took up most of my time and kept me from realising the full importance of North-South issues."

Brandt confesses:

"I certainly did not give enough attention to those of my colleagues who at that time advocated a reappraisal of our priorities."

The cynics might say that it is all very fine to come up with a document such as the Brandt report when one is out of office, but that in office matters would seem so different as to make Brandt-like proposals unreal. I do not go along with that cynical view. What Brandt says is probably true of a lot of leaders in positions of power. It is not that these men had been disregarding the world at large; it is rather that they had been preoccupied with other problems at the top of their in-tray which had kept them from realising the full impact of what anyone reading this powerfully written report must now realise—the gigantic significance of the North-South situation.

There are not many new and original ideas in the report. Many of us who have participated in conferences or seminars have heard most of the ideas before. What makes the message compelling is the stature of the Brandt commission—an independent group of 18 top-level politicians. What is important about the Brandt report is that it clothes with respectability ideas which, at any rate until recently, would have been thought to be "way out" and over-idealistic, if not cranky.

I pay tribute to the courtesy of the right hon. Member for Sidcup (Mr. Heath), who would have been entitled to an hour of this debate, and who has sat

[Mr. Dalyell.]

so patiently to listen to all of us. [HON. MEMBERS: "Hear, hear."]

On page 284 the report states:

"The public must be made more aware of the terrible danger to world stability caused by the arms race, of the burden it imposes on national economies, and of the resources it diverts from peaceful development."

A globally respected peacekeeping mechanism should be built up. In my opinion, this is more urgent in 1980 than in 1979, in spite of Afghanistan. I go back to the topic that was raised by my hon. Friend the Member for Crewe (Mrs. Dunwoody). There is a strengthening role here for the United Nations in securing the integrity of States. Such peacekeeping machinery might free resources for development through a sharing of military expenditure, a reduction in areas of conflict, and in the arms race which they imply. Military expenditure and arms exports might be one element entering into a new principle for international taxation for development purposes. The tax on arms trade should be at a higher rate than that on any other trade.

I recollect that on the last occasion on which I was talking with ministerial colleagues in my Party, albeit privately, on an arms sale tax for international purposes—I claim no originality for the idea, since it was one of the many ideas in the Brandt report which have been thrashed out at international conferences—the answer from the Minister, who must be nameless, was "Oh, Tam, don't start getting into political bed with Frank Allaun again."

I have always had a considerable regard for—though I am by no means in total agreement with—my hon. Friend the Member for Salford, East (Mr. Allaun). But it is not my hon. Friend the Member for Salford, East who is now proposing an arms tax for development. Indeed, I say to the present Secretary of State for Defence that it is no longer the parliamentary "way out" guys but his former mentor and boss, the former Prime Minister, whose Chief Whip he was, who has solemnly put his signature to such a proposition.

The question of giving these ideas respectability is, therefore, of considerable importance. Increased efforts should be made to reach agreements on the dis-

closure of armed exports and exports of arms-producing facilities. Do the Government agree? If they do not, they had better say so. I would have asked this question equally roughly if my right hon. Friend the Member for Sheffield, Park (Mr. Mulley) had been in office. Incidentally, we wish him a speedy recovery.

The international community should become more seriously concerned about the consequences of arms transfers or of exports of arms-producing facilities, and should reach agreement to restrain such deliveries to areas of conflict or tension. I want to know what Labour and Conservative Governments intend to do about the export of arms to areas such as the Argentine. Such exports should be subject to international tax—and I say that as one who has many Ferranti workers in his constituency.

We shall have to face up to the employment consequences, although if the Brandt recommendations were put fully into operation, there would be more jobs, not fewer, for skilled workers in firms such as Ferranti. More research is necessary on the means of converting arms production to civilian production, which could make use of highly skilled and technical manpower currently employed in the arms industries. Brandt is right on this. Do the British Government intend to do anything about it?

I turn now to what are called "automatic revenues", and I speak as a former member of the Budget Committee of the European Parliament. This is a proposal to raise revenues for development by automatic mechanisms. The attraction from a world development point of view is that this is a means of raising revenue without repeated interventions by Governments.

We all know that Governments are subject to enormous short-term pressures. The fact that revenues are raised automatically does not, of course, imply that their transfer should be automatic. If one does not have automatic revenues, the amount of aid will depend upon the uncertain political will of the countries giving it. This, alas, is all too dependent on the shifting priorities of Government in making their annual appropriations and the vagaries of legislatures.

Do the British Government accept Brandt's argument that, with more

assured forms and methods, developing countries could plan on a more predictable basis, making aid more effective? It is like internationalising certain built-in benefits such as pensions, which we take for granted.

This morning, in listening on the radio to the right hon. Member for Sidcup, I heard Brian Redhead say that of course there might be universal assent, but would there be universal inaction? It is a solemn obligation on those of us here and outside to go on and on and on, campaigning to see that there is not universal inaction. If we do not, we humans have had it.

1.23 pm

Mr. John Patten (Oxford): I congratulate the hon. Member for West Lothian (Mr. Dalyell) on the tone and style of his speech. I also congratulate my hon. Friend the Member for Cambridge (Mr. Rhodes James) on his introduction of the debate. He is a most distinguished export from Oxford in recent years and he has used his good fortune at Cambridge to very good ends.

I join in the general message to the Government that in the near future—I realise that this is a matter not for the Minister, but for the Leader of the House—we want a full day's debate on this matter. I hope that in that debate we shall be fortunate enough to hear my right hon. Friend the Member for Sidcup (Mr. Heath) on this important issue.

We in this House often have our eyes fixed on the South-North divide in our own country, as I see it, and on debating ways in which to bring about a more fortunate and better distribution of our resources. But that should not prevent us from looking beyond the shores of this island to countries in the less fortunate part of the globe which greatly need our help.

We in the Western world have too often done our bit—and it has been a very small bit—in giving aid to the South largely by the technique of throwing cash at it. Having thrown that cash, which many of us think inadequate, we feel that we have salved our consciences and can turn our backs on the problem. We have not been sensible in the ways in which we have disposed of that cash, but on some occasions it has been beneficial.

I enjoyed the speech by the hon. Member for Waltham Forest (Mr. Deakins). I do not think that one should despair of the arithmetical gap which opens up in the growth of GNP between developed countries and the less developed and newly industrialised countries. Very small though that percentage growth may be, the growth which takes place in those countries may serve to trigger off the great leap from below poverty to above poverty. At that stage it will have its own multiplier effect on the economy.

We cannot go on simply throwing cash at problems. The Brandt report does not suggest that we should. It is more hard-headed in its approach, and I applaud it for that. I also applaud the suggestion in the report, to which no one thus far has referred, concerning the vital need to bring the Communist world—Russia and the Eastern States—into the giving of aid in different forms overseas. We should encourage that approach, but treat it with care and watch out for economic as well as military imperialism. After all, we have been guilty of both economic and military imperialism in the past.

I cast a little doubt on the validity of the common techniques that the Soviet bloc has used within its own area to try to solve the problems of its undeveloped regions. We have seen planning being not particularly beneficial in many parts of the Soviet bloc. Steel plants have been put down in places where, under normal locational theory and practice, no steel plants should have been placed. We have seen the failure of the USSR's agriculture programme. We have seen the failure in many ways of national planning in five-year and 10-year plans. If these techniques do not work in fully-blown Communist countries, I do not think that, if exported to Third world countries, they are likely to work there. Therefore, we must be cautious in attempting to get Russia, China and countries in the Soviet bloc to face their responsibilities for bringing aid and trade to Third world countries.

In dealing with the way forward, the debate on which the Brandt report has been important in stimulating—I look forward to another chance to discuss these points in a full day's debate in the House—we must find ways in this country of involving people more in what we are

[Mr. Patten.]

doing in the giving of aid and trade to Third world countries. We are used to being very involved in the problems of our own country because the electorate puts pressure on us all the time to pay attention to our involvement in the solution of the problems. The media—sadly, very few are watching our proceedings today—are all too eager to pressurise us to get on with solving the problems of the South-North divide in this country. They are all too delighted, during some ghastly famine or industrial disaster in Third world countries, to flash on our screens for a brief moment appalling pictures of poverty, destitution or misery. Other programmes—"Blue Peter" for example—take it up, there is an appeal, some cash is raised and we have salved our consciences and thrown the cash away. We can no longer afford to allow that approach to continue.

We must do all we can to increase the involvement of the British people in the problems of the Third world, not just in an idealistic way—the need for more education, more programmes and better cover by the media—but by ensuring that the aid they give involves them directly, not only through what they see and hear but perhaps through their own pockets and through working in organisations which recognise the interdependence of world economic development.

Although we cannot spend as much money on foreign aid as many of us would like—I would certainly want that amount increased, not decreased, in future years because of its vital importance to our economy and people, let alone the people in the Third world—when we use our financial muscle to help countries in the Third world we should at the same time use our standing in the world to ensure that the international organisations that use and distribute the aid from First world countries do so in the best way.

We ought perhaps, for example, through an organisation such as ECGD, to try to get the aid into genuinely interdependent development between First and Third world countries; to try to monitor First world investment in the Third world; to try to give guarantees to Third world countries that they will not be just exploited, that they will not

be open to all the abuses of transfer pricing and transfer payments; while at the same time ensuring that those First world countries and companies that invest are not subject to the nationalisation and takeovers that have sometimes been practised by Third world countries.

With their notable successes in the foreign arena in the 10 months since they came to power, Her Majesty's Government can do much more in this direction to try to reform the structure of international aid into more genuine and more interdependent avenues.

1.37 pm

Mr. Tom McNally (Stockport, South): We are all grateful to the hon. Member for Cambridge (Mr. Rhodes James) for making this week in Parliament a debate about two books instead of just about one. The problem for Opposition Members is to remember that the first book that we had this week—the Blue Book—will increase arms expenditure and reduce aid, whereas the Brandt report asks for just the reverse.

We need not apologise for the emotion or the statistics in this debate. Both must be put before the Government and the people. It is too easy, when discussing aid, to make it seem that it is a problem for politicians to favour it. If politicians would take the case to the people, and give them the statistics—perhaps in the vivid way used by my hon. Friend the Member for Eton and Slough (Miss Lestor)—the political will would be put behind us to carry out a decent aid programme.

However, I would add a word of caution. The Minister said that 450,000 jobs had been lost in the textile industry. There are still 750,000 jobs in that industry.

I would say—not as someone from a textile town; Stockport has long ceased to be a textile town—that the aid lobby and those, including myself, who want a larger aid programme, should not appear to say "I believe so much in the developing world that I am willing to sacrifice your jobs." People are sceptical about that.

My hon. Friend the Member for Waltham Forest (Mr. Deakins) talked about the problems of an open trade policy. Brandt rightly warned that such a policy will be increasingly difficult in a recession

and in a world of rapid technological change.

We must be cautious in our trade policy. I do not believe that the GATT covers the problem of a major advanced technological industry being implanted in a developing country when that industry is as advanced as any industry in the developed world. The textile and shoe industries employ about 1 million people, who cannot simply be written off. The adjustment must be planned.

I do not understand why the Government are coy about a future multi-fibre agreement. Our textile industry and workers have a long tradition of care and compassion for the developing world, with which they have always had a close relationship. It would be easier for the industry to plan if the Government said now that they intended, beyond the present MFA, to organise orderly trade with access for developing countries but not at an inordinate cost to our own workers.

We must appreciate the concern of trade unionists who are aware of the role of multinationals. Our trade unions will not sit back and watch multinationals move jobs from countries that have organised trade unions and established standards of safety and so on to developing countries, and consequently destroy jobs. That is not a Luddite attitude.

I welcome the comments in the Brandt report. We must ensure that the industrialisation of the developing world does not bring about exploitation and the loss of jobs.

I echo the call for a fuller debate. Many issues are apparent that require wider discussion. I, too, would welcome a considered statement from the right hon. Member for Sidcup (Mr. Heath), and I appreciate this courtesy today. We should bring home to our people that damning and obscene statistic in the Brandt report of world arms spending compared to world aid, which illustrates the economic madness and lies at the heart of the moral case that we should advocate. We cannot help but be outraged at those statistics.

It may be said that the debate has been a "wets" benefit, but the feelings expressed come from all parts of the House. We must carry the debate outside the House.

In a week when the country has perhaps been over-preoccupied with the fine tuning of our economy, we have at least lifted the vision of the House and perhaps the country to these terrible problems. We are grateful to the hon. Member for Cambridge (Mr. Rhodes James).

1.43 pm

Mr. Bowen Wells (Hertford and Stevenage): I wish to mention one specific point in our aid budget, and propose a way in which we can practically help. We have the tools on our own doorstep in the Foreign and Commonwealth Office.

The Brandt report gives us the prospect of planning to cope with the difficulties that will face the world in the coming years, beyond the end of the century, with the rising world population and chronic lack of raw materials and food. In this country we cannot escape the consequences of that lack of food and competition for raw materials.

This is far from being a "wets' benefit". We are talking about the real world and the economics that will affect every person in this country, from Stockport to Stevenage. Therefore, we must direct attention, with the aid of the Brandt report, to these vital matters.

What can we in Britain do about Brandt? Mention has been made of the large cuts in percentage terms made in the Government's expenditure plans to 1984. This may be necessary, as the Minister suggested, in order to get our economy back on the rails. Of course, one of the major contributions that we can make to the developing world is not to use resources wastefully, thereby being able to send more aid and administrative skills overseas to help other countries. A poor Britain is no help to anyone—in fact it is a positive hindrance. If we are poor we cannot buy goods from the poorer countries.

I wish to speak particularly about the Commonwealth Development Corporation, which is part of the aid budget. It was my privilege to serve with that organisation during my early adult life, and I believe passionately in its task, which it does so well. The aid budget cuts have brought about a consequential cut in the amount of money available to the Commonwealth Development Corporation. They have also brought about a

[Mr. Wells.]

cut in the other part of our overseas aid programme—the ODA programme of grants and infrastructural aid to developing countries. We must consider these two institutions within our aid budget, but I must point out immediately that they are not the major absorbers of that budget.

The term "aid" in this context would hardly be recognised by any hon. Members as being genuine aid. It includes many other things. For example, it pays the pensions of former colonial civil servants. That money does not even leave the country, yet it is described as aid. We know that the figures are bogus and that they are built up for international comparison. The CDC and the ODA are the instruments that we would have to use immediately if we were to do anything at all about Brandt.

What exactly is happening to the Commonwealth Development Corporation under present Government proposals? In 1979-80 its planned investment programme was £38 million; in 1980-81 it was £41.8 million; in 1981-82 it was £47.6 million; in 1982-83, £47.6 million. However, those figures have been reduced to £18.8 million in 1978-79; £30 million in 1979-80 and £25 million in 1980-81. Even if we reach that target of £25 million, the CDC will be paying more money back to the Treasury in interest and capital repayments than it will be drawing from it. That is the reverse of what we are trying to achieve and what the Brandt report asks us to achieve. It is a ludicrous situation.

The CDC invests our money on ordinary concessionary interest terms on private enterprise lines. This debate must record that since the abolition of exchange control the private sector should be able to contribute and take a much greater lead. However, the private sector will not take that lead without an organisation such as the CDC.

In Indonesia, for example, which is outside the Commonwealth, the CDC is co-operating with, and is the reason why, five major British companies have invested in that country. That is an exceedingly difficult country in which to invest. Anyone who knows it talks of interminable delays in administration which illustrates the point made earlier that developing countries have to put their house in order to enable the Brandt

proposals to have the remotest chance of success. They, like this country, are prone to all the frailties of human nature, and all the pressures of politics.

It is valuable for the House to think in practical terms about action to be taken on the Brandt report. The last thing that any hon. Member wishes to see is the whole of this effort dissipated into the sand and to find ourselves in crisis situations in terms of our own economy because we have been so blind. I pay tribute to our fellow colleague, the former Prime Minister, my right hon. Friend, the Member for Sidcup (Mr. Heath), in leading and giving us the vision to go forward with confidence to help our people understand the problems in which they, as much as anyone else, are involved.

As the hon. Member for Crewe (Mrs. Dunwoody) said, our determination, our administration and managerial skills, and our enthusiasm are things that do not necessarily cost money. These are ways in which we can begin the long and essential task that will be forced on us if we do not take action—a situation put so eloquently before the House, and the world, by the Brandt report.

1.51 pm

Mr. Ioan Evans (Aberdare): I join the hon. Member for Hertford and Stevenage (Mr. Wells) in paying tribute to the right hon. Member for Sidcup (Mr. Heath) for his part in producing this tremendous document. If not the document of the century, it is a historic document. If it is not read, digested and acted upon, we shall find that no further documents will be needed. We might see the end of civilisation on this planet.

The House is obligated to the hon. Member for Cambridge (Mr. Rhodes James), following his luck in the ballot, for giving the House the opportunity to debate this issue. Like other hon. Members, I hope we can have a day or a two-day debate on the issue. I am sure that if the Government gave a day the Opposition would provide a Supply day to debate the fundamental issues addressed to the world by a remarkable group of international statesmen and leaders from many spheres, of all political and religious persuasions, dealing with the urgent problems of inequality and the failure of the present economic system. I hope that the debate will take place in the near

future. Although the Minister gave only a preliminary response, it was disappointing. I should have thought that a senior Minister from the Foreign and Commonwealth Office would reply to the debate, not a Minister from the Department of Trade, although trade matters are involved.

This is a major document, involving major international issues. It is timely that this Friday, between discussions on the Budget, we should address ourselves to the larger problems. I was disappointed with the Minister's response on the aid given by this country. The public expenditure document shows that aid is to fall from £790 million last year to £779 million in the new financial year and to £680 million in 1982-83. The Brandt document talks about the need for the rich countries of the world to divert more aid to underdeveloped countries, while the Government plan a 14 per cent. cut in expenditure in the next few years. The Minister makes the point that we must get our own house in order before thinking of the 12 million children under the age of 5 who died of starvation in the year before the International Year of the Child.

What are the same Government proposing to spend on defence? We find that this year, at constant 1979 prices, there will be an expenditure of £7,720 million. Next year that will rise to £7,997 million. In the following year it will be £8,240 million, and in the year after that to £8,490 million. That brings us to 1984—shades of George Orwell—when we shall spend £8,740 million. Therefore, defence expenditure is to be increased at a rate of 3 per cent. in real terms at a time when there is a cutback in overseas aid.

That is the whole purpose of the document. There is a madness in the world, and everyone wants to avoid a Third World War because they know that it will mean the end of civilisation. Yet we are joining in the arms race, and the Government are playing their part in furthering that arms race. What a sad state of affairs. In fact, a senior Cabinet Minister is in China, and rather than talking about overseas aid he is discussing the sale of Harriers to the Chinese. That is the crazy situation under which we live.

A barrier to the control of the arms race exists in the vast bureaucracy among the great Powers, both East and West, which

deals with military affairs. The total vested interest in maintaining and increasing the level of military spending is so huge and diverse that it is difficult to resist. World military expenditure is now running at an annual rate of \$410,000 million, or \$1 million per minute. I wonder how much the world has spent on arms preparation during the time that we have been debating this subject of world poverty today? In constant prices, taking inflation into account, there has been an increase of about 50 per cent. in arms spending in the last two decades. While the problems for two-thirds of humanity have got worse, the richer countries have spent more on arms. To put it in pound terms, about £200,000 million has been spent on arms preparation, or £1 million every two minutes.

The Brandt Commission rightly says that

"mankind may well face a threat in the decades ahead of us not only from an uncontrolled arms race, but also from the shocks emanating from a growing or unchanging differential between poor and rich countries".

Surely it is a threat to world peace if people who live in starvation can see a nonsensical preparation for war, with all the sophisticated weapons that that entails.

The report continues:

"But if serious efforts are undertaken to curb a further rise in arms spending in the coming decade, that will give rise to the important question of rechanneling of resources".

That should pose no difficulty. For example, the Government are cutting back steel production by 6 million tonnes. They are closing factories at Port Talbot, Llanwern, Consett and elsewhere. Yet countries such as India want steel and wish to have it. Why cannot there be a more sensible Budget, whereby instead of closing down such factories and throwing people on to the unemployment queue, they are allowed to produce steel that can be given in aid to India?

We all know of the recent arguments about the Olympic Games. I am glad that the British Olympic Association has decided to go to Moscow. I hope that the Games will be covered by the BBC, because its slogan is:

"Nation shall speak unto nation."

I deplore the invasion of Afghanistan, but we should fight to maintain detente. We should strive to bring the peoples of

[Mr. Evans.]

the world together to compete on the athletic field—far better that the competition should be there than in the build-up in the arms race.

We face a real nuclear threat in the world. Preventing the spread of nuclear weapons is crucial to world security. In the tactical nuclear arsenals there are calculated to be several tens of thousands of nuclear warheads, each on average about four times more powerful than the Hiroshima bomb. The warheads represent a total TNT equivalent of about 13,000 million tons, the equivalent of about 1 million Hiroshima bombs. Someone talked about 3,000 calories for every human being in the world. The world's capacity for destruction is three tons of high explosive for every man, woman and child on earth. The British Government intend to increase the capacity.

I was in India during the time of political independence. I saw the abject poverty of the masses on the Subcontinent. I read a book by Tolstoy. It was entitled "What then must we do?" He wrote:

"In reality I merely understood what I had long known—the truth transmitted to mankind in remote times by Buddha, Isaiah, Loozee and Socrates, and to us particularly clearly and indubitably by Jesus Christ and his forerunner John the Baptist. In reply to the question 'What then must we do?', he replied simply, briefly and clearly 'He that hath two coats, let him impart to him that hath none; and he that hath meat, let him do likewise.'"

I believe that the report will deal with a fundamental problem of the ages. If we do not turn our minds to it, civilisation as we know it will be at an end.

2.3 pm

Mr. Harry Greenway (Ealing, North): In my view there has been a gross failure by churches, schools and all other education bodies to educate our people to understand precisely what the brotherhood of man means. If we talk of the world being our neighbour, and if we think in terms of the brotherhood of man, it must mean that the man on low wages in Tanzania or Kampuchea is my neighbour and my concern as much as my neighbour next door.

During the days when I was the prospective Conservative candidate for Stepney I had dialogues with the dockers—Jack Dash in particular. There were large meetings. They were sometimes attended

by Bishop Trevor Huddleston, Bishop of Stepney and a great and long-standing friend of mine who is well known to the Minister. Jack Dash would speak against me. He spoke of £100 a week for dockers. That was about 10 years ago. On one occasion the Bishop intervened. He said to Jack Dash "You talk about £100 a week for dockers, and in the same breath you talk of workers of the world uniting. What do you say when I tell you that I have shortly returned from Tanzania where workers receive 100 pence a month?" I remember Jack replying "When we have got it, we shall see about them."

I do not wholly condemn that attitude. However, it has to be considered in a wider context. We cannot consider this important issue of the Brandt report without bearing in mind political concepts. The gross failure of Marxism must be condemned. It has totally failed actively to recognise the world's peoples as a brotherhood when taking over other countries. We have seen the rape of Kampuchea and the gross tragedy of Vietnam. We have seen the massive lowering of standards of caring for and feeding people in both countries.

The hon. Member for Aberdare (Mr. Evans) spoke about arms production. I should point out that Russia is spending more on arms as a proportion of her GNP than all other countries. At the same time, she is failing totally to pull her weight in improving the lot of underdeveloped countries, for many of which she has direct responsibility having taken them over!

By committing 0.7 per cent. per annum of our GNP on overseas aid to the Third world, the developed nations run a minimal risk of slightly lowering their standard of living. However, if we do not make that aid available, we put at risk the survival of the poor in developing countries.

I should like to give the House other statistics. In Africa, one child in seven dies in its first year. In Asia, the figure is one in 10, and in the West it is one in 40. The immediate benefits of aid are those that we take for granted—reduction of poverty, decrease in hunger and the introduction of health and education schemes. With those comes a gradual, but important, increase in self-dignity and a greater freedom to act, as

the shackles of poverty are shaken off. Beyond those areas, there must be for us a moral commitment to democracy, the total dignity of the individual and equal rights for all in all nations.

In all aid programmes, it is necessary to ensure in the transfer of resources that money goes to those who really need it rather than to leaders like Bokassa, Nkrumah and Azikwe of the golden bed, to spend on self-aggrandisement.

Trade barriers have been mentioned and I support those who say that where such barriers exist we need to be compassionate in moving towards lowering them, for Third world countries, as a means of bringing them into trading arrangements on which we, in our turn, shall survive.

I should like to concentrate on the moral arguments, particularly as they affect children. I gave my life to service in schools before being elected to the House. How can we condone the fact that 45,000 children, many of them only 4 or 5 years old, work from 11 to 13 hours a day in the match factories of India? We need to treat others as we wish to be treated ourselves. That is a fundamental axiom of Christianity which we must never forget. We need to help those children to be brought to a better life, dignity, full bellies, healthy bodies and educational provision, without their being put into factories in such an unacceptable way.

About 2½ million children in the cities of Brazil are estimated to have been abandoned by their families as a result of neglect, fecklessness and poverty. This is a society which has neglected, in some areas, the crucial value of education. We talk so much about money and the economy that we forget what really matters, namely ideas, education and the ability of the individual to handle himself and to have a common humanity in relation to those around him, in his community and in the rest of the world.

About 156 million children under the age of 15 are living in crowded slums, shanty towns and makeshift dwellings in the major cities of developing countries. On the subject of the quality of life, I should like to mention another book that is in many ways almost as valuable as the Brandt report. It is called "Mr. God, This is Anna" by Fynn. I commend the book to all hon.

Members. It deals with the quality of life seen through the eyes of a small girl. She says to the author:

"Why did Mr. God rest on the seventh day?"

The author replies:

"When he was finished making all the things, Mr. God had undone all the muddle. Then you can rest, so that's why rest is the very, very, biggest miracle of all. Don't you see? Being dead is a rest"—

She went on—

"Being dead you can look back and get it all straight before you go on."

The author writes:

"Being dead was nothing to get fussed about. Dying could be a bit of a problem, but not if you had really lived."

Death is acceptable then, is it not? But for the child who has never lived, or the middle-aged person who has never had a fulfilled life, death is a battle. The book goes on:

"Dying needed a certain amount of preparation but the only preparation for dying was real living, the kind of preparation old Granny Harding had made during her lifetime. We had sat, Anna and I, holding Granny Harding's hands when she died. Granny Harding was glad to die; not because life had been too hard for her, but because she had been glad to live. She was glad that rest was near, not because she had been overworked but because she wanted to order, wanted to arrange, 93 years of beautiful living, she wanted to play it all over again."

I hope that more and more people will be able to play their life again having lived fulfilled lives in the way Granny Harding did. In the end that is what life should and could be about if we were more compassionate to others in our own society and throughout the world.

Following the International Year of the Child many matters were brought to the attention of our society and it responded well. But Brandt's deep-seated solutions to the problems which were posed to his committee by its members and by others are worth reading and implementing.

Lord Mancroft said:

"Youth looks forward, middle-age merely looks startled; old-age looks back."

At the start of a new decade it is important to take stock of our position and to move forward in a way that will give children in so many parts of the world the life that they have not yet had. We should remember that children are the future of their own societies and the world in which we all live.

2.14 pm

Mr. Ted Graham (Edmonton): I join other hon. Members in congratulating the hon. Member for Cambridge (Mr. Rhodes James) on his wisdom in giving us the opportunity to debate this important document. I also join hon. Members in expressing appreciation to the right hon. Member for Sidcup (Mr. Heath) not only on his part in preparing the report but on sitting here without speaking and listening sums up the subject. It says:

We have all looked at this report in different ways. I begin by quoting from page 31 of the report where a short passage to what we have had to say.

"we have all come to agree that fundamental changes are essential, whether in trade, finance, energy, or other fields, if we are to avoid a serious breakdown of the world economy in decades of the eighties and the nineties, and to give it instead a new stimulus to function in the interest of all the world's people."

The reference to "a new stimulus" is what the report is all about. It has been said that, perhaps, there is not a great deal that is new in the report but as one who does not specialise in this area I find it valuable because it brings together the catalogue of potential catastrophes that the world may suffer if we do nothing. The report is not only a new stimulus. It is a trigger, it is a peg and it gives us a new opportunity to consider our position.

Although some hard-headed remarks have been made about our various shortcomings, there has been a distinct absence of acrimony and bitterness in this debate. I am impressed by the visions contained in the report. I shall point out one or two that have made a graphic impression on my mind. The statistics about world population are of special significance. As has been mentioned more than once, an additional one million new souls appear on the earth every five days and by the year 2000 2,000 million more people will have been born. Ninety per cent. of those new births will be in Third world countries.

One must consider what might happen beyond the year 2000. The population growth may accelerate if fertility does not slow down. The report tells us that by the year 2000 the populations of Nigeria and Bangladesh will be greater than the population of the United States today. The mind boggles at the thought. The world population is at risk from a number of potential disasters

as a result of economic, social and political conflicts.

Certain phrases in the document bring home to us what the report is about. They stress a mutual interest. The report refers not to "them" or "us", but to "we" as we move through the century. I am sorry about the Government's attitude. The Budget is a sad commentary on Britain's priorities. The Minister said that we cannot afford to do any more. Britain cannot afford not to do more.

A total of 1,200 million people cannot read or write. About 400 million people have no schools in which to be educated. In 1978, 12 million children under the age of 5 died, not from disease but from hunger. They are graphic facts which are brought to our attention in the report.

The report has been debated in the House of Lords. Lord Listowel spoke about trade, and the responsibilities of certain groups. He drew attention to the oil-rich OPEC nations and their responsibilities. The OPEC states must be prepared to give much more aid to the 45 poorest countries in the world. The situation is ludicrous. For example, a third of Kenya's foreign exchange goes to pay for oil which it needs to survive. We can contrast that with the aid provided by the OPEC nations. Between 1973 and 1977 a total of 77 per cent. of the aid given by OPEC nations went to neighbouring Arab countries, and only 7 per cent. went to black Africa. The Arab countries benefit from oil, but struggling Africa must pay the price.

In 1979 OPEC nations were enriched by £80,000 million. By 1980 they are expected to be enriched by £120,000 million, and yet they have set aside the comparatively small sum of £2,000 million for aid. Some of the OPEC States—Indonesia, Nigeria and Venezuela—are still developing, but most of the Arab oil-producing countries are not. OPEC has a responsibility. The EEC has a responsibility for Lebanon and EEC countries have guaranteed loans of \$30 million compared with the \$24 million promised by the Arab countries. More people were killed in Lebanon in its terrible civil wars than were killed in the Arab-Israeli wars.

The report contains a number of valuable lessons for Britain and the world. It is not only sober, but sombre. It is an assessment of the moral and resource

challenges facing the world. The hon. Member for Cambridge has done the House a service, and we are grateful to him.

2.20 pm

Mr. Peter Emery (Honiton): I have listened with great interest to every speech. I congratulate my hon. Friend the Member for Cambridge (Mr. Rhodes James) on initiating the debate. I indicated to you, Mr. Deputy Speaker, that I would be happy to speak towards the end of the debate. I did not realise that my offer would be taken quite so literally.

I shall make only one positive addition to the debate. It would have been my pleasure to make a wide and expansive speech about many of the aspects of the report, because they are of the greatest importance. However, I shall refer specifically to overseas aid. I considered paragraph 3 of the report in great depth. It deals with the mutual interest and imperative of trading between North and South—the developed and the underdeveloped countries.

I turn on those in Britain—and there are many—who believe that overseas aid is only a gift or a grant to nations or people who are less fortunate than ourselves. At a time of major cuts in education, health and other areas because of our economic position, it is quite easy for hon. Members to receive applause at a political meeting—especially at a Conservative meeting—by saying that charity begins at home and that overseas aid, regrettably, must be reduced. That is a mistake.

I wish to make it clear to those critics that overseas aid is, and can be proved to be, entirely in Britain's self-interest. That will become more evident in the next three or four years as Europe and the developing world sink further into economic depression. There will be a great need for the industrial countries to look for new demands for their products. From where is that demand likely to come, and where are our products needed most? It must be obvious to even the most critical that the greatest demand will come from those less well off. They will need consumer goods, engineering goods and capital goods of all sorts which could be provided by the industrial nations.

Surely it must be obvious to even the meanest intelligence that if we reduce the gross national product and the ability to expand of the underdeveloped countries, the demand that we wish to stimulate for our goods will not occur. Their ability to earn the foreign currency to pay for our goods begins to disappear. In our own self-interest we must realise that the investment and the aid from the developed world to the underdeveloped world will be one of the major steps towards a quick recovery from economic depression. For that reason, I now turn to the reduction of 6½ per cent. next year and the year after in Britain's overseas aid programme. It amounts to £99 million over the two years, a total cut of just under 13 per cent.

I accept the need for the Government to get our economy into shape, and I believe that they are right to think that overall Government spending must be cut in order to achieve that, but are there not other areas where it makes much more economic sense to cut spending? The White Paper, "The Government's Expenditure Plans", shows that a cut of a mere 12½ per cent. in unemployment payments would easily provide the £99 million necessary to raise our overseas aid to what it was before the cuts. Surely that could be brought about by the stimulation of the economy to create more business and jobs.

Similarly, I should like to have had an undertaking from my hon. Friend the Minister on the following matter. Table 2.2 on pages 24 and 25 of the White Paper shows that in the period 1980 to 1984 expenditure on overseas aid and other overseas services is expected to be £2.2 billion, £2.8 billion, £2.38 billion, and £2.63 billion, respectively. But those figures include over £1,000 million, and in the latter years £1,500 million, in payments to Europe. If, as I believe, we shall be able to renegotiate those amounts and thus reduce those figures considerably, will the Government undertake within the same account to restore the amount of overseas aid to what it was before the cuts, to bring about the economic stimulation that I have described?

I have a positive new suggestion to make. Other aid being given by the Government to industry totals in 1980-81 the sum of £440 million, leaving out shipbuilding and aircraft. In the coming

year over £300 million is to go to British Leyland. Will the Government consider the routing of that aid to industry via developing countries? Some of the £300 million for British Leyland will be for capital projects, but why should not the remaining £200 million be used to stimulate the purchase of British Leyland products by under-developed countries?

All that is necessary is to feed in the extra money to British Leyland in order to balance its accounts. If we can stimulate its production and at the same time provide necessary equipment for the Third world, that will be of major benefit to both sides of the account. It applies to the engineering side just as much as to transport. I do not believe that that suggestion has yet been considered by the Government. They should consider it thoroughly.

I conclude my speech now, because my hon. Friend the Member for Cambridge should have the last word.

2.29 pm

Mr. Rhodes James: With the leave of the House, I thank hon. Members warmly for the quality of the debate. I am very glad that I had the opportunity to open it. I am deeply grateful to my right hon. Friend the Member for Sidcup (Mr. Heath) for his characteristic courtesy and interest throughout the debate.

Question put and agreed to.

Resolved,

That this House takes note of the Report of the Independent Commission on International Development Issues chaired by Herr Brandt.

BETTING, GAMING AND LOTTERIES BILL [LORDS]

Motion made, and Question proposed,

That Standing Committee C be discharged from considering the Betting, Gaming and Lotteries Bill [Lords], and that the Bill be committed to a Committee of the whole House.—[Sir Graham Page.]

Question agreed to.

Bill immediately considered in Committee; reported, without amendment.

Motion made, and Question, That the Bill be now read the Third time, put

forthwith pursuant to Standing Order No. 56 (Third Reading), and agreed to.

Bill accordingly read the Third time and passed, without amendment.

Mr. Deputy Speaker (Mr. Richard Crawshaw): Unless the House indicates otherwise, I propose to put together the three motions to approve statutory instruments.

Mr. Nigel Spearing (Newham, South): Object.

TOWN AND COUNTRY PLANNING

Motion made, and Question put forthwith, pursuant to Standing Order No. 73A (Standing Committee on Statutory Instruments)

That an humble Address be presented to Her Majesty, praying that the Location of Offices Bureau (Revocation) Order 1980 be made in the terms of the draft laid before this House on 6th March.—[Mr. Cope.]

Question agreed to.

To be presented by Privy Councillors or Members of Her Majesty's Household.

RATING AND VALUATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 73A (Standing Committee on Statutory Instruments)

That the draft Transport Boards (Adjustment of Payments) Order 1980, which was laid before this House on 11th March, be approved.—[Mr. Cope.]

Question agreed to.

VALUE ADDED TAX

Motion made, and Question put forthwith, pursuant to Standing Order No. 73A (Standing Committee on Statutory Instruments)

That the Value Added Tax (Gold) Order 1980 (S.I. 1980, No. 303), a copy of which was laid before this House on 11th March, be approved.—[Mr. Cope.]

Question agreed to.

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HOUSE OF LORDS

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[Earl Ferrers.]

of my noble friend Lord Eccles—picked up the tab for the BCC fairly effectively. Your Lordships may consider that it might be desirable if we moved on to the next business.

INTERNATIONAL DEVELOPMENT: THE BRANDT REPORT

3.1 p.m.

The EARL of LISTOWEL rose to call attention to the Report of the Independent Commission on International Development Issues (the Brandt Report), and to the need for Her Majesty's Government to review their policy in relation to developing countries; and to move for Papers. The noble Earl said: My Lords, I think that it would be generally agreed that the Brandt Commission's Report, to which I am drawing your Lordships' attention this afternoon, is the most important publication on relations between the developed and the developing countries since the Pearson Commission's report in 1969, 11 years ago. It outlines a programme for world economic recovery which has the unanimous support of its members.

This consensus is perhaps the most remarkable feature of the report, because the commissioners came from the rich and the poor countries, and reflected every aspect of the political spectrum, from Left to Right. They were not a bunch of cranks or eccentrics, but some of the world's most experienced statesmen and economists, including, as your Lordships will observe, a former Prime Minister of this country. We certainly owe a debt of gratitude to these distinguished individuals for giving up two years of their time to the preparation of this world recovery programme, which they believe will stop the otherwise inevitable drift towards increasing poverty and international tension. As they put it on page 31 of their report,

"We came to these problems separated widely by our experience and our positions on the political spectrum. But we have all come to agree that fundamental changes are essential, whether in trade, finance, energy, or other fields, if we are to avoid a serious breakdown of the world economy in the . . . 'eighties and the 'nineties, and to give it instead a new stimulus to function in the interests of the world's people".

The main difference between Brandt and Pearson, which stems from a radical

change for the worse in the world economy, is that the emphasis in the motivation of the North/South relationship, including aid from the North, has shifted from moral obligation to enlightened self-interest. The theme of mutuality of interests runs right through the report. Both sides have to realise that their common economic interests in the long run are much stronger than their admittedly many differences in the short run, and that unless they can establish a long-term partnership based on those interests, the world as a whole will become poorer, more divided, and more embittered.

Industrialised and developing countries these days are not only inter-dependent, but are indispensable to each other, and their economies cannot expand in isolation. It is this mutuality of interests that should revive the flagging, North/South negotiations in the agencies of the United Nations. There will be a better chance that constructive agreement will replace sterile recrimination when the "have nots" not longer gang up to make the maximum demands, while the "haves" gang up on their side to offer the minimum concessions. In future the North/South dialogue at the United Nations should be regarded as an opportunity for partnership in the development of world trade and production.

But if the emphasis in the motivation of aid from the North is shifted it still requires a much greater concern on the part of the wealthy countries for those who live in conditions described by the World Bank as "absolute poverty". The priority which the report claims for the world's poorest inhabitants, the 258 million people who live in the less developed countries in Africa and Asia, is itself a moral judgment, and would entail enormous expenditure on social infrastructure and services before anything like an economic return from investment, or approach to self-sufficiency, could be expected.

When we try to assess the gravity of the present situation, we find that the world's economy is functioning so badly that it damages the immediate and the long-term prospects of us all. In the South 800 million people are living in absolute poverty, and their number will rise with the unprecedented rapidity of the increase in world population. In the next 20 years the world population will increase from

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about 4 to 6 billion, and nine-tenths of this 50 per cent. increase would take place in the Third World. This is bound to stimulate a much greater demand for food, and unless this can be met by an expanding agriculture, there will be a surge in food prices that will put basic foodstuffs beyond the means of the needy. If sufficient is not done in the meantime to raise production, hundreds of millions will have their health impaired by malnutrition, and many will starve.

When we turn from the South to the comparative affluence of the North, we find the industrial countries in the midst of a severe and growing world recession. About 18 million persons—6 per cent. of the labour force in those countries—are now totally unemployed. Allowing for part-time workers and under-employment, roughly twice this number do not contribute effectively to production. In terms of annual potential output there is therefore an enormous wastage of productive capacity. Is it possible to marry the desperately urgent needs of the South to the under-used human and industrial capacity of the North? The report answers this question firmly in the affirmative, and proceeds to outline its proposals in a series of recommendations.

I should like to ask your Lordships to give sympathetic consideration to these proposals. I do so, not on the assumption that they are necessarily valid or practicable, though I hope and believe that they are, but on the assumption that they should be carefully studied by all concerned—ordinary individuals, as well as Governments and institutions, such as the World Bank and the International Monetary Fund, because they affect us all, and none of us can afford to ignore them.

The first, and most important, proposal is for the financing of the recovery programme by a massive transfer of resources from the North to South. This would be comparable to the Marshall Plan which, as we all recollect, restored the shattered economies of Western Europe after the last war. The effect of such a transfer would be to increase global demand and thus to reactivate world trade by stimulating production in both the developing and developed countries. This would require a substantial increase in official

aid on concessionary terms to the less developed and low income countries, and a similar increase in commercial lending to the middle and higher income developing countries. Such an accelerated development programme would of course generate a greater volume of world trade.

But the essential financial requirement in this connection is that the surplus countries, particularly the oil-rich OPEC countries, should be willing to recycle their surplus earnings so as to stimulate production in the deficit countries, including the Third World. The commercial policy of the industrial countries will be the key to the expansion of world trade.

Developing countries must have the capacity to industrialise if they are to raise their living standards, and to reach the stage of self-sustaining growth. For this purpose they will need access to international markets. It is the industrial countries of the North which will be the main outlet for the expansion of industry in the South. That is already recognised to some extent in the generalised preferences granted, for instance, by the European Economic Community to manufactured exports from developing countries connected with it. To fear that cheap consumer goods from the South will cause unemployment in the North is unfounded, because the loss of jobs from more imports will be balanced by the jobs gained from exports; such as, for example, the export of capital goods. While transitional arrangements during the period of adaptation of the old industries in the North to advanced technologies are permissible, there should be a gradual removal, and certainly not a further expansion, of existing barriers to world trade.

Pressures on Governments from both sides of industry will increase with worsening unemployment and declining profits; but these pressures should be resisted, because a retreat to protection would halt the recovery of world trade and condemn us all to the rigors of a siege economy. Of course, many of the developing countries are still mainly agricultural, and often dependent on the export of one crop or one mineral. For these countries, and for the industrial countries which rely on their food and raw materials, it is essential to prevent wild fluctuations in commodity prices. So the report rightly insists on an enlarge-

[The Earl of Listowel.]

ment of the number of existing international commodity agreements, and a stabilisation of the commodity price level. There is thus a converging and mutual interest of producers and consumers in the stability of commodity prices.

I will not weary the House with a catalogue of recommendations about methods of finance, monetary reform or energy strategy, important as they all are to the integrated recovery package in the report. But there is one aspect of development finance that I should like to mention, because it has a direct bearing on our own policy for overseas aid. Official development aid from the Governments of the industrialised countries is the principal source of funds for the poorest countries, which of course cannot afford to raise money on commercial terms. The target of 0.7 per cent. per annum of their gross national product was set for a 10-year period by the United Nations, and most Governments, including our own, accepted this target. The average performance of the OECD countries over this period has been disappointing—only 0.35 per cent. per annum, while the performance of this country was 0.48 per cent. in 1978. This reflects particularly unfavourably on the wealthiest industrialised countries, as some of the small European countries have already exceeded the United Nations target.

The Brandt Report now recommends that countries which have not yet reached the 0.7 per cent. target should do so by 1985, and that this annual target should be raised to 1 per cent. before the end of the century. It also wants improvement in the quality of aid, less tied aid, more multilateral aid and more concessional aid for the poorest countries. But the statement on overseas aid policy made by the noble Lord, Lord Carrington, the Foreign Secretary, on 20th February will reverse the direction in which the report believes we should be moving.

Our aid—the aid from this country—will deteriorate in quantity and quality. The amount of our official aid will be reduced, and aid criteria will change in emphasis from development needs to considerations of British commercial and political interests. Of course, we are going through hard times, as the noble

Lord, Lord Carrington, emphasised in his speech the other day, but times will get even harder if we do nothing to revise our economy. This very recent review of overseas aid policy was nevertheless completed before the Brandt Report had been published, and I sincerely hope that the Government will undertake a further review when they have studied this part of the report.

My Lords, in my Motion this afternoon I am asking the Government to do two things. The first is to make a careful and serious study of the Brandt Report, taking into account before they make up their minds the expression of public and parliamentary opinion, including the debate this afternoon in your Lordships' House, and also likely repercussions on our partners in the Commonwealth. We have only just passed Commonwealth Day, and I think it is a fitting occasion that we should remember our partners in the Commonwealth. I believe that a Commonwealth view, as it would represent both North and South, would be a valuable stimulus to a wider international agreement. It should, if possible, precede the summit meeting between North and South called for in the report. I cannot think of a more fitting item for the agenda of the next meeting of the Commonwealth Prime Ministers' Conference.

In the second place, I should like to ask the Government to review their present policy towards the developing countries, and in particular their policy for overseas aid, in the light of the recommendations in the report. Finally, I think Parliament should be informed as soon as they have finalised their policy decisions on the report as a whole; and perhaps the noble Lord, Lord Trefgarne, will be able to answer me on that question when he replies to this debate.

My Lords, I have tried to keep my remarks short because I have exhorted others to make short speeches and I should not set a bad example myself, but may I say this one sentence in conclusion? The Brandt Report is a challenge to the imaginative statesmanship of the leaders of every national government. They should respond now, while there is still hope for the future and before we have been overtaken by another 1929—and I very much hope that Her Majesty's

Government will take the lead. My Lords, I beg to move for Papers.

3.17 p.m.

Lord TANLAW: My Lords, I know that we are all grateful to the noble Earl, Lord Listowel, for arranging to have this important report debated in this Chamber so soon after its publication. Because of its very detailed nature, I believe that at this stage I can only make observations, and the observations I make and the criticisms I intend to put forward I would wish to put forward in a constructive way for Her Majesty's Government's consideration. Also, we from these Benches look forward to the maiden speech of the noble Lord, Lord Chorley, later in the debate this afternoon.

At a first glance of the 300-odd pages of which this report consists, one would find it difficult to disagree with either the conclusions or the recommendations contained in it. It was only on a second and perhaps more detailed look at some of the contents that I began to have doubts as to whether the commission was really on the right track after all, because it seems to me that so many of the recommendations seem to have been made before, tried out and found wanting. This makes me wonder whether the same formula on an increased scale will do much better for the world's poor relations than the last time it was tried. Perhaps it is easier to understand these feelings of doubt if I can specify more precisely the areas where the report appears to be at its weakest—the general one being, in my view, that some of the recommendations for the South should first be applied to the North, so that the world's monetary system can survive long enough to provide a stable credit base for the restructuring of industry and employment in the Northern countries. Without such a base the whole question of external aid, it seems to me, can only be academic.

My first and perhaps smallest criticism is that I find the map on the cover rather misleading, because it shows the world divided into two, presumably North and South, by a bold and not altogether straight black line. I assume that all those countries which are placed below the line belong to the South, and are, therefore, in need of the increased aid and advice which the Commission recom-

mends; whereas all those situated above the line are designated to belong to the affluent North. I do not think it is quite as simple as this, for it must be inaccurate to imply that the oil-rich OPEC countries, Malaysia, Singapore, Hong Kong and many others are areas requiring external assistance from the North.

From the experience of frequent visits which I have to make to South-East Asia, when, through my lady wife, we do not have the barrier of language in speaking with or listening to the hopes and aspirations of the people who live in these areas, it would appear that a respect for the work ethic and skill in trade may be the secret of their success, rather than a need for external aid.

I do not wish to dwell on this point, but I really do not see how we in the North, and especially this country with an unemployment figure approaching 2 million and an inflation rate of 17.2 per cent. and rising, with an interest rate to match, should wish to impose these burdens on countries such as Malaysia or Singapore, where the inflation rate is only 6 per cent., the standard of living high, and the balance of payments good. There are many aspects, as I know from personal experience, that do not make these perfect societies, but at least their economies seem to be in a reasonable order without further direction from the North, however well-intentioned it may be. This leads me on to question the conflicting economic theories which are still being argued with some heat by the industrial North, including Her Majesty's government. I wonder whether they have any relevance at all in those areas in the South?

The main point I wish to make about aid, combined with special credit facilities, to the developing world is that, if it is to be effective, it should be directly linked to specific major capital projects, in order to achieve the maximum effect in the rural communities of the South. The all-embracing nature of a World Development Commission, which has been suggested in the Brandt report, may not be, in my view, the most effective way of dispersing the rather limited largesse the industrial world has to offer at present. This new agency will only succeed provided it can fulfil the role of an international clearing house for all external aid agencies and

[Lord Tanlaw.]

for recycled petrodollars; and then targets its capital lending with maximum efficiency and with the minimum opportunity for misapplication. Regrettably, these goals have not been achieved, as I understand it, by methods used so far.

There are also two serious omissions which I feel I must touch on before dealing with the energy sector in the report. The first is that no consideration appears to be given as to the impact of nuclear power on the economies of the South; and, secondly, the effect of the microprocessor revolution which is destined to take place in the late eighties and early nineties has been ignored. Omitting to take these major factors into consideration could affect the whole purpose and objectives of the report. Perhaps Her Majesty's Government, when they have had time to study the report, could indicate their views on this last observation.

I now come to the subject of energy, as outlined in the commission's report. I will make some attempt to present a case for showing that this section is inadequate and may have missed a great development opportunity for both the rural and urban populations of the South. The commission portrayed accurately the energy dilemma that exists in these communities, but it did not really come to grips with the kind of society it wants to see created in these areas for the future. The rural poor are, as the report rightly points out, in a Catch 22 energy situation, which is described on page 83 of the report. Because copies of the report were not available at an early date, I should like to quote the relevant passages for the benefit of noble Lords who may not have had time to read them. The report says:

"In most of the countries in the poverty belts, nine-tenths of the people depend on firewood as their chief source of fuel, and in colder mountain regions for home heating. Unrestrained commercial exploitation and increased population have led to soaring wood prices: more and more physical energy is expended to satisfy the basic fuel needs, animal manures are diverted from food production to cooking and the treeless landscape extends further, with disastrous effects on the ecology ...

The diversion of manure for use as fuel leads to a loss of agricultural nutrients, damaging the soil structure by failing to return manure to the fields. The result is a circular trap. As wood scarcity forces farmers to burn more dung for fuel and to apply less to their fields, the falling

food supply will necessitate the clearing of ever larger ever steeper tracts of forests which then intensifies erosion, which in turn further reduces soil fertility".

I entirely agree with this and it is briefly and succinctly portrayed in those few lines. I agree entirely with the conclusion that it is a matter of urgency to plant more trees to compensate for deforestation. This could be done best through an international agency such as the World Development Fund. The report goes on to say that it is necessary to increase the energy input into the rural communities in the form of oil and electricity, but it does not attempt to say how this can be achieved. Of course, if the country concerned has the energy resources in the first place and the power generation capacity to exploit them by the year 2000, then it will be possible to provide more electricity. However, the cost of oil may be prohibitive by this time, and the supplies uncertain, when all the other energy raw materials will be at a premium. Therefore, the question remains as to whether enough fuel will be available to the South to produce electricity at an economical rate for the rural communities and the cities, which are still grossly underpowered.

I want to go back to the reference in the report about the energy trap and to show how, by bringing electricity to a rural community will not only provide light, heat and power but save waste product fuel for fertiliser, which in turn will increase crop yields. Adequate power will stop deforestation in areas which rely on firewood for heat and will help stabilise the local ecology. Rural electricity can also secure a system of water pumps for irrigation and fresh water. Finally, I maintain that it will make a contribution to reducing the birthrate. Although statistics on this last point are difficult to find, my own personal observations in these countries has confirmed the beneficial effect the introduction of light and power has had on population figures.

If these premises are accepted, then electrification of the rural areas of the South by nuclear power must be the first priority in the emergency programme outlined on page 276 of the report, because in my view it can break the circular energy trap described earlier; yet it has not even been listed in the commission's report or, if it has, I have not been able to find it.

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Perhaps it was omitted because the question still remains as to how it can be done, especially as nuclear power has a number of uncertainties connected with it, apart from the very high capital cost. One of the main difficulties in considering the installation of nuclear energy in the countries of the South is, first, the quality of the technical staff available to maintain the high safety precautions required. Secondly, there is the worry of misuse of nuclear waste from the reactors for military purposes, which will call for difficult and delicate international monitoring. There is a third problem of the massive volume of cooling water required by large nuclear installations, which is not always available in the more arid areas of the South where electrical power will be required. I believe that it is a combination of these reasons that the Brandt Commission felt they were not justified in pursuing this area as a productive one, for solving the problems of the South, or giving it a higher priority in the report.

It was while considering the difficulties connected with a nuclear contribution to the problems of the South, in conjunction with a report by Dr. Marchetti from the International Institute for Applied Systems Analysis in Vienna, that an interesting solution presented itself. Dr. Marchetti's report was primarily concerned with the problems of disposing of waste heat from a large complex or battery of nuclear power stations, on which I will elaborate in a minute.

Before doing so, there is one other assumption not covered in the energy section of the Brandt Report which I would ask to be accepted for the purposes of this debate. It concerns the need to conserve all raw materials for energy production. We are about to have a debate on this subject next week, which has been instigated by the noble Lord, Earl Lauderdale, when I shall make this point in more detail. However, I only wish noble Lords to accept that coal, oil and gas may become too valuable materials twenty years from now to be used in the relatively inefficient process of electricity generation. The only raw material for which there is no other energy use, except to produce electricity, is uranium; thus allowing gas, motor fuel, chemicals and fertiliser to be extracted from all the materials presently used for electrical

energy conversion. This factor I have mentioned because I believe it to be of particular relevance in the South, where there is a shortage of all energy resources. Therefore, the only remaining possibility for an electrification programme of this size is nuclear power. Solar power and alternative energy strategies can, I am sure, play a part in the more remote parts of the South, but obviously cannot power the cities or large rural communities.

Dr. Marchetti's paper was based on the principle of fast breeder reactor stations, which could be sited on an offshore location. If such a nuclear city were ever built, it could have a number of direct advantages for the purposes of alleviating poverty in the less developed countries. An offshore location in international waters, besides being safer, would also enable such a complex to sell electricity to more than one country, thus transcending national and geographical boundaries. A complex of this kind would naturally have adequate cooling water, and it may even be possible to use the immense waste heat generated by these stations to convert sea water into fresh water, which could be piped on to the shores of one of the dry continents in the South.

By placing these huge stations in international waters, it would be possible to staff, monitor and control the safe production of electricity with an international and representative commission, both from the high technology countries and the consumer countries involved. The other advantage of an offshore location would mean that it would be difficult, if not impossible, for a misuse of nuclear waste for military or other purposes to take place. Finally, if the industrialised countries of the North were prepared to pool their nuclear technology, to create such power complexes, a great deal of sterile competition in the nuclear industry would be avoided. The alternative of individual North countries attempting to sell nuclear power stations competitively to developing countries could lead to just the kind of problems described in the Brandt Report. I would have many worries about the success of this policy, either for the exporting nations or for the consumer nations whom they are intended to assist, and for the world's nuclear industry as a whole.

[Lord Tanlaw.]

The main objection, other than the sheer technical ones, is that of cost. Very few, if any, of the countries of the South can afford to embark on the massive expenditure of a national nuclear industry of their own. However, I do think that it would be possible for them to co-operate individually in a multinational nuclear power station complex of the kind I have described in relation to the amount of electrical power needed for their local consumption. The main bulk of financing projects of this kind could only be done through recycling the pyramid of petrodollars that will have reached unmanageable proportions in the OPEC countries by the end of the decade. Repayment of these loans could be achieved eventually through charging electricity to the consumer countries of the South.

I believe that the present method of repayment of loans for capital projects, by merely establishing further loans, just does not make sense. The kind of capital project I have described may sound both impracticable and almost outrageous in its magnitude. However, I ask that it be given some consideration by Her Majesty's Government within the context of the Brandt Report's comments, because I cannot see any other way in which electrical power can become a reality to the rural and growing city communities of the South, unless projects of this scale are made equally real or alternatives found to them before the end of the century.

Whatever may be considered the defects of this suggestion, the underlying financial considerations are sound in an aid context, in that there is a specific international target for a major capital project, which must be an improvement on the blank cheque approach for individual national projects apparently advocated in the Brandt Report. Furthermore, the present practice of developing countries to borrow long, in order to meet the shortfalls on current account for oil purchase, cannot continue much longer. The whole system of international finance has been put under great stress since the massive increase in oil prices and will be in grave danger of breaking down completely through default. Therefore, alternative sources of energy must be found quickly for the South, or no funds

will remain available for the development projects they have in mind and on the drawing board today. The new World Development Fund should be set up quickly for this purpose, or, alternatively, as the noble Earl, Lord Listowel, has said, greater use made of the OPEC special fund in order to relieve the burden that oil price rises have caused the South and to provide the capital base for alternative and nuclear energy electrification programmes.

What has not been properly discussed in the report are the consequences of the downside potential, to use the jargon, if the programme for survival, as outlined by Chancellor Brandt, fails. According to the report, the world is lurching from one crisis to another, year by year, in population, food, environment and resources, to name but a few. Many serious speeches will be made under these headings, learned papers will be read and discussed, and at least one more United Nations agency will be recommended. Large office blocks will be put up for new institutions—no doubt in very agreeable locations—to be filled with well-intentioned bureaucrats to ponder on these problems. Individual governments will set up similar organisations, with fine sounding names. In Britain there are already Departments for Overseas Development, Environment, Energy, and Natural Resources, and on the first page of the report is a whole list of other agencies, including some which I regret never having heard of, all with the same object in mind.

However, these problems will never be solved simply by creating new bureaucracies to worry about them. It would, therefore, be interesting if the Minister could give us an estimate of the gross annual costs of all the aid agencies mentioned in the report. Alternatively, could he give an indication whether the output in aid actually exceeds the input in overheads of these agencies? As I see it, the dilemma that the poor and hungry nations sense when they attend international conferences of the kind recommended in the report—they could be called summits—is that the isolated crisis on the agenda is seen as part of a wider population—resources—development crisis which, unless wholly resolved, will condemn their people for good to the ranks of second-class citizens on their own planet. These

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problems when discussed in the past have appeared too great and too complex for solution. This realisation may have engendered an alarming spread among the developing nations of what could be called the Samson complex—the view that things will become so bad we may as well let the whole system collapse about our ears and start again.

This is a form of cosmopolitan nihilism that has many long-term attractions for those developing nations like the Peoples' Republic of China, India and South America. For these largely decentralised rural based societies will stand a good chance of survival during a period in which world trade, communications and the monetary system have been totally disrupted. This is something which the centralised rich urban nations most emphatically could not live through. Yet the small cultivator in the areas I have mentioned would remain quite unaffected by such a collapse, even if he were aware it had taken place. Therefore, the Samson theory, as I call it, has powerful political reasoning behind it, in that it allows for the collapse of industrial society while at the same time promoting a sound strategy of national self-sufficiency.

This reasoning is well suited to oriental political thought and can be expected to spread unless much more clearly defined initiatives than those outlined in the report are made by the developed nations to deal with the main crisis problems of food, population and rural development. The first step in this direction would be to implement an extensive programme of nuclear electrification throughout the countries of the South, as a matter of urgent priority.

In conclusion, we on these Benches must give warm support to the general concept that lies behind the entire Brandt Report. That is the concept of world government, which we believe may be brought one step nearer if the main objectives outlined in the report can be achieved. It is worth quoting in this context the words of Chancellor Brandt, who said on page 12:

"There must be room for the idea of a global community, or at least a global responsibility evolving from the experience of regional communities".

He went on to say on page 15:

"... we must aim at a global community based on contract rather than status, on consensus rather than compulsion".

This liberal philosophy is not new. It has been spelt out before now in similar terms, which were that:

"The world should be but one state, the state of mankind, in which all men live in harmony and in unity of heart and mind—world citizenship with one language, complete freedom of movement and choice of marriage partner, the only divisions of men being those of good or evil intent".

This plea was made in a prayer offered by Alexander the Great 2,300 years ago at Opis, before leading his troops up those same mountain passes where today an entirely different army is encamped. There is no philosopher general in command of these soldiers, whose regime will not permit such ideals to be expressed in public, or even in private. Whatever the defects of the report may be, if the underlying philosophy of Chancellor Brandt is not accepted, or if the countries of the South lose patience with the North, then that army, poised in the mountains of Afghanistan, may march southwards, and snuff out those Alexandrine principles, for ever.

3.40 p.m.

Lord GORONWY-ROBERTS: My Lords, the entire House will be grateful to my noble friend Lord Listowel for the admirable way in which he has initiated this important debate. As he has said, the Report of the Independent Commission, under the chairmanship of the former Chancellor Willy Brandt, is a document of the utmost importance. It is true that it does not claim to present new facts or new solutions but it marshals the facts with a new intensity and it presents the solutions with a new authority. That, perhaps, is to be expected from a commission recruited from among the ablest and most distinguished statesmen of the Free World, among them our own Mr. Edward Heath, whose contribution to this report and to the thinking and speaking on international affairs generally, certainly in the last year or so, has given him a quite new eminence.

The report is a state paper for all States. I echo my noble friend's appeal at the end of his speech that not only our Government but all Governments, and not only in the Free World, should study this document with urgent attention. That is the first point to be made about this report. It is a document of urgent importance, and the note of urgency is

[Lord Goronwy-Roberts.]
sounded from the very beginning. The sub-title of the report is given as *A Programme for Survival*—not a programme for prosperity but for sheer survival, no less.

The second point about the report which strikes one is its global approach to the problems it discusses. It does this in a way that its admirable predecessors, among them the Pearson Report, did not quite manage to do. Here we have an approach to the North/South problem in the context not only of the North and of the South but also of the East and the West—in fact, of the whole world. The global approach inspires and is instilled in every paragraph of this notable report. Throughout it there is the insistence that the undoubted dangers, the urgent dangers, as well as the humane opportunities of the situation, are of vital concern not only to the industrialised North and the less-developed South but also to the ideological East as well as to the Free West. There is a new and welcome clarity with which the report demonstrates that all systems—State capitalis, private capitalist or mixed—are threatened by the deepening curse which afflicts the economic, monetary and social arrangements to which all systems in all countries seem to cling.

Thirdly, the report is emphatic that the old adversarial assumptions and attitudes must be replaced by those of mutuality of interest. That is the truth that hurts. It comes up against all kinds of prejudice and selfishness—nationalistic, ideological, even religious—yet, as the report makes utterly clear, unless all States, unless all systems, indeed, unless all religions, accept the fact of mutual dependence, there can be no survival, let alone prosperity, for any of them. All systems go—if they do not come together. I believe that the leaders of these various systems exaggerate their importance. The facts of life, of danger and of opportunity, that link the people of Eastern Europe with the people of Western Europe, like those that link the people of the North and of the South, are far more compelling and important than the persistent patina of the special pleading of the ideologists.

But things are changing. We see it in some of the initiatives pursued by our own Foreign Secretary, in a reaching forward, not for an adversarial advantage but for

the opportunity of co-operation. The peace of the world, at least freedom from a third world war, shows that co-existence is possible. That is the meaning of the period from 1945 to 1980. Co-existence takes place. Now, it must be co-survival. Co-existence can succeed by restraint; co-survival needs something positive. It needs initiative. This is the third important point made by this report.

My Lords, the fourth point is what my noble friend has so admirably illustrated: that the wider the gap between rich and poor regions, the more likely it is that tension, instead of détente, will take over. If a starving man cannot get food for his children he will come and get it; and somehow he will arm himself in order to get it. Indeed, it was one of the melancholy facts of the last 10 to 15 years that, proportionately, the less-developed countries, the poorer countries, are more claimant to buy armaments, more keen, more insistent on buying armaments, than are the developed countries. There are the tears in this thing: when they need every penny that they can spare to develop the life of their people, somehow they feel they must arm themselves for some contingency.

The report seeks ways to narrow the gap between rich and poor; and some very glaring examples of disparity between the wealth and well-being of North and South are given us. For instance, the developed North has only one-quarter of the population but 80 per cent. of the world's income and 90 per cent. of the world's manufacturing capacity. Moreover, it consumes, often wastefully, 85 per cent. of the world's oil production. Those are the startling facts of the imbalance between the developed and the less-developed world. It must be corrected; the gap must be narrowed—for political as well as moral reasons, for practical as well as ethical reasons.

On the other hand, as we have heard, probably more than eight million people in the undeveloped world live in what the report describes as absolute poverty; that is, well below subsistence levels. Consequently many of them—and many of us have seen this on the spot in these countries—lack the energy, mental and physical, to make the most of themselves and the most of their countries' resources. A kind of persistent lethargy, a hopelessness

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and a haplessness grips an entire community. At the same time, there are in the North some 20 million people, many of them highly skilled, who are unemployed. We have something like £175 thousand million worth of productive capacity lying idle every year. The problem is to activate the idle skill and plant of the developed North, not to make constant donations to the less developed South, but to use it to trigger off production in the South which will create the income and the employment which in turn will create the normal market for these things in the North. One market of course begets the other. The only way we can pay for what we buy is to produce something that the other fellow from whom we want to buy wants to get from us.

There is no doubt that the market is there. Despite this poverty, a third of all the exports of the North go to Third World countries already, and it could be much more given the kind of massive investment by the North in the South which the report urges and indeed endeavours to quantify. The report goes on to suggest a new approach to development finance based on a system of compulsory levies on all countries. For instance, a worldwide progressive tax based on national income, or revenues raised on what is known as global commons—the global domain such as seabed minerals—or a tax on arms production and exports. I think that that is a Swedish concept. It is very attractive.

Less attractive is the proposal—it is not a recommendation but it is given the imprimatur of the report—to tax international trade. One would not expect that one to get very far at a time of looming recession in world trade, when everybody is desperately trying to expand international trade or at least prevent its further contraction by removing as many tariff and non-tariff restrictions as possible. Perhaps that part of the report was written in early 1978 before the hard facts of recessive life were upon us.

Nevertheless, the main thrust of this part of the report is in the right direction. It regards what it calls the massive transfer of resources—I like the word "investment"—in the underdeveloped world by the North in the South not only as a moral imperative to rescue hundreds

of millions of human beings from deadly crippling poverty, but also as a practical necessity for the survival of the North as well as the rest of the world—perhaps particularly the North, the industrialised North and West, the Free World. It depends so much on assured access to raw materials, including oil and commodities. The mutuality of interest is very clear indeed.

The major engine of development is finance, and the report makes wide-ranging suggestions, as we have heard, about the reform of the structure and the policy of some of the more important international financial agencies, including the World Bank and the IMF. I was interested to read the reference to the IMF which we are told should be a little bit less prone to impose socially restrictive policies on less developed countries as a condition of assisting them. I am sure that this report will be studied with very great interest—with receptive interest—in the IMF.

More promising, perhaps, is the recommendation that the industrialised countries should definitely meet the present targets of 0.7 per cent. of GNP for official aid to developing countries, and to do so by 1985. That will yield about £30 thousand million extra per annum by that date. It will go a very long way indeed to "beef" up—as is needed—this massive investment from the North to the South in the way the report recommends. Together with strong policies on lending, these injections might indeed trigger off a significant development in countries which are now inert: countries dragging out an existence of poverty, ignorance and disease with their potential as sources of raw materials and as markets unrealised. The report also calls for a global strategy on oil, with the oil-producing countries guaranteeing production levels and avoiding abrupt and disruptive increases in prices.

This is one of the most important single elements in the worsening situation economically and financially in the past decade or so. Since 1973 the intensification of inflation, the disruption of the exchanges, and the acute embarrassment of the national economies, can be traced in part at least to the way in which oil prices have, as it were, without warning doubled, trebled, quadrupled and

[Lord Goronwy-Roberts.]
tupled. As the report suggests, such a strategy—a new stability in the prices of essential materials such as oil—is vital to both developed and developing countries. One welcomes also the emphasis on world food supply—and I was glad to hear my noble friend Lord Listowel make an important point on this—and, in particular, new international arrangements to ensure the supply and reserve storage of grain. We are all in this together. The first requisite of everybody in every country is food; it is probably of higher priority than oil. We must all have food. They must all have grain in Russia, and the needs of different countries may help the creation of a practical mutuality of interest. Many of the less developed countries are indeed potential sources of food, given the right investment in agricultural technology, training and infrastructure. At the same time, they are the most vulnerable to hunger and to famine.

I often think that the problem of food production rivals that of energy in world-wide importance. Since the Industrial Revolution, for about a century and a half, at least, manufacturers have somehow commanded higher prestige and prices than agricultural production. This is changing and it should no longer be assumed that a naturally agriculturally-based country or region must, for prestige purposes as well as assumed economic reasons, have also a considerable manufacturing industry.

The report here and there tends to repeat this assumption. One would have hoped for a reasoned argument for the development of many underdeveloped countries on modern agricultural lines which of course entails a very wide range of technology and derivative industry. There is still something to be said for the teachings of Adam Smith from time to time, although my friend Professor Milton Friedman has no idea what it is as yet. This specialisation of regions, dictated by climate and maybe temperament—a variety of compelling circumstances—may indicate the most natural and profitable activity for an area. We should not distort it by deferring to what is very often a sense of prestige—"we must have a motor car industry", and so on. You need not have. Your own resources and your own circumstances will generate the appropriate industry if you work at it.

The excellent analysis of the report prepared by the Overseas Development Institute gives this interpretation of this section of the report—and I hope it is correct:

"The central aim is to build up the productive system of the poorest countries through large-scale investment in the development of natural resources and infrastructure."

The report will have done a great service to the entire world, and not least to the underdeveloped countries themselves, if it gets that message across. That is certainly the right approach. There is no need to reproduce Dagenham in Dakar or *vice versa*. Let countries and regions do their own thing, with comparable prestige and reward and providing complementary markets.

To conclude, my Lords, I have said that the report is a State paper for all countries and all Governments. It is in truth a programme for survival. No one, I hope, will minimise the urgency of the problems it analyses; and it looks to a summit meeting of representatives of Governments drawn from all parts of the world. It does not hold out much hope that the Communist countries will take part, but it is vital that they should. There is bound to be an unreality about the report itself and about any summit that is convened which is not global in composition and intention. While I agree with my noble friend that we should do everything we can to persuade our own Government, and that other countries should try to persuade their democratic Governments, to give the fullest attention to this report, I think we must speak clearly to our prospective partners in Eastern Europe, in the Soviet Union and in China and say: "Here is this report: it analyses the dangers which threaten you and us; it indicates important solutions which cannot be effectively carried out without you and us".

Therefore, with a mutuality of interest which not only binds North and South but also East and West, I think the next step is to talk clearly and constructively to our counterparts in the Communist regions. All countries and all systems face a common threat to their survival. It should be the aim of this report not only to persuade the North to help the South but also to persuade East and West to work together so that they survive together.

4.4 p.m.

Lord CHORLEY: My Lords, I am fortunate to be able to make my maiden speech on a subject as important as the Brandt Report. Its subject matter has interested me for some 20 years, although my own experience has been rather more—shall I say?—at the coal face than concerned with international conferences and commissions. If one is to find a text for the report I should rather like to take Browning's:

"Ah, but a man's reach should exceed his grasp,

Or what's heaven for?"

There is running through the report, and particularly in the passage by Herr Brandt, a sense of stretching out for goals that are barely attainable and an idealism which I found extremely attractive. May I add how refreshing it is to read a report which is written in such good English? But, just as important, the report argues, I thought convincingly, that it is just as much in the North's interest to foster development for our own good, both politically and in a global sense, for sound, if currently unfashionable, Keynesian reasons.

As the noble Earl, Lord Listowel, reminds us, ten years ago Mr. Lester Pearson chaired a commission of equal distinction. Their report, which was also widely acclaimed, concentrated rather more narrowly on what might be called conventional aid. In contrast the canvas of this new report is much wider and recognises—this, I think, is perhaps the most important point—that Third World development depends upon a whole range of other factors, such as North/South trade, the role of multi-national corporations, balance-of-payments difficulties and the world monetary system, to name but a few.

In 1971, following the publication of the Pearson Report, the United Nations General Assembly adopted by acclamation an overall strategy which was to achieve a growth rate in the developing countries of at least 6 per cent. The target *per capita* was for an annual average increase of $3\frac{1}{2}$ per cent. In the event, the estimated growth rate is likely to be at best 5.2 per cent. and only 2.8 per cent. *per capita*. For the countries that matter, the poorest countries, with 61 per cent. of the population, the *per capita* growth

rate was only 1.7 per cent., and in Africa a mere 0.2 per cent., which is effectively stagnation.

The first point I want to make, which may seem a bit pedantic, is this—and I use the forceful words of Mr. Robert McNamara in a recent speech:

"There is little point in establishing overall targets which the poorest countries have no hope whatsoever of achieving".

It is for that reason that I find it disconcerting to read of an UNCTAD estimate, which is referred to in the report, of the external capital need to support a $3\frac{1}{2}$ per cent. *per capita* growth rate for the least developed countries in the next two decades. It seems to me that an understanding of the problems of development and how to resolve them in those countries is not going to be advanced by giving the impression that average growth rates can be doubled in such a short time and, even more, that merely supplying sufficient funds will do the trick. Even to achieve far more modest targets requires, according to the World Bank, very bold assumptions both for the economies of the South and in terms of the growth rate of the OECD countries.

Development is not just a rather mechanical business of supplying funds. It is a much more subtle and complex process in which institutional and human factors are often the dominant constraint. The constraints may be of tradition and religion, land tenure, education, inexperienced public administrations, inadequate managerial infrastructures or inappropriate social and economic policies. Some of these problems take a long time to resolve and tend to limit a country's capacity to absorb funds. All this is much better appreciated today than it was 10 or 20 years ago, and organisations such as the World Bank nowadays pay them a great deal of attention particularly at a project level; but I must confess that I thought the Brandt Report dismissed the problem of absorptive capacity rather too lightly.

I should like, if I may, to illustrate the sort of problems that arise in practice by examples from the electric power sector, with which I am familiar. Too often one finds, usually for reasons of ignorance or political expediency, that both the level and the structure of tariffs do not reflect economic costs. Again, it is not uncommon to find that anything between

[Lord Chorley.]

30 and 40 per cent. of electricity supplied is not charged for. The reasons are various. For example, apart from the normal transmission losses, one finds that meters have broken down because of inadequate maintenance. Meters are not read and fraud and theft are extensive. In one country I have been to recently I found the little stores depot had no fewer than six different sorts of meters from Iron Curtain countries. It seems to me quite impossible to run a sensible maintenance workshop if you have an array of meters of that sort. This, as I say, is not untypical. It may be argued that it is wrong to apply Western standards to this sort of thing, but I do not think that gets to the point. A poor country simply cannot afford such losses, which often directly impinge on a very weak balance of payments.

Diagnosis of these problems is the easy part; carrying through effective remedies is much more difficult. It is usually a human problem because it involves people's motivations and attitudes—often down to a grass roots level, such as to the people who read meters. Change of this nature takes time so that it is not surprising that projects take a long time to get off the ground, but it is the stuff of development. It is here that technical assistance, provided that it is imaginative and that there is a long term follow-through—two very important "ifs"—can be highly effective, particularly in getting better use from existing investment let alone new projects. I believe that this is a field of great opportunities.

I suppose I should declare an interest at this point since my firm undertakes a considerable amount of work of this sort for the aid agencies and for Governments. If I may be forgiven a personal note, in our own affairs we do just what I am preaching. We have a vital interest in strengthening our offices in Third World countries. We do this by technical assistance, particularly in the form of staff exchanges—in both directions and on a quite large scale.

It is against this background that one needs to view the recommendation that official aid levels need to be more than doubled by 1985. In the present climate, and however strong the Keynesian arguments, this seems to me to be unrealistic.

The Pearson Commission made the same sort of recommendation in much more favourable circumstances ten years ago and, as we have heard, the actual amount of aid in terms of GNP fell slightly. We now learn that the United States, Germany and Japan have said that they will not significantly increase their aid levels over the next five years. It sounds as though Her Majesty's Government are saying much the same thing. It is important to be realistic. Planning can only take place effectively on that basis.

If these are to be the circumstances over the next five years, what should be done? First, I hope that it is reasonable to assume that official aid will not be reduced. Secondly, much more effort needs to go into tackling what I loosely call managerial and organisational problems through technical assistance. Thirdly we need to develop as fast as possible imaginative arrangements such as those of the Lomé Conventions; for example, commodity schemes and improved access to Northern markets. Last but not least, the private sector needs greater encouragement. I shall come to that point in more detail in a moment.

However, I believe that there is an even more urgent issue; namely, the balance of payments problem. After the 1973-74 oil price increase, the recycling problem was handled to a major extent by the commercial banks. That was a remarkable achievement, even though in some cases it was not perhaps to the long term good of the recipient countries, nor did it always strengthen a bank's balance sheet. Today, it seems highly doubtful whether the commercial banks will be able to step into the breach to the same extent again. The burden will tend to fall on official bodies, probably the International Monetary Fund, and whether it should be done through existing or new instruments remains to be seen. For some countries debt service ratios are now poor. Therefore, it will be even more important to distinguish between the support needed to adjust to the new situation and the support sought to fund deficits arising from levels of expenditure which, regrettably, can no longer be sustained in the long term. The transition will not be easy and will require tolerance on both sides.

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Before bringing my remarks to a close, I should like to mention two other points. One, which I was glad to see recognised in the report, is the brain drain of skilled managers and professionals to the North. Obviously this is often a question of money—but not always. Often it is sheer frustration. I am sure that many of your Lordships have come across people from the South who, for one reason or another, or through travelling from one post to another, have come to the North. The loss to the countries from which they come, although the numbers are relatively small, is enormous.

The other point which I should like to mention and which I believe the report rather underrated is the role of the private sector. I fear that it is a habit of planners to forget the entrepreneur, whether he be peasant or business proprietor. In the event, he tends to be, at best, not encouraged and, at worst—certainly in some countries—held back so that a major engine for growth is stunted. There are exceptions, but I believe they rather prove my point. I also put in a plea for greater recognition of the role that our own overseas banks and trading companies can play. I am not thinking of co-financing arrangements so much as making better use of their experience in Third World private sector commercial and industrial investment. They have the knowledge, skill and finance to fill in the gaps which the planners often tend to miss.

I began my remarks with a quotation from Browning. In the light of that challenge, my own response may seem to be rather faint-hearted, but that is certainly not my intention. My reservations relate to practical problems which need to be thought about and opportunities which need to be exploited. Progress depends on imagination. I wish the report *bon voyage* and I hope that the Government will be able to do the same.

4.17 p.m.

Lord VERNON: My Lords, it is my pleasant duty to congratulate the noble Lord, Lord Chorley, on his maiden speech. He chose a most stimulating subject and acquitted himself with distinction. We all look forward to hearing him again. With the exception of the need to prevent the outbreak of nuclear

war, there is no subject more important or of greater urgency than that chosen by the noble Earl, Lord Listowel, today. I wish to express from these Benches our gratitude to him and our thanks for the way in which he introduced the Motion.

This is an urgent matter because it relates to the survival of the human race—not survival in the short term but certainly in the medium term. Some of your Lordships may have seen a letter in *The Times* on 27th February from Mr. Victor Gordon who said this of the Brandt Report:

"To accept the argument that developed countries threaten the planet with pollution and resource exhaustion, but at the same time demand intensified efforts to develop the under-developed countries is contradictory, stupid and very dangerous. The developed countries do not know how to run their own economies, and societies—let alone anyone else's".

Mr. Gordon concludes by saying:

"Sir, there are no poor countries, only overpopulated ones—our own included".

I have some sympathy with those remarks, even though they may be exaggerated. There is a basic contradiction in the argument, and it would be dishonest not to admit that a degree of paradox exists. Where I differ from Mr. Gordon is in the remedy he advocates; namely, that we should stop so-called "aid" to Third World countries and leave them to stew in their own juice. I do not think that would be practicable, even if it were desirable. We are now one world and somehow, whatever the difficulties, we must try to solve our problems together.

I propose to confine my remarks largely to that aspect of the report dealing with the link between poverty and high birth rates. A number of sobering forecasts are given. The increase in world population from the present figure of 4½ billion to 6½ billion within the next 20 years is virtually certain. That is the case because the prospective parents of the new children have already been born.

What happens after the next 20 years is more problematical. It will depend on the decline in the level of fertility, and according to the report we could end up with a world population of anything between 8 billion and 15 billion within 100 years. My own guess is that it will be nearer 15 billion than 8 billion, and I

[Lord Vernon.]

think that the report tends towards over-optimism. Bearing in mind the appalling conditions which already exist in many of these countries—the malnutrition, the starvation, the lack of housing, the unemployment, the shanty towns and over-urbanisation—I am only glad that I shall not be alive to witness the social and economic problems which such an explosion will provide.

The report draws attention to the recent welcome trend of fertility decline in some countries. This is certainly encouraging, especially in China which contains nearly one-quarter of the world's population. But I do not think we should be too euphoric. There are still large areas of the world—the whole of Africa, for example—where no decline has taken place, and indeed in some cases the population growth is accelerating. The latest figures that I have seen for Kenya show that the population will double within the next 18 years—the fastest growth rate in the world.

When I was working in Kenya about 20 years ago, I remember seeing the Kikuyu women going further and further each day in search of their load of firewood, which they brought back strapped to their foreheads. Women's Lib had not reached Kenya in those days, and I doubt whether it has reached it now. But the time must come fairly soon when there are no more forests for them to plunder.

Last week I asked a Question in your Lordships' House about the alarming rate of destruction of tropical forest. The disappointing reply which I received indicated that the Government were not very concerned. Yes, forest was being depleted, but there was an awful lot left—that was the gist of the reply—and there was not very much to worry about. But this complacency is not shared by the Brandt Commission. They explain, on page 83 and on page 114, the disastrous effects of the present rates of deforestation—this has already been touched on by the noble Lord, Lord Tanlaw—how the firewood crisis of the poor has an indirect effect on the food supply, because of the diversion of dung from its proper use as a fertiliser, and how the world's ecological system and climate may be gravely threatened. So I hope that when the Government have had more time to

consider the implications of the forestry aspect, they will take a less negative view.

Then, my Lords, take the cases of India and Bangladesh, and here I move from deforestation back to population, though, Heaven knows, the firewood crisis applies to India as much as it does to any other country in the world. In spite of the most strenuous efforts by the Indian Government—efforts which may at times have been misjudged and for which, to my mind, Mrs. Gandhi has been most unjustly condemned—the birthrate continues at an alarming level. As Richard Wigg, in one of his series of articles from South India in *The Times* on 4th March put it:

"The doubling of its population over the past 40 years, has been the greatest single obstacle across India's path to progress. The country has 'voted by the genitals' to negate its own economic gains".

In Bangladesh, the position is even worse than it is in India. Already the most densely populated country in the world, it will double itself within 24 years. What we have to do is to try to ensure that India and other developing countries do not negate in the next 40 years the same economic gains as they have negated in the past. This can be done only by introducing economic development, hand in hand with population policies. One is useless without the other. And, of course, economic development means in this context education and the emancipation of women. It is largely the lack of education in India, especially of Indian women in the countryside, which is responsible for the relative lack of success in controlling population growth in that country.

The effect of education is well illustrated in Sri Lanka, which has a high literacy rate, and which I was fortunate enough to visit last August as a member of the British delegation attending the Parliamentary Conference on Population and Development. It is a small country and an impoverished one, but its record is impressive. It has already reduced its birth rate to 26 per 1,000 which is low by Third World standards. Population control is stressed at all levels, from government departments down to village schools. The British Government have given—and wisely given, in my view—substantial economic aid to Sri Lanka for the Mahaweli dam project. This will bring many hectares of uncultivated land

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into agricultural use. But the Sri Lankans are well aware that more land is not available for indefinite projects of this kind. It will merely give them a breathing space in which to settle some of their surplus population, until such time as they can achieve zero population growth.

What are the lessons for us in the United Kingdom? I believe that there are several. First, we should—subject to one important condition—keep up, and if possible increase, our aid to the developing countries, whether bilateral or multilateral; and here I support strongly what was said by the noble Earl, Lord Listowel. As the Brandt Report makes clear, it is in our own interest to do so. But the condition is that such aid must take account of population policies, or the lack of them, in the countries concerned. Aid to Sri Lanka is an example of aid well spent. Aid to a country which is taking no steps to curb population growth, is money poured down the drain. It is useless and it is an insult to the British taxpayer who has to foot the bill.

Secondly, a higher proportion of our total aid should be tied to population projects. Of the resented £706 million given annually in overseas aid, only £7 million is tied to such projects; that is, 1 per cent. Even if this were increased to 2 per cent. or £14 million, it would still leave £700 million for overseas aid in general. I really do ask the Government to consider whether or not some re-allocation of resources in this way would be appropriate.

Thirdly, I believe that we in the West have to do more to educate our own people to understand the gravity of the crisis with which the world is threatened. I believe that there is profound ignorance at all levels. The ignorance starts with Ministers and it pervades the whole body politic. It is hardly surprising that the average man and woman in the street has no idea of the transformation in social conditions which must be expected as a result of the doubling of the world's population within a generation.

Within the last two years a parliamentary group under the chairmanship of Lord Houghton of Sowerby has come into existence with a view to stimulating parliamentary interest in Westminster. But, in my view, the process should extend well beyond the confines of Parliament.

I believe that education on population and development should start in our schools, just as it starts in Sri Lankan schools, and that adult awareness should be achieved in every way possible, including through the medium of television, especially when the fourth channel comes into operation. Surely the Government have a big part to play here. They can give enormous encouragement, if they choose.

The report covers an enormous field and I have covered only one small aspect of it. What is to me important is that it is not the brain child of academics, however brilliant, but the distilled wisdom of some of the world's most distinguished statesmen—statesmen who have practical experience of the issues and the difficulties involved. So I hope that when the Government have had time to digest it—and as it was printed only yesterday they have not had much time so far—they will look very carefully at the recommendations of the Brandt Report. It seems to me that they are so important that it is incumbent on the Government to give them the most sympathetic consideration.

Baroness GAITSKELL: My Lords, before the noble Lord sits down, may I ask him one question? The noble Lord knows that I sympathise with him totally about birth control, but may I ask him whether he remembers that at the Bucharest Population Conference practically every country got up and said, "We do not want just your aid; we want your know-how." That is something we must always take into consideration when we talk about birth control.

Lord VERNON: My Lords, I take the point of the noble Baroness, and I am sure that the Brandt Commission have taken it also.

4.34 p.m.

Lord RITCHIE-CALDER: My Lords, I join your Lordships and the previous speaker, Lord Vernon in congratulating the noble Lord, Lord Chorley, on his excellent maiden speech. We hope that we shall hear him many times. The Brandt Report is very significant. As the papers very properly say, it is the most important document which has been produced in Britain this year. But it is more than that. It is an historic document, in the ultimate sense of the word.

[Lord Ritchie-Calder.]

It can either be treated as a Domesday Book in William the Conqueror's sense of the word or it can be treated a Domesday Book in terms of the Apocalypse. We are assessing here the world's resources and the nature of the world's problems which can be resolved by the handling of these resources—within those resources, naturally I include human resources—and how we can deal, in a chaotic world, with situations which are so out of hand at the moment that, no matter where we live, in fact, as the report makes clear in all its analyses, we are heading for very, very serious trouble.

As I have said, the report is historic. We have had many reports in the past, including the Pearson Report which, as has been pointed out, was an analysis of how we are going and where we are going. This is a completely new look. It embodies what I, from my own personal experience, regard as the lessons of the last 30 years—lessons which have been consistently and very considerably ignored. Thirty years ago through the UN we embarked upon this great experiment in social development.

It was a great experiment in which for the first time in man's history Governments took responsibility for populations other than their own. We moved in with the special agencies of the United Nations; we moved in with the World Bank and the International Monetary Fund; and we moved in with technical assistance to try to transfer our existing experience and knowledge to those who could benefit from it. My experience of the last 30 years has been very trying. When I speak about population, I have to say that I am one of those people who can always put names and faces to statistics; and that is very sobering when you look back and think about the suffering which you have seen and which you thought you were getting rid of and then you see the extension of that suffering simply by people's omissions.

Naturally, I am impressed by the Brandt Report. I am very much impressed by Willy Brandt's personal introduction in which he says what is the hard and regrettable truth about most politicians and statesmen. On page 9 of the report he says:

"But it is none the less true that, as a head of government, other priorities took up most of my time and kept me from realizing the full importance of North-South issues. I certainly did not give enough attention to those of my colleagues who at that time advocated a reappraisal of our priorities".

As has been said by the noble Lord, Lord Vernon, this is a peculiarly important document in another sense. It has not been produced by eggheads but by experienced statesmen, including our own Mr. Edward Heath. But I think that what Willy Brandt says is probably true of the lot of them; not that they had been disregarding the world at large but that they had been preoccupied with other things which kept them from realising what is now being impressed upon us: namely, the quite enormous significance of this North-South situation, a situation which, as has been said, is in its way as dangerous as the risks of nuclear war—and which may include nuclear war if we neglect it. That is something which we must get to grips with, and I think the report has quite admirably got to grips with it.

It has been said that there is nothing very new or original in the ideas that it contains—that it has all been said before. Certainly it has been said before in the variety of the conferences which I have attended during all these years. But the report is very important in this sense: it accepts, recognises, analyses and gives authority to those who a few years ago would have been regarded purely as "cranky". We have now got authority—when I say "we" I mean the people who have had this intimate and active concern in the actual interventionist sense—and we are now beginning to make our point clear. One of the points which we must recognise in this approach to the development of the world is that it cannot be a "we" and "they" situation.

I think I have previously quoted in your Lordships' House the poem of Rudyard Kipling, *Debts and Credits*:

"Father and mother and me
Sister and auntie say,
All good people like us are 'we'
And everyone else is 'they'.
And 'they' live over the sea,
While 'we' live over the way.
But would you believe it,
Would you believe it
They look upon 'we'
as another kind of 'they'?"

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This is no longer a "we" and "they" situation. As the Brandt Report made manifestly clear, we are all in it together. It is not a question of where we are looking for our prestige; and it is not even a question of where we are looking for gratitude. One of the things which I am afraid comes through too often is the fact that we have been treating this as a problem of charity. This is not a problem of charity; it is a problem of investment, and I agree with my noble friend Lord Goronwy-Roberts that in fact we should speak about investment and not about just the sharing of resources. Aid in this sense is the sharing of resources and, as I always say, that includes human resources.

We now have here an analysis, a study, suggestions, substantiations and so forth, of arguments. What we have to do now is to look around and see things clearly at this late hour—and I assure your Lordships that it is a very late hour because of what has failed to happen in the last 30 years. I did a report for the Secretary General of the United Nations on the application of science and technology in the developing countries. I travelled the world to cover it, and when I came to write that report and, finally, to present it, the Secretariat of the UN said, "What are we going to call this report?". I said, "Call it *The Years that the Locusts have Eaten*"—the years of the lost opportunities, because the evidence had been plain and we neglected the evidence. I may say that we did not call it that; we called it *New Dimension and New Opportunities*. That is the way in which we now approach the world's problems in general—hoping we have profited from our mistakes.

I say emphatically that this report, to a degree which has not been evident in most studies of this kind, recognises the fact that so often the mistakes we made were made always with the best intentions. There may have been some mischief-making on the commercial side, but in terms of what we, as people, were trying to do, it was with the best intentions. It often went wrong, and it went wrong for a very good reason: that was that we gave them what we knew they needed without ever asking them what they wanted. So nothing could stick; it was a graft that would not take. We were imposing our

ideas as to what culturally, and indeed ideologically, we wanted and without ever thinking for one moment that they might have different ideas and aspirations and culture from those we had.

This has meant the failure of our work: not just the fact that we were wrong in trying to do it; it just did not work and could not work. So now we have here, I think, a proper appraisal: the exposure of the great, gaping and ghastly wounds that in some cases we have inflicted on the international community in the last 30 years. Because we tried to do this business of saying, "We are so much better and so much wiser than you are". That was wrong because our ultimate wisdom did not even work when it was on the ground; we did not even get the "come-back" from it. This means that we must think again and as this report makes clear, thinking again means that there is no sense in today's world monetary policy. We must find new mechanisms. There is also a great deal of criticism, in which I have certainly joined—with a great many of my friends who are intimate with the workings of the United Nations' agencies—in saying that we must have another look at how the United Nations works. We are not trying to destroy the international order, but are simply saying that after 30 years there are many practical ways in which the organisation can be improved.

One thing is lacking in this report—and this is not a recrimination. I am surprised, in the light of the breadth and depth of the report, how little account has been taken of what in fact is now, I suggest, a major factor in thinking about global problems: the development of the resources of the sea. We are now entering the ninth session of the Law of the Sea Conference and we hope within a year to get a law of the sea convention, but in all the discussions and all the implications of the law of the sea there has to be what this report is asking for; namely, a new approach, a new type of thinking, a new "institutionalising" beyond the narrowness of simply national bargaining.

Bargaining is going on on the Law of the Sea Conference, but in the ultimate what we are really looking for is some kind of order for the oceans which in fact would provide a model for what should be possible in terms of international co-operation. As I have said, we want an adequate,

[Lord Ritchie-Calder.]

properly conceived and inspired international seabed authority and we want the "International Enterprise", technologically to develop the oceans as the common heritage. All the things that are going on in the ocean debates at the moment concern all the people we are talking about, including the 40 landlocked countries. In the work that I have been doing on the law of the sea we have been literally, physically and geographically in the coastal countries of Africa, Asia and Latin America, saying "Look what you are taking on. You are taking on the 200-mile limit, you are claiming the resources of the sea bottom, you are claiming to control the environment of the coastal waters, and you are trying to get economic advantage from this, and still saying that you are not going to be exploited in the way that the colonial countries of the 19th century were exploited in terms of the extraction of resources". They want to have a say in what is done.

This is a very big problem because the peoples of the developing countries must acquire the kind of experience, which will make it possible for them to cope. They need not just the ultimate technology, but the knowledge how to choose the technology before one even gets into the technology. Otherwise, as will certainly happen in the case of the sea, the whole of the ocean bed development, the mining and everything else, will be taken over not only by the multinational corporations but by conglomerates of them, to the extent that we shall not be able to identify the nationality of the components. What we are talking about here is development through the transfer of knowledge and skills from North to South, and indeed an exchange of resources. All my experience of 30 years has taught me that this is not in fact charity; it is not aid in the narrow sense of giving: it is in fact mutual aid in which we are getting as much back as we are putting in, in all senses of the word.

4.50 p.m.

The Lord Bishop of DERBY: My Lords, there is a danger that we should so concentrate on the details of this report at this stage and begin to criticise them and qualify them that we render the whole report nugatory. That would be disastrous not only for ourselves but for the world

in general. I should like to reiterate what was said by the noble Lord, Lord Chorley, in his fine maiden speech about the vision of this report and the fact that it is worldwide in its range. It represents to us the interdependence of the different parts of the world and the different races in a moving and challenging way. We need to be facing this challenge with all its urgency.

In the report there seems to be something of the nature of prophecy, seeing the vision, accepting its challenge and then showing the way forward, the path which people need to take if they are to realise the vision. A striking thing about it is that it is completely lacking in the kind of patronage which we and other western countries so easily adopted in generations past. We are shown that we ourselves are dependent on the developing countries, and this is a recognition that needs to be given fully. So I see in this report a great responsibility laid on any who have the well being of humanity at heart, and within this I see a particular responsibility for the Christian Churches and their leaders.

I think that we shall be failing greatly if we do not give this report priority in a great deal of our thinking. But it is also a particular responsibility laid on Members of this House and Members of the House of Commons, and I share the gratitude to the noble Earl, Lord Listowel, for bringing this report at this early stage before the House, because attention needs to be given to it. But within the total parliamentary responsibility Her Majesty's Government, whatever Government may be in office at this particular time, have a special responsibility. Successive Governments have done a great deal, but the stance of the Government in power, as the noble Lord, Lord Vernon, has implied, is of particular importance in determining attitudes and actions in the community in general.

There is one general criticism that some people have made and that is the appeal to self-interest. The criticism is made as though this was something new. In fact, it is a principle on which people act in a large part of their lives, because few actions are performed from utterly pure motives. Self-interest very often strengthens and supports good motives. This is demonstrated continually in the

way in which people are moved to be honest and speak the truth. But here is more than self-interest; here is mutual self-interest, and mutual self-interest moved by justice and compassion.

There must be many people who find in the report something of an answer to their quest and their deep longing for world peace. How is this to be secured? There is a fine sentence:

"More arms are not making mankind safer, only poorer."

This is something which we need to grasp. I do not question the need for weapons of defence, but it is increasingly clear that the main threat to the western position is from subversion, and therefore it is best countered by non-military means. The battle is for the hearts and minds of ordinary people around the world, and this is one reason why the proposals in this report are of such urgent importance.

Another point at which interest and concern in this country could be kindled is the awareness of world hunger. Something has been done to bring this into people's consciousness and the consciousness is becoming more concerned, but a great deal more needs to be done. So the need is for the global food programme—one part of the four-part emergency programme for the coming five years that the report outlines. Along with this go the needs for health and education, and the need for people in other countries in the South to be themselves able to earn a reasonable income. This is part of the way in which our mutual dependence can develop.

The report stresses, and rightly stresses, the quality of aid, and we need to go on stressing that. We need to ask, for example, what tools and techniques are needed by the ordinary worker in other countries if progress is to be made. Doing this would help to avoid the kind of haste which has occurred because of indiscriminate charity and the corruption that exists in some cases where it has been given. We have Intermediate Technology UK, which has been well supported by Her Majesty's Government over the past few years. There is the American counterpart, Appropriate Technology International, but we ought not to ignore the new financial appeal of the Schumacher Centre for Appropriate Technology. This country can give a great lead in this field,

but we should acknowledge gratefully what has already been done.

We are, however, being asked to double official development assistance. Is this unrealistic? Yes, to some extent it is. The phrase has been used, "the relevance of an impossible ethical ideal", and we can say the same sort of thing about some things being unrealistic. Here is the kind of unrealistic vision which can be realised, if the people have the will to realise it. Of course, there is a need for an enormous change of mind, something of a conversion on the part of people in general. No Government can do this without popular opinion being ready for this new outlook. But a Government can give a lead. Its own moral convictions and its deeds are important. So I hope that Her Majesty's Government will support this report in its whole world of ideas, but also I hope, as has been suggested already, that it will not cut its present aid, but increase it. I recognise the need for cuts in expenditure at the present time but there must be discrimination. A reduction in what is given to overseas aid would not only be disastrous in itself but would represent something seriously wrong in the whole attitude and understanding of the people of this country.

In conclusion, in these days when the parable of the Good Samaritan is becoming part of the stock in trade of political speeches, perhaps I may be allowed to make some reference to that. The parables of Jesus are not allegories, although they have frequently been interpreted in that manner, so that we cannot argue that the priest and Levite passed by because they were having to cut their personal expenditure. The parable was told in answer to the question, "Who is my neighbour?", asked by the lawyer wanting to vindicate himself. But, as always with parables, the way in which Jesus deals with them at the end is the crucial point, and what he does is to turn the question right round. He does not answer the question "Who is my neighbour?", but asks, "Which do you think was neighbour to the man who fell into the hands of the robbers?" It is always our response to the situation which matters, and not our attempting to decide who the limited group of people are to whom the help must be given. "Go and do as he did" was the result. Charity, love of neighbour, expresses

[The Lord Bishop of Norwich.]
itself corporately in justice which is brought about by a mutual sharing of resources, and this in general and in particular is what this splendid report urges us to do.

5 p.m.

Lord TAYLOR of GRYFE: My Lords, the congratulations of this House are due to two noble Lords. First, they are due to the noble Earl, Lord Listowel, because I believe that this is the first legislature that has debated and discussed this important international document. We are, therefore, indebted to him for having given us the opportunity of a "first". Secondly, the congratulations of the House are, of course, due to the noble Lord, Lord Chorley, who spoke with such distinction and knowledge of the subject that is before us.

We are fortunate in the House of Lords to be able to assemble a fair range of expertise, knowledge and experience when we address ourselves to problems of this kind. Of course, it has been said by almost every speaker who has participated in this debate that, unless we face and deal with the issues which have been raised, we shall not survive. Perhaps we say it so often, and have been saying it so often, that it tends to become rather meaningless and a cliché. However, if we look at the fabric of Western society or of the world community we can see that it is already shredding here and there. We see the uncertainties, the difficulties and the insecurity which are threatening the future of our society.

When I read the Brandt Report, two personal experiences came back to me. The first was when, during the war, London was suffering bombing, I made my way to a flat in Regent Square where there was a very wise old man with great prophetic wisdom. He sat amidst the ruins around him in Regent Square and contemplated the future of mankind. He said: "As a biologist, I have studied how species in the animal world survive or disappear. Those that disappear have been incapable of adapting to the environment in which they live." Mr. H. G. Wells, contemplating the post-war world, and looking at the ruins around him made the same judgment on us. He said: "Unless we are able to create international

institutions with authority recognising the fact that we have become one world"—and that is our environment—"and unless we adapt to those circumstances, mankind will perish." It is interesting that in 1980 the Brandt Report repeats that judgment.

The other experience which came back to me on reading the Brandt Report is one which I share with the noble Lord, Lord Galpern. He and I entered the Glasgow City Council in the 1930s. At that time the infantile mortality rate in the East-end of Glasgow was 103 per thousand live births. In the West-end of Glasgow it was 23 per thousand live births. We were living, in that city in a sense in the same situation as depicted in its much more extreme forms—the disparities are much greater—in the Brandt Report. We realised that there was no security, no community of spirit and no morality in a city which permitted these disparities. Because of our growing social awareness and because of growth in

wealth-production, we were able to iron out some of those disparities and to create a better social environment for the children of Glasgow to live in. In a sense the Brandt Report paints that picture on a global scale. There is one part of our world living in affluence and another part living in mass poverty, and they are doing that within what we must recognise as one world community.

Nowadays there is no escape. I visit some parts of the world where there is great affluence and where people try to escape from responsibility. But there is no escape. We are interdependent and to the extent that we ignore the claims of the developing world we, in fact, shall suffer too. The central message of the Brandt Report is the mutuality and interdependence of the North and South.

The right reverend Prelate the Bishop of Derby who has just spoken, quoted the question asked by the lawyer in the parable; namely, "Who is my neighbour?". That was the challenge. Our neighbour is no longer the fellow next door or the other chap in Glasgow where I live: our neighbour is in other parts of the world. Our concern for our neighbour is the important point of the Brandt Report.

It has been said that the Brandt Report arises at a most unfortunate time and that perhaps we should have paid attention to the Pearson Report of 10 years ago when we were not operating in an atmosphere of public spending cuts, cutbacks and so on. I do not believe that that is so. I believe that the Brandt Report has arrived at a most appropriate time—at a time when the world is looking for new directions, and the basis of modern Western society is being questioned and challenged. Any society which runs out of its momentum, its dynamic and its growth is difficult to justify. But if we look around the world today we can see that investment is slowing down, unemployment is increasing and the basic justification of our society, which was a growth society which contributed to the creation of increased wealth in the world, is now being questioned.

Is this not the time to try to inject new directions and even inject some idealism into the situation which is becoming dark with depression? I think that we must face these matters realistically. I mentioned that the basis of our society is being challenged. The uncertainties are there for all to see. Those of us who operate in the financial world will appreciate the great uncertainties that exist in the world's banking system. As has been said by the noble Lord, Lord Chorley, on the last occasion we were able to recycle the petro-dollars—a great achievement of the world banking system. We did it by various devices and notably the substantial development of the Euro-currency markets.

If we look at the present situation of United States banking, which is central to the whole world's banking situation, we see that more than 50 per cent. of United States bank assets are now held in fixed interest stocks in a period of rising interest rates; that substantial commitments are at risk in Iran; that substantial loans are also at risk in the developing countries and that we are now engaged in international competition on interest rates. In order to combat its own internal inflation, one country after another is pushing up its interest rates day after day, and even with our higher interest rates today, there are suggestions that we may go even further. These are frightening prospects because if interest rates are

pushed up to that extent, it becomes increasingly difficult to invest. That is bad for the West and for the growth of the economies of the West, but it is even worse for the developing countries who have to borrow substantially in international markets in order to finance their necessary progress.

The uncertainty in world financial markets is causing the OPEC countries to think again and to ask: "Where will we put these petrodollars if they cannot be recycled?" In that event they may be attracted to keep the oil in the ground, because it is an asset that will survive if it is kept there. A cut-back in oil production of the OPEC countries could certainly contribute to a general slowing down of the whole world economy. That is the threat that is before us. We are in a situation where we must move in new directions if we are to justify the existence of the kind of society that we all cherish and enjoy.

I should like to say a few words about investment and the importance of investment. I agree with the noble Lord, Lord Chorley, about the importance of private investment in developing countries. This may sound less morally justified than outright aid, but outright aid will never solve the problem of growth in the developing countries. Aid is extremely important, but the great and substantial influence for growth in the developing countries must come from encouragement of private investment. However, private investment must see that investment not as a rip off in old colonial terms; it must see that investment as a partnership and must provide for equity participation of the countries concerned in the growth of the economy and in the development of their material resources.

Therefore, there must be an attitude on the part of private investors to develop the partnership and have the exchange of personnel which the noble Lord, Lord Chorley, mentioned, and the exchange in technology. Partnership and not simply investment is the key. Private investors can live and develop for mutual advantages in these countries. The trouble about investment so far has been that these countries, because they are in a high-risk situation, have had to borrow short-term in order to finance long-term investment, on which there is a slow return

[Lord Taylor of Gryfe.]
and a delayed pay back. I am always fascinated by the fact that there is great excitement in British industry about going to China to sell power plants and other major capital items, or lining up to enjoy the excellent terms for supplying capital equipment to Eastern Europe and the Soviet Union. They feel that in these countries there is a degree of safety in long-term investment; these Governments tend to be around for a long time.

However, there is less certainty and, therefore, less enthusiasm in investment of the developing countries. Perhaps the new international institutions about which the Brandt Report speaks can provide some kind of security and protection for private capital investment in some of these developing countries. The ECGD can only cover its normal insurance risks, but we must have a much greater protection if private capital is to be sufficiently encouraged to take the long-term views which are essential in the developing countries.

I should like to make one final point, and I apologise for speaking so long. There is one area that has not been discussed at great length in the debate so far, but to me it is a critical area. It is in relation to armaments. The figures quoted in the report state that we spent 450 billion dollars *per annum* on arms and that we spend 20 billion dollars *per annum* on aid. Surely that is an imbalance; surely we should realise that the mere pumping of arms into these areas creates the uncertainty and insecurity which we seek to avoid. Surely there are opportunities for initiatives in this direction. I read in the *Financial Times* yesterday that Uganda—poor old Uganda, suffering from a post-Amin hangover—will this year spend 23 per cent. of its budget on defence and 7 per cent. of its budget on agriculture, on which its economy depends. Its whole economy is based on agriculture, yet 7 per cent. only will go to agriculture but 23 per cent. to defence. It is that imbalance that we must help to correct and this is an area where we can take initiatives.

Finally, I come to the question of aid, which has been mentioned. We are far short of the 0.7 per cent. which is the agreed target. We are far short—and I have quoted this before in this House—of the 1 per cent. of our GNP in this

country which we gave in aid at the end of the last war, when this country was bombed and seriously disrupted by the years of war and destruction. We then gave 1 per cent. of our GNP for the reconstruction of Europe and the world. Those who believe that Communism can be contained by simply multiplying arms should read the figures quoted in the Brandt Report, which says that the United States gave 4 per cent. of its GNP to Marshall Aid, and it was Marshall Aid that was a major contributor to the spread of Communism throughout the whole of Europe. Therefore, in addressing themselves to the challenge of the Brandt Report, I hope that the Government will look at the areas in which they can take initiatives. They will earn the credit they deserve throughout the world if they are shown as pioneers in responding to the challenge of the Brandt Report.

5.18 p.m.

Lord HOUGHTON of SOWERBY:
My Lords, I join with other noble Lords in thanking my noble friend Lord Listowel for introducing this debate and the noble Lord, Lord Chorley, for contributing his maiden speech to it. The noble Lord, Lord Chorley, is obviously well informed and has given a good deal of thought to this matter. I think that we shall need him in the future, and I hope that we shall hear from him on this and other subjects again.

I am really concerned with attitudes towards this problem because, unless we can change attitudes, we shall get nowhere. I do not know whether your Lordships read what I thought was a remarkable leading article published in the *Sunday Times* of 17th February, which was a splendid introduction to this debate. With your Lordships' permission, I should like to quote the first paragraph:

"The most important event this year was the release last week of a small paperback book of 300 pages. It surfaced only briefly in the headlines, rapidly submerged by Mark Thatcher and his mother, Arthur Scargill and his bully boys, Kevin Keegan and his manager, and tremors from Teheran to Lake Placid. That in itself is part of the problem. The book has more real meaning for all our lives than any of the clamour which routinely assails us."

What a lot of truth there is in that. Indeed, I am sure that many noble Lords will have had the experience I have had from time to time when friends have come

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over from Asian countries and visited Westminster to listen to our debates. They go away reflecting on the politics of affluence. They think that we are afflicted by some form of congenital discontent. The higher the standards of living rise, the more the grievances multiply over relativities, fair comparisons, and differentials. Now as we face cuts in public expenditure the air is thicker still with grievances. Some of the cuts foretold cause pain and anguish, and send thousands of people on to the streets when they feel deeply about some threat to their sectional or personal interests.

But one cut which may well pass almost unnoticed at all times is a reduction in overseas aid. Even where poverty is very real this bit of saving, marginal saving on overseas aid, can be made without upsetting the man in the street. The Labour Government did it on one occasion, and this Government did appear to be doing it themselves. It may not be a chop, it may be a slice with a razor blade, but the wound nevertheless will be there. We may yet see some further cutback in our overseas aid in the White Paper on public expenditure. That would be the economics of shame. The economics of reality and of self-interest would surely be to put overseas aid on the defence budget, because that is where it really belongs. It is the peace of the world as well as the survival of the world with which we are concerned.

The Brandt Report—a remarkable document—tells us that one quarter of the world's population has 80 per cent. of the world's income, and 90 per cent. of its manufacturing capacity, and consumes 85 per cent. of the world's oil production. How can we hope for a peaceful future on a formula like that? This is the recipe for revolution, chaos, and war. There is no doubt about it. How much longer will the greater majority of the world's population tolerate the maldistribution of the world's resources? If these wide differences between wealth and poverty existed in this country we should say that this is a moral issue, and we would apply all our political, economic, and social morality to getting some improvement in the situation. But to many people in this country the morals of this problem stop at the boundary of our country. The nation state is an issue unto itself.

The great thing about this report that we have had from Willy Brandt and other distinguished members is that it spells out the writing on the wall. A lot of it we have heard before. A lot of it is so true that it will have to be repeated time and again. But we have to regard this as yet another warning to the peoples of the world. Our own distinguished Edward Heath was a member of the Brandt Commission. While it is not unusual to turn to former holders of political power for our wisdom and vision—especially our vision—we want these matters also to engage the attention of those who hold political power at the present, because it is their responsibility.

What qualities of statesmanship emerge when Ministers are released from the bondage of office. It is astonishing, and welcome, because politics is too often the pragmatic response to short-term pressures. The media take the political temperature every few weeks to warn Governments not to go in for long-term solutions of anything that might prove unpopular, and this is really what governs the length and breadth of the vision of a country under a democracy unless it is stimulated to understand the problems that have to be dealt with, and education endows it with the intelligence to pursue them.

No intelligent and far-sighted view of the future can be taken by any country anywhere without studying population trends both at home and elsewhere. If world population is growing by 1 million every five days, what will another 2 billion people mean to us in the next two decades? There are already hundreds of millions below the poverty line, and if this number grows and grows where does the breaking point come? When is the ultimate reached? When comes the real threat to world order and civilised living?

The noble Lord, Lord Tanlaw, referred to some of the problems of the energy shortage that faces the world in the future. How long will it be before the insatiable demand for energy of the industrial nations drives oil starved nations to grow grain, crops, and sugar for alcohol fuel instead of food? What price starvation then when the distillers of the world unite, rather like the OPEC countries, in order to send up the price of the new-found energy?

[Lord Houghton of Sowerby.]

Many of the points in the Brandt report are not new, and unfortunately they make little impact upon millions of people throughout the world in the better off countries as well as the others because they are concerned with their everyday affairs. Living to many people is a full-time job, and they are not able to cast their minds over a wider perspective of world conditions and become aroused by it. What we need in this context is more emotion; more feelings of the morality of the situation. If more of our moralists could get sex off their minds and devote their deep feelings about what is decent in the world to looking at destitution and poverty and the ghastly conditions elsewhere, then it might be a better world to live in.

We shall not get public opinion aroused easily over this, but we have to do our best. Above all, it is the political will, and the political leadership of men and women of determination, with a sense of national duty, who feel as strongly about this as they feel about security and defence that is needed. I believe that our political leadership need the reinforcement of the numbers and voices of Members of your Lordships' House and of another place to encourage them, and to give them the feeling that they are doing what it is wise and desirable to do.

The noble Lord, Lord Vernon, in an interesting speech, was kind enough to refer to me and to the British Group on Population and Development—a member of the International Group of Parliamentarians on Population and Development—which came into being two years ago. It is a remarkable creation in parliamentary activity. Only two years ago was this movement started throughout the world, and the initiative was provided largely by a few able Members of both Houses of this Parliament. At the Columbo Conference last September, at which Mr. Edward Heath spoke among many other notable people from many parts of the world, 58 delegations of countries with a parliamentary system came together to join in one common declaration on one common purpose, and noble Lords were supplied in large numbers with what has been called the Columbo Declaration.

If I may be permitted a parliamentary commercial, I beseech noble Lords to give

attention to this group and to join it because the noble Earl, Lord Listowel, the noble Lord, Lord Vernon, and the noble Lord, Lord Oram, who is yet to speak, are members of this group. We believe that throughout the world people are looking to the British group for leadership and initiative in this field, and it really would be disgraceful if our prestige were to be undermined at this particular time by the Government's unimaginative approach to public expenditure. I wish Cabinets could get rid of this schoolboy mentality that they are not able to save any money unless every Minister shares in the misery; I have seen it happen myself. There should be some courage which enables Ministers and Cabinets to discriminate between one form of saving of public expenditure and another.

What we are looking to the Minister to give us is as firm an assurance as he can that by 1985 this country will reach the target of the proportion of GNP to be devoted to overseas aid that we set ourselves to accomplish this year, and we are only half way there. I sincerely hope that that at least can come from the Government. I believe it would be quite shocking if Britain pleaded poverty to the destitute of the world and said, "We are sorry, but we cannot afford it". They know we can afford it, and we can. What a mockery in The Year of the Child to know that in the poorest countries one child in four dies before the age of five, and I conclude with a parting shot to the House, to the Government and to anybody else who is listening: that alone should put some of the worries of this week in better perspective.

5.33 p.m.

Lord ALDINGTON: My Lords, I wish all of us could show the capacity for exporting fervour to others as the noble Lord, Lord Houghton of Sowerby, has shown us today and on other days. I agree with him. We have a job to do in the country as a whole to make people understand this problem, and I join with others in thanking the noble Earl, Lord Listowel, for initiating this debate, even though he knows that I found it difficult to get through the report in time for this debate, bearing in mind that it was published so recently. I also join noble Lords in congratulating my old friend,

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if I may call him that, the noble Lord, Lord Chorley, who for many years was an auditor of a great international bank of which I was chairman, and who displayed a mastery of the problem about which he spoke to us so well this afternoon, as well as an awesome and perhaps wholesome strictness about figures. I wish also to thank the noble Lord, Lord Goronwy-Roberts, for what he said from the Front Bench opposite and, if I am allowed to do so, on behalf of my right honourable friend Mr. Heath, I should like to thank him for what he said, I believe most deservedly, about his contribution to this discussion. I hope his noble friends will pass on those thanks to the noble Lord, Lord Goronwy-Roberts.

I asked myself, as I prepared for this debate, besieged as one is by the problems of today, running one's business, looking at the problems of the economy and the problems of Europe, besieged all around, why it was that somebody like myself—and there are plenty of others like me—should wish to take time off from those things and join your Lordships in a discussion of this great problem and of solutions to it that seem to run counter to everything we read in our morning newspapers about cut, cut, cut and to everything we read about the impossibility of having growth in the standard of living and the earnings of people.

My answer is quite simple, and it is the same as the answer given by several of your Lordships. It is simply that the world is one; one world, an idea of today just as important as the idea of our ancestors of 120 years and more ago when they had to explain to our countrymen that we were one nation. It is this global vision of the Brandt Report which has brought me here this afternoon and persuaded me to inflict myself on your Lordships about overseas aid policy for the first time for about 10 years; in fact, on the last occasion my noble friend sitting next to me, Lord Home of the Hirsel, was answering the debate.

As Chancellor Brandt wrote, it is precisely in this time of crisis that basic world issues must be faced and bold initiatives taken. At this stage in the debate there is no need to rehearse the report's analysis of the facts about the world. These facts are horrifying and the

certainty is that all these things will get worse if we go on as we are, despite the very praiseworthy steps that have been taken by many countries and their Governments, by international institutions, the World Bank, the United Nations, food organisations and so on, despite the enormous increase in private international lending to developing countries, in recent years particularly, and, I think we should add, despite the very significant steps that have been taken by a number of countries of the developing world to improve their own situation in recent decades. I would mention Kenya and India and, more recently, South Korea, and to me the thriving success of some others, Singapore and Taiwan, is not a reason for doing nothing but a sign of what can be done.

It must be said about this report that it is in every way a balanced document as well as a comprehensive survey of the world situation. Frankly, I do not detect in the report the shortcomings mentioned by the noble Lord, Lord Tanlaw, speaking from the Liberal Benches. He mentioned two—energy and conservation—and I turned up the pages, carefully indexed, and I found exactly the points covered which he said were not mentioned, and I will return to one of them shortly.

The report reminds us of the steps taken by international agencies even right up to last year. It reminds us of the great benefits to many of the developing nations that have followed from the activities of the private sector in the North and particularly from the activities of what are called trans-national companies, and it reminds us of the fears which some peoples have of them. The report also reminds us that the developing nations of the world have themselves a vital role to play and want to be self-reliant. Again, in answer to a point made by the noble Lord, Lord Tanlaw, it certainly does not seek to set out the kind of society which the developing countries should have. It specifically says that they must decide that, and on this occasion I am on the side of the report, not on the side of the Liberal Benches in this House.

I should like to ask the noble Lord who is to speak for the Government a more simple question than was asked by the noble Lord who preceded me. I should merely like to ask him whether the Government accept the analysis in the

[Lord Aldington.]
report of the present world situation and of the consequences of the world going on as at present. If the answer is, Yes, I think the noble Lord will get the right answer to his question, too.

The great theme in the report is the theme of mutuality; the theme that there is a mutual interest shared by the North and the South, and that this mutual interest is the cement that should bind us together in tackling the problems. It is this mutual interest that is the basis of the recommendations that are made, and, I think, the basis of the hope of the Commissioners that more action will follow more quickly than has followed other reports, which perhaps stressed more the duty that we have—and it is a duty, as the right reverend Prelate reminded us—arising from common humanity to eliminate poverty and suffering, and to give opportunities to the developing world.

Some Members of your Lordships' House—I do not think many among those present today—may, like some outside commentators, nurse the suspicion that a document signed by 18 prominent commissioners drawn from so many parts of the world, and from the whole political spectrum of the world, must be the product of some unholy alliance, devoid of vital principle. This unworthy suspicion perhaps explains the barely concealed hostility to the report that was shown by at least one question in your Lordships' House, and by some questions in another place, when Government Statements about development policy were made on 20th February. There is one comment to which I want to refer, made by one of my noble friends, who warned my noble friend the Secretary of State that:

"While the Brandt Report may be good bedside reading, it is full of clichés and much of the evidence seems to have been brought from a period in which the atmosphere is quite different from today's in terms of productivity.—[*Official Report*, 20/2/80; col. 753.]

Actually on 20th February the report had not of course been published, and clearly my noble friend had not read it. Certainly there were summaries in the newspapers. But those of your Lordships who have read it will, I think, join with me in saying to others that it is only by reading it fully that most of us can get

a full comprehension of the problems, of the commission's very balanced attitude, and of the need for the commission's recommendation. My experience shows me that it is certainly far from being good bedside reading, whatever that may mean. It is certainly not full of clichés, and it is most certainly right up-to-date and very sensitive of the problems of last year and this.

I am reminded of an old advertisement—I think it was a Guinness advertisement—which some of your Lordships may recall seeing. It was a picture of a man gazing at a bottle of Guinness and at a glass full of it, saying,

"I do not like it. I have never tasted it!"

Perhaps without being accused of having no soul, nor any humanity, I might now turn to the arguments—or some of them—of mutual interest; and I think that on this occasion I do so with the blessing of the right reverend Prelate. First, there is the question of the available resources of the North and the urgent needs of the South. The report makes these clear in stark reality. There are 18 million people unemployed in the OECD countries, and there is a crying demand from the South for the products which might result from their being employed again, and which are worth between 250 and 400 billion dollars a year. There is a straight proof of spare resources and need for them. As the economist puritan of *The Times* put it in a leading article:

"It makes sense to raise the living standards of the poor to stimulate trade and economic growth."

Nor should we be unmindful of the fact that 60 per cent. of the world's exports of the major agricultural and mineral commodities, other than oil, originate from the Third World; and there is plenty of evidence that further exploration and better agricultural methods could enormously increase the production of these commodities. All these things would be to the benefit of the world as a whole.

In these times of inflation and recession, surely the Northern countries can see the value to them of an increase in world trade generally, in world wealth generally, that comes from better markets in the developing countries and more exports of commodities and, yes, manufactured goods too. Then there is a mutual interest (is

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there not?) between North and South in helping the South to avoid conditions in which peace and ordered government are impossible because of shortage of food, bad health, bad living conditions, overcrowding and lack of work—situations in which terrorists grow and thrive.

It is against that background of mutual interest that I shall now refer for a few minutes to some of the recommendations. The report calls for a massive additional transfer of resources, rising to an additional 60 billion dollars a year in 1985. Of course, we know that in this country we are short of resources, or we feel that we are. We are forced to use more of our resources on defence, or we feel that we are; and over recent years we have transferred several billions of dollars, in addition to that which we used to transfer, to the oil-producing countries as a result of the increased price in oil. Happily that situation is beginning to be balanced. We should remember that we are trying to slim ourselves down so that we may be a more productive nation.

But, surely, none of these things is necessarily a bar to maintaining, or even increasing, the level of our aid, which in relation to our gross national product is, I believe, less than what it was eight years ago. Indeed, there is much to be said for fulfilling statements of intention made to the world to raise the level of our aid to 0.7 per cent. of gross national product. If we did so, we should not destroy our economy, any more than we do by increasing our defence expenditure, or any more than we did by having to pay more for our oil. We might put ourselves under a little strain, but if as a result of more aid our trade goes up, that might help us to achieve other economic objectives; for instance, more jobs.

Of course, the Government have to make a balanced judgment of priorities and the consequences. Of course, I understand that; and of course I know that you do not strengthen the weak by weakening the strong. But, my Lords, this is not a case of expenditure being better carried on by the private sector. That is not an alternative. Banks and industry play their part, and will go on playing their part, in relation to loans and production in the developing world, but they cannot do very much more than they have been doing, unless the developing world's

infrastructure is strengthened by governmental aid and world institutional support. As we have been reminded in the report, and by some speakers this afternoon, there are poor countries where private industrial aid without governmental support is just not possible. I certainly agree with much of what the noble Lord, Lord Taylor of Gryfe, said about private investment.

There are other recommendations for increasing the funds available to the developing world. The World Bank are, I know, looking at all the recommendations in the report which affect them, including the increase in their borrowings and their borrowing powers. Knowing the quality of that institution and its leadership, I do not find it surprising that they are already examining closely each one of those recommendations.

Then there are the proposals about special drawing rights, which I need not go into, other than to say that the report specifically deals with the charge that these might be inflationary in the world. This is to be conducted in a way that will not be inflationary. The new type of recommendation in this field is that more funds should be raised from automatic sources, or in an automatic way. The commission examined a number of possibilities, including levies related to international trade, military expenditure, arms export and some other things. Immediate fright has been taken to the possibility of such levies by some commentators and some industrialists. The commission does not rely upon this new automatic source in the immediate future, for the next five years; but the report does claim that a system of universal and automatic contribution would help to establish the principle of global responsibility, to which they attach a lot of importance, and could be a step toward co-management of the world's economy. Surely, in principle, we would all agree with that as an aim.

In principle, I find it hard to see how a levy of, say, 0.5 per cent.—because that is all they are talking about—even on international trade, would harm or in any way obstruct trade—and here is the one difference I have in the whole speech made by the noble Lord who spoke from the Front Bench opposite. We are used to far larger percentages of levies on home

[Lord Aldington.]
trade, and even on some parts of international trade, admittedly for national reasons, but nobody can say that they greatly block the arteries of trade. The one doubt I have is the doubt expressly stated in the report; that is, that a levy on international trade will impinge very differently on some of the rich countries who import little. But that funds have to be available to the South there can be no doubt, and I say again that private funds will flow if the basic structure in each country is secure, and only if it is secure—and that is the importance of governmental aid and of the support of world institutions.

There are some other recommendations which I have no time to mention, other than that on energy, to which I attach enormous importance. The energy problem in the developing world is dealt with very fully; and then, in addition, there is the problem of the oil-producing countries, with the vast amount of dollars that are transferring to them from the rest of the world. All this has been dealt with very well by my right honourable friend Mr. Heath in an article written in *The Times*, to which I hope your Lordships have paid some attention, suggesting a kind of concordat between the rest of the world and the oil suppliers. I see great hope if that idea is pursued.

The noble Lord, Lord Tanlaw, referred to the importance of nuclear energy. Who am I to deny that?—because I am still the chairman of the National Nuclear Corporation. But I have to differ from him in thinking that nuclear power would solve the problems of energy in the poorest countries. It most certainly would not. Nuclear power is economic and useful where the demand is high, and nuclear power is most economic in big dollops, if I may put it like that. There are other sources of energy—solar energy—which are very relevant from the point of view of many of the developing countries. My Lords, I have taken rather too long.

Lord LLOYD of KILGERRAN: My Lords, I am sorry to interrupt the noble Lord, but he referred to clichés, he is now directing himself to energy, and he had the kindness to say that he was not on the side of the Liberal Benches. Would the noble Lord agree with the Liberal Benches that

more technological assistance, apart from funds, should be given to the developing countries?

Lord ALDINGTON: Yes, my Lords, I do. If I mentioned every point on which I agreed with the report—because that is in the report—I should be here, not for 20 minutes, which is much too long, but for about 60. So the answer is, Yes, my Lords, and I should now like to bring my speech, which I hope has lacked nothing in fervour following the noble Lord who proceeded me, to a conclusion. I hope very much that Her Majesty's Government are going to give a lead to other countries, including the Eastern bloc, in supporting this report—the facts, the conclusions and the recommendations. Certainly it is possible to pick holes in the details of a number of individual recommendations, but I agree with the right reverend Prelate that what those who have the power of leadership should concentrate on is the theme of the report, the attitude of it and the package of recommendations, and I hope that that is what we shall hear from Her Majesty's Government this evening.

5.55 p.m.

Lord BROCKWAY: My Lords, I am glad to be following the noble Lord, Lord Aldington. It is a new experience. The spokesman from that Bench and the spokesman from this Bench generally represent the extreme opposites in this House; and therefore, tonight, it is particularly welcome that he has delivered a speech with which those on these Benches are in almost entire agreement. We very much hope that Her Majesty's Government, who pay more attention to that Bench than to this, will seriously consider the appeal which he has made that priority should be given by the Government to the problems which are raised in the Brandt Report.

In previous speeches and in publications I have tried to put forward, broadly, the economic measures which are necessary in order that the gulf between the rich North and the poor South can be bridged. They have been based, mostly, on the proposals of the group of 77 (now a group of over 100) nations in their new international economic order. But tonight I do not wish to speak in that context. Instead, I propose to try to

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paint the background of the North-South confrontation, and to suggest the attitudes which may, instead, lead to co-operation.

It has been a saddening experience over the last six years to see how, at conference after conference between the North and the South, there has been deadlock. The UNCTAD conferences, the Paris North and South dialogue, the conferences of all the agencies of the United Nations—Yes, a little agreement here, but deep differences regarding an approach to these problems. I believe that the report of the Brandt Commission will break through this deadlock. Its membership was quite extraordinary—distinguished figures from all the Western countries and distinguished figures from Africa, Asia and South Africa. They came from completely opposite ideologies, and yet they came to these quite extraordinary conclusions. Britain was represented by an ex-Prime Minister belonging to the party opposite, Mr. Edward Heath.

I want to pay a particular tribute to the chairman of the commission, Willy Brandt. I regard him as the greatest world statesman of today. His introduction to this report is a masterpiece in analysis, in direction and in inspiration, and I hope that his contribution may be only a beginning to contributions towards world settlement in the sphere of war as well as in the sphere of economic differences. The world is now in a very deep depression. No one can see the end of it. It is graver than any depression has been before. It affects not only the North but also the South. Indeed, the South is in an almost permanent depression, but in recent years the gulf between standards of life in the North and standards of life in the South has actually grown.

In this report attention is drawn to the fact that the United Nations Children's Fund, UNICEF, estimates that in the South in the one year, 1978, more than 12 million children under the age of five died of hunger. The last recession in the West was in the 1930s. It is significant that every economist analysing that depression stated that it was due to the deepening poverty of the peoples in Africa and Asia. That depression was ended not by constructive planning but because this country and the West,

indeed the world, moved towards rearmament and war.

It is ironic that war, despite all its destruction and death, brought more prosperity to the common people of this country and, even more, a common purpose, a readiness to serve and to sacrifice, more than we have ever yet achieved in peace. After the war great reconstruction, aided by the Marshall Plan, meant that we went for some years without depression, but now there is recession again. I want to suggest to this House that the present recession is more serious than we have ever had before. Few economists believe that the policies of the present Government will solve it and bring prosperity. Even if their policies were correct domestically they would fail because this recession is a world depression and has world causes.

Unlike the late 30s, rearmament and war are not going to end our present recession, because war today with its nuclear weapons would end us all; but unless the recession is ended a disaster almost equal to war will occur. I do not think we have yet begun to understand these possibilities. I mean the disaster of chaos in the world. The first dim warnings of this are already being sounded. What do I mean by the disaster of chaos? Million unemployed; destruction of welfare to the point of actual want; ill health, even death; mounting economic catastrophe; and that to be followed by mass revolts which will pay little attention to law and order. The danger today of our depression is that it will end in a revolt against any social order itself.

If you think this view is extreme, turn to the introduction of this report by Willy Brandt:

"We are aware that this Report is being published at a time when rich countries are deeply worried by the prospects of prolonged 'recession' and the diminishing stability of international relations.

We believe that these difficulties are more serious than those of past recessions and economic crises. It would be dangerous and insincere to suggest that they can be overcome with the conventional tools of previous decades."

He adds this:

"War is often thought of in terms of military conflict, or even annihilation. But there is a growing awareness that an equal danger might be chaos—as a result of mass hunger, economic disaster, environmental catastrophes, and terrorism."

[Lord Brockway.]

It is the greatest indictment of our time that mass hunger exists in the world when technical advance would enable us, if it were properly organised, to feed, clothe, house and educate within the period of a decade every human being on earth. What is the reason for our failure? I suggest it is the poverty of the millions on the earth. Without their demands for goods the factories close. When demand is reduced to a trickle, as it is now, recession comes and it continues until demand grows.

The Brandt Report is not only a measure of cheer to the poor of the South; it is a message of cheer to the unemployed of the North. It is a document which promises our return to full employment and human welfare equally with the emancipation of the South. It is a charter of hope to the world. We have seen that one way to increase demand is rearmament and war. Are we really going to accept that as an alternative to ending poverty? Armament-making provides work and also increased consumption through wages, but the product is sheer waste or annihilation. The world's expenditure on armaments could end poverty in the world within a few years.

I should like to quote the Brandt Report again:

"One half of 1 per cent. of one year's world military expenditure would pay for all the farming equipment needed to increase food production and approach self-sufficiency in food deficit low income countries by 1990."

My Lords, one half of 1 per cent. of military expenditure could end the hunger for food in the world. We have fewer than 20 years to go before the end of this century. The aim of all who care for humanity must be to end both war and poverty by the year 2000. I believe it can be done.

This is a mad world but there are more sensible people in it than there have ever been. That number will grow. In the next few years there will be a mass movement throughout the world of peoples who will say, "We will have no more war and we will end poverty". I welcome this report because it is a beginning of that kind of approach. It will have to go very much further, but, although it may seem impossible to those who are

listening to me, I believe we are on the eve now of a great crusade, a great revival, a great enlightenment of the peoples of the world which will seek to achieve the ends of this report and the end of war and of poverty.

6.15 p.m.

Lord BROOKS of TREMORFA: My Lords, I should like to begin by offering an apology to your Lordships for not attending the early part of this debate. I arranged that I should speak rather late in the afternoon because I had to attend an important meeting which I could not possibly avoid. I think it is inevitable that if I were to make a speech at length I should be repeating much of what has gone before. I am extremely grateful to my noble friend, Lord Listowel, for arranging this debate, but I am most pleased that I was here to listen to my noble friend, Lord Brockway. I have been listening to him and reading him for more than 30 years, and whenever I listen to him the words of Conrad come to me. He said that mankind was forever walking on a thin crust which was likely to open up and engulf him at any time. I think the time is drawing near when something like the kind of proposals contained in the Brandt Report must be put into operation if our world is to survive.

My noble friend, Lord Houghton, referred to the leading article in the *Sunday Times* of a few weeks ago I think the heading to that article might be a sub-title to the programme for survival, because it says: "How to avoid the Third World War". That goes to the essence of the problem facing not only this country but the whole of the human race. I have listened with great interest to Mr. Edward Heath, both on television and on a radio programme recently when he appeared on Radio Wales. What struck me about Mr. Heath's approach to the Brandt Report was the realism of that approach. Throughout the whole of the interview he stressed that it was in our interests as well as in the interests of the poorer people of the world that there should be a coming together and a mutuality of interest.

In a debate which I introduced in the House recently on the social and economic problems of Wales, I was pleased to call

the *Sunday Wales* is says—I re ago:

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the *Sunday Times* article in aid, because Wales is mentioned in the article. It says—I repeat what I said a week or so ago:

“What is more eccentric, one might wonder, than having a steelworks in Llanwern lie idle while India laments a shortage of steel?”

There, in a nutshell, is the essence of the mutuality of interests. I am bound to confess that when I listen to Mr. Heath and when I read the comments on the Brandt Report—here may I say that I am extremely grateful to my noble friend, Lord Listowel, for sending me a summary of it, because I have not read the report—part of the politician in me wonders whether it is possible to get the message over to people that the Brandt Report may be the last hope for the whole human race.

How does one say to redundant steelworkers, “It is in your interests to help the people in the underdeveloped world”? But the attempt must be made. We all have a responsibility and a duty to say to our people, whatever their problems in this time of economic crisis for ourselves, that if they think they are suffering poverty they do not know the meaning of the word. The real poverty in the world, the poverty which is brought closer to us as a result of television, is aching poverty, poverty which we in this country never experienced even in the 'thirties, when I was brought up.

My Lords, I referred earlier to my great respect and admiration, even love, for my noble friend Lord Brockway but I had not read his book, *Tomorrow, Tomorrow*, and I took advantage of your Lordships' Library to do so. It is a wonderful book and if any Member of your Lordships' House has not read it, I commend it. He pays this House a great number of compliments. He says in a chapter, “Going to the Lords”, how impressed he was by the experience of many of your Lordships. However, he pointed out that perhaps there was a gap in this experience and that there was little experience here of actual poverty. I myself do not claim to be a special case in any way; but I was born in a period of depression in a depressed area. I lived through the whole of the 1930s, which led to the most horrible war in our history, a war which was ended by the most horrific weapon that

mankind has yet devised. Since then, we have all lived through a period of increasing tension in the world, of increasing suspicion in the world; and if we survive to the end of this century it will be more by luck than by design.

It is my belief that we in the Western world, the affluent world, however difficult we think our circumstances are, must take this report seriously. My noble friend Lord Houghton of Sowerby has said that there is a group of your Lordships who are already active to this end. May I say to him that if my puny efforts can help in any way I shall be pleased and anxious to join them? The report calls for a world summit this year to consider an emergency programme. It lists the priorities as: a global food programme, a worldwide energy strategy, a reform of the international monetary system and a huge transfer of funds to the poorer countries. I shall be extremely interested to hear the response of the Government to this invitation, because somebody—an American, I believe—said that Britain had lost an empire but had yet to find a role. It is here waiting for us.

6.23 p.m.

Lord HOLDERNESS: My Lords, it is a pleasure for me to follow the noble Lord, Lord Brooks of Tremorfa. I should like to add my gratitude to his to the noble Earl, Lord Listowel, for not only initiating the debate but giving me the chance to assure him that even very new Peers are well aware of the service that he has rendered to your Lordships' House in the past and are also aware of the work that he did in various parts of the Commonwealth during the two decades that followed the last war. Scientists, although not always entirely unanimous, are at least in agreement that the planet on which we are now making our temporary home has existed for quite a long time. I believe that it is generally thought to have existed between three billion years and five billion years. They also agree, I understand, that human beings have made their own appearance on this planet comparatively recently. I fancy that the historians of the future are probably going to add that, over the few centuries during which the actions of individuals, or of collections of individuals, have had an impact on the whole world, or on a considerable part of

[Lord Holderness.]

it, mankind has managed to sow very real doubts as to the capacity of the human race to survive very far into the third millennium after Christ, which we hope to enter in about 20 years' time.

Thus, while scientists are judging this planet on which we live to be at about the middle of its useful life, we have a score of distinguished and, as has been emphasised, most experienced men, considering man's ability over the next few decades so to shape the course of the world that we can avoid destruction within a few decades. I should like to express my agreement with the noble Lord, Lord Taylor of Gryfe, who remarked that he thought that the Brandt Report has arrived at a very opportune time. I should like to add also how greatly I relished the vigorous welcome given to it by the noble Lord, Lord Brockway, whom it was, for me, an enormous pleasure to hear again.

The prospects ahead certainly demand strong nerves and call for courageous decisions. There are the problems of overpopulation, of grinding poverty, of starvation, disease, vast unemployment—all on a scale that various speakers during this debate have pointed out that we can hardly imagine—and, over all else, the desperate, death competition of the arms race, which the noble Lord, Lord Brockway, in particular has mentioned. On some of the looming problems of the next few decades, even the leadership of arch angels could hardly make an impression. I doubt whether there is anything except disaster itself, or the unlikely abstinence of billions of young and fertile couples, that can now prevent a world population of about 6 billion in the year 2000 A.D. That means more human beings on this planet than than the sum total of all who have lived since the world began.

I believe this to be perhaps the fundamental problem of all; and, if I may say so, few people in this country have as great a right to speak about it with authority as the noble Lord, Lord Houghton of Sowerby, who has done so much in this field. Mercifully, however, there are areas in which the existing representatives of the human race are not completely powerless in the face of doom; although the present prospects of constructive co-operation to

prevent it are not what one might call dazzlingly bright.

It is conceivable, although not immediately probable, that East and West might agree to calm the race for arms. The commission, as I think the noble Lord, Lord Taylor, has clearly implied, has pointed to the enormous social benefit within easy reach if arms production throughout the world could be halted for even 24 hours. Fortunately, too, we can still avoid what the Brandt Report described as the irreversible destruction of significant resources or of the environment; although the commission warns us of our present nearness to that danger in many parts of the world. But it is clear to me that we can avoid that irreversible destruction of resources only if the excessive demands which we make on a reasonably bounteous earth and sea are reversed before it is too late. Meanwhile, despite these well-founded warnings of possible disaster, to an observant visitor from another planet this basic problem of our planet must seem delightfully simple, and its solution is surely not beyond the wit of man or of a visitor from Mars.

This has been well described by my noble friend Lord Aldington and others. Here are two-thirds or more of the world's population, hungry, sick, illiterate, badly in need of the goods produced by the richer North and the technical skills at our command. Meanwhile the North, at present rather less affluent than it was, is dreaming of an effective demand for which goods could be produced by 18 million at present unemployed. This was well brought out by the noble Lord in his speech just now. It should not be impossible for the world to provide the South with purchasing power to make effective at least part of its immense potential demand. For the South, this would offer the hope of progress; for us and other industrialised nations it would open up economic possibilities of almost infinite scope and value.

My noble friend Lord Aldington and many other speakers have stressed the mutuality of interest between North and South, but unfortunately I think we suffer from one small disability in the way that we refer to the assistance that the North gives to the South. The word "aid" with which I have some connection—unfortunately suggests to a great many, and a

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great many who are critical of the aid programme, the idea of a handout with the absence of any obligation on the recipient to make any corresponding effort in return. Even to many of the supporters of the aid programme, aid appears to be the mere execution of the clear obligation of the relatively affluent to the poorest nations. Even overseas development, which is, to my mind, an improvement on the concept of aid, suggests a contribution towards the economic advancement of poorer nations which the critics would argue—probably superficially—that we in Britain managed to do without at the early stages of our own development about 2,000 years ago.

But rather than the concepts of aid or overseas development, the idea that I should like to convey and which I think is in line with the thinking of the Brandt Commission is that any future aid provided by Britain or any other members of the OECD should be what I would call an investment in the future of the world, a contribution towards the prevention of the collapse of the human race which is unhappily not unthinkable and which would undoubtedly wound Britain and the industrial North no less grievously than the poorest of the developing countries. Of course, the noble Earl, Lord Listowel, my noble friend Lord Vernon and many others who have spoken in the debate are absolutely right that the present and past investment by the North is too small, and the inability of Britain and other comparatively rich nations to invest in the world's future more than a small fraction of 1 per cent. of our gross national product is a sad commentary on our present scale of values.

I share the blame, and my noble friend the Foreign Secretary and other Ministers, having accepted the objective of the Pearson Report, are presumably equally dissatisfied by our present performance. They will, no doubt—and rightly—point to forms of investment other than the official aid programme and to other means of generating purchasing power in order to make this pent-up demand effective. If, for instance, developing countries had been in the past and were now at this time more receptive to private investment of all kinds and ready to offer such outside investors reasonable security, then it is hard for me to believe that their economic prospects would be quite as sombre as

they are today; particularly, I believe, because there are many skills, and especially managerial skills, which are more easily imparted through private investment than by the flow of official aid. No one made clearer than the noble Lord, Lord Chorley, in what I believe to be a most perceptive speech, that it is skills (and I believe the noble Baroness made this point also), technical mastery at all levels, which are among the major needs of developing nations and which are, at the same time, the most important potential contribution which the North can make, both through private industry and through official sources.

There remains the still larger question of the wide creation of purchasing power, on which I am far too in expert to dare to be in any way dogmatic. But if the political will exists—and this is what we are talking about this evening—to overcome the obstacles, a number of international financial vehicles are available for a rapid and significant expansion. On the other hand, caution may prevail. The experts may say that this just cannot be done, and the industrial nations may decide to move in exactly the opposite direction by erecting a protective barrier in a narrow and vain attempt to guard their future. In that case, in my view, we shall not only sow but rapidly propagate the seeds of our imminent destruction.

Meanwhile, at this crisis in the world's affairs the richer nations are seriously handicapped by their disunity. Bridge building between the North and South is far more difficult as long as a curtain divides East and West. Co-operation between the two in Third World investment would be a vast gain; but far greater would be the opportunities offered by a halt or even an abatement in the crescendo of armament. This is why my noble friend the Foreign Secretary is obviously so right to continue to search for a lowering of tension and the removal of suspicion that divides us.^a

To me the deepest tragedy of recent events is the added incentive that they have given to increased and continuing armament and the receding prospect of co-operation between the most powerful nations in a joint effort to save the world. In the world's past the human race has many times had to rely on the triad of misery—war, hunger and plague—to solve

[Lord Holderness.]

problems less formidable than those which now face us. Today no one other than a madman wants again to invoke their aid. But one or other may come to appear as the only escape for the rest of the human race unless, before it is too late, we can agree on more civilised solutions. 6.40 p.m.

Lord PITT of HAMPSTEAD: My Lords, may I begin by thanking my noble friend Lord Listowel for introducing this debate. I apologise to him for not being in my place to hear his speech. I received a call just before coming here and had to visit a patient. That explains the apology I need to give the noble Lord, Lord Vernon, because I had to get the patient into hospital and had to slip out during Lord Vernon's speech to make the appropriate arrangements. I hope they will forgive me. I can assure both the noble Earl, Lord Listowel, and the noble Lord, Lord Vernon, that I will read their speeches in *Hansard* tomorrow with the utmost interest. I should like also to congratulate the noble Lord, Lord Chorley, on his very remarkable maiden speech. I take it for granted that we shall hear from him on many occasions and that he will be able to make real contributions to the debates in this House.

The problem of how we bridge the gap between the "haves" and "have nots" is the biggest problem confronting the world today. What the report has done is to put the issue in perspective, put it straight before us as it is, and point out to us the mutuality of interests and the fact that it concerns both North and South that the gap should be bridged—because the North stands to gain as much as the South by the bridging of the gap and the North stands to lose as much as the South over any failure to bridge the gap.

That is the whole theme of the report. It says that we must recognise that this is one world and there must be international solidarity. It also says that we must open our eyes and recognise that there is some enlightened self-interest in doing the things that are suggested. It says that we must accept, and not merely pay lip service to, this principle of inter-dependence, and that the search for solutions is not an act of benevolence but a condition of mutual survival.

This commission was composed of many eminent citizens, most of whom in fact have held political office. We had three ex-Prime Ministers of developed countries, a former President of a developing country, together with several former finance ministers and, in one case, a current finance minister. In addition, we have the Secretary-General of the Commonwealth, who has, from the time he took office, recognised this point of one world and the absolute necessity for the two areas of the world to recognise their mutual interests and come together to deal with their mutual problems.

I remember well the part he played in bringing together the Asian, Caribbean and Pacific countries in the first negotiations between these countries and the EEC. In fact, it is because of Sonny Ramphal that the ACP became a united organisation and were able to negotiate together. At the time, I remember we were all certain that that could not happen, because the French have always been able to get their former colonies to go with them; but that was one occasion when they met their match and Sonny Ramphal was able to organise them in that way.

This commission has made some very important recommendations which we hope the Government will accept, and I should like to join the noble Lord, Lord Aldington, in asking the Minister whether the Government accept the analysis of the Brandt Commission and are prepared to play their part in making sure that these recommendations are met. Her Majesty's Government are in a good position to make a major contribution in this matter. As part of the EEC, we have through the Lomé Convention, played a minor—I regard it as minor—role in the bridging of the gap, in that some of the former colonies of the EEC countries have been able to get some protection and some help, so that in fact they can develop. What I hope the Government will feel obligated to do, having read this report, is to revise to some extent their own approach to the Lomé Convention. I was very sad when I read that it was Her Majesty's Government who were dragging their feet about the increase in the fund which the ACP countries were asking for. It was Her Majesty's Government who were saying, "Not a penny more".

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Eventually a little more was granted but not as much as was required.

I therefore hope that, having read this report, Her Majesty's Government will now go back and study their own attitude to Lomé and see that they adopt a more liberal approach so that the Lomé Agreement can benefit both the EEC and the ACP countries much more than it has done so far—because a liberalisation approach by the EEC can have tremendous consequences in terms of gains for both sides. I also hope that they will again raise with their partners the question of generalised preferences, so that a more liberal approach will be made than what I have read in the Press is likely to be the approach at the present time.

Her Majesty's Government also have a very important and useful instrument through which they can play a major role. I am referring to the Commonwealth in this connection, and I invite your Lordships to remember that it was the Meeting of the Heads of Government, held in Jamaica in 1975, which set up the Commonwealth Group which did a certain amount of stimulating in trying to get some agreement between North and South. Again, in 1977 it was as a result of discussions at the Heads of Government Conference here that Her Majesty's Government changed their attitude to the common fund. Although the common fund is nothing like what it ought to be, the fact is that we have now agreed to avoid.

What I now hope Her Majesty's Government will do, having studied this report, is to take a more liberal approach to that particular fund, so that the fund can play the important part which most people who have studied this issue think it can play. Of course, Her Majesty's Government have important voting rights in the IMF and the World Bank and can therefore play a leading role in trying to get both bodies to take the kind of line that the Brandt Report has suggested they should be taking.

We know that example is always better than precept. Therefore, we want an example from Her Majesty's Government. The obvious example is for the Government to commit themselves to reach an aid figure of 0.7 per cent. of GNP in respect of official development assistance

by a specific date. They should state firmly, as requested by the noble Lord, Lord Chorley, that the present level of aid will not be reduced, but will be steadily increased until the figure of 0.7 per cent. is reached. One hopes that, as requested by the Brandt Report, they will continue to increase that sum until a figure of 1 per cent. of GNP is reached. That would be the commitment.

I agree with the noble Lord, Lord Aldington, that if we accept the analysis of the Brandt Commission, then in effect we should be in a position to accept these suggestions. This would be a way of indicating Her Majesty's Government's commitment to the implementation of these recommendations. I agree with the right reverend Prelate the Bishop of Derby and other speakers in this debate that the Government must carry the people with them in this task. Both Houses of Parliament have a role to play, not only in pressuring the Government, as we are trying to do, but also in supporting the Government once they take the right decisions. The Government certainly will need to be supported.

However, we must do more than that. We must ensure that the people of this country get the message. It is not easy to get that message over, but we must do all in our power to do so. The man in the street must understand, as the noble Lord, Lord Brooks of Tremorfa, said, that there is a co-relation between the fact that steelworkers are out of work in Wales and the fact that some people in the world are too poor even to buy steel anyway. The man in the street must realise that something must be done to bridge that gap. Workers should be willing and indeed anxious to see that something is done.

The Brandt Report sets a challenge that we must accept. If we do not do so, I believe that we shall forfeit the right to any respect. I invite your Lordships, and even more so her Majesty's Government, to make a start in accepting that challenge.

6.53 p.m.

LORD NOEL-BAKER: My Lords, I wish to pay my tribute to my noble friend Lord Listowel, who opened the debate. I also wish to congratulate my noble friend Lord Chorley on an admirable maiden

[Lord Noel-Baker.]
speech. I had the privilege of knowing the first Lord Chorley when he was a brilliant rock climber on the hills of Cumberland. I followed him and admired him. I am glad to admire the present Lord Chorley for his brilliant contribution to the debate, and I hope that we shall hear him often in this House.

This has been a notable debate, particularly for the great wisdom and eloquence of contributions from all parts of the House. One could mention in that context every speech made by my noble friends. I wish to single out the contributions of my noble friend Lord Houghton and Lord Brockway, who surpassed their own achievements in persuading your Lordships to accept their view. I also wish to pay a special tribute to the speeches made from the Government Benches by the noble Lords, Lord Aldington and Lord Holderness. They added to the power and weight of the message which I hope will travel throughout the world—not only to No. 10 Downing Street and to our own Foreign Office, but to other continents and capitals.

The noble Lord, Lord Holderness, spoke of the four elements of world poverty—shelter, disease, ignorance and hunger. We all know of preventable slums that exist in the world—the appalling tragedy of shanty towns and mud huts that exist in so many countries. A week ago my son was in an Indian village in which a thousand people were trying to live a civilized life. They had no wood, stone or metal. Their houses were made of mud, bricks and nothing else. We all recall the tragedy that occurred only 3 years ago in Kerala where a tornado destroyed mud huts and with them 15,000 human lives. Not one person escaped. If those people had lived in proper houses not one of them would have perished.

Preventable disease—malaria, leprosy, yaws, trachoma—impose an appalling burden of suffering and economic loss every year on the Third World countries, but they could all be abolished by the World Health Organisation within a short period of years and at a cost of only 500 million dollars. If your Lordships do not believe that fact, one has only to remember that in the last six years WHO has wiped out smallpox in 32 countries in which it was endemic on an epidemic

scale. That organisation spent 83 million dollars on that task—less than the cost of a single B1 bomber.

The most tragic and important element of poverty is preventable ignorance and illiteracy. There are 1,200 million people in the world who cannot read or write, and 400 million children for whom there are no schools. They face darkness of the mind. Many face the cause of material poverty—hunger. My noble friend Lord Listowel emphasised the fact set out in the Brandt report that 12 million children under five years of age died of hunger in the year 1978—I repeat, 12 million!

I have been very close to hunger. I worked for Fridtjof Nansen when he was raising relief for the Russian famine of 1922. Dreadful things can happen when starvation stalks the land. On the Volga and in the Ukraine there was cannibalism; human flesh was sold on the market place; corpses were dug up and boiled for food, mothers ate their babies. The hunger of 800 million people, the absolute starvation of hundreds of millions, is a wrong that ought to stab the conscience of every one of us by day and by night throughout our lives. I agreed profoundly with my noble friend, who said a few moments ago that it is a shame of our affluent, advanced nations that we do not understand the poverty, the misery, the cruelty that are inflicted on these suffering peoples of the other continents which we call backward.

There is a twin evil causally connected with world poverty. It is the menace of which the noble Lord, Lord Holderness, spoke: the danger that civilisation will disappear. In the Final Document of the Special Session of the UN General Assembly which was devoted in 1978 to disarmament, there were seven separate warnings that the issue at stake was the extermination of mankind and there is no eminent scientist, no great soldier, who would seriously deny that that is the present menace which faces the world.

The Final Document of the Special Assembly, faced with these twin evils, faced with the danger of total disaster, proposed a policy of total change. I summarise it as briefly as I can. The document began by saying that armaments no longer defend. The exact words are:

"The accumulation of weapons today constitutes far more a threat than a protection to the future of mankind".

It went on to propose that the only true solution is general and complete disarmament of all the nations of the world. It defined what that means—reduction of armaments to the level proposed by Franklin Roosevelt in 1940 in his Four Freedoms speech, and proposed by our colleague Selwyn Lloyd in his speech to the UN General Assembly in 1959; reduction to the level at which aggressive war is impossible, because no nation has enough armaments to fight it; reduction to the level required for internal order only, and the contribution of manpower to a UN force.

The Final Document said that the release of the vast resources that would then be available should mean the reallocation of our wealth from war and armaments and conflict to human welfare, to social justice in our own advanced countries, but, above all, and in large measure, the reallocation of resources available to the poverty stricken countries of the Third World. It means a redistribution of wealth between the affluent and the poorer nations. Are we really frightened of a redistribution of wealth by Government action?

It is only 44 years since I fought a by-election in the city of Coventry. I went to visit my constituents who were still living in huts put up for munitions workers in the first world war, 20 years before. They were horrible dwellings with no proper roads. A lady lifted a mattress on a bed and said, "Look, that was new a month ago." It was mildewed with damp. She said, "The children are never well. They are up to their ankles in mud before they get to school."

I went to a school to see the children, and in a certain class I saw them doing sums. Nearly all the children were getting the sums right, but there was a group on one side sitting together who not only got the sums wrong, but did not know whether they were trying to add up, to subtract or to divide. I asked the teacher "Why is there this great difference?" And she replied, "I put those children over there by themselves. I call them the little dunces, but they are not dunces really. They do not get enough to eat at home."

In 1933 Lord Bruce of Melbourne, and a great colleague in this country, drew up a League of Nations report on minimum diet for maximum health. By their test, they showed that one-third of the population of Great Britain were getting less than was required to keep them well. They were malnourished. They were hungry. There were hundreds of thousands of building workers who were out of a job, and hundreds of thousands of slums and hutments that ought to have been swept away. There was food in the world, but not for the poverty stricken of Coventry.

Since then, we have had new taxation and social services which have redistributed our wealth, and there is not the most reactionary of Conservative Peers on the Benches opposite who would go back to the poverty of those old days, who would tolerate the fact that our people should suffer as the poor of Coventry suffered in 1936. We need the same feeling of indignation, of hatred for such cruelty about the Third World nations. If we adopt the policy of the Final Document, the reallocation of resources from war to welfare, we solve the danger of the great recession and the danger of inflation.

Some noble Lords may have heard me quote before a transatlantic saying of my youth:

"If you took all the economists in the world and laid them out in a row end to end, they would not reach a single conclusion".

Every economist since Adam Smith has said that inflation is too much money chasing too few goods. Every economist since Adam Smith has said that armament expenditure is unproductive. There are £200,000 million a year pouring out in new purchasing power through the pockets of armament workers, members of the forces and armament manufacturers and no goods at all that anybody can buy or use. Of course, it stands as clear as day that armament expenditure is the main cause of the inflation which we have come to think of as endemic, which is undermining our social system and which may create the great recession of which noble Lords have spoken. We cure the poverty of the world. We solve the problem of inflation. We avert the great recession.

My noble friend spoke of what UNRRA did in 1945. I was the Minister

[Lord Noel-Baker.] who represented Britain in the councils of UNRRA. I had to pass through the House of Commons not only the first 1 per cent. While we were still afflicted by post-war troubles and engaged in our post-war economic reconstruction, another place voted a second 1 per cent. And UNRRA did a marvellous job in putting Europe back on its feet, with minimal help to Russia. Britain can afford to lead today by giving much more economic aid than it has given in recent years. But we can lead in a much more important way. We can press for the early adoption of the total change which the Final Document of the Special Session prescribed.

In a recent debate, a noble Lord speaking from the other side said that the Government still accept as an ultimate objective the general and complete disarmament which the Final Document demands. The ultimate objective? Ultimate after the nuclear war, or soon before the nuclear war can happen? I have said it before and I say it again: Britain is well placed to lead in this great change in world society, because we were the first to make a welfare State, because we had the greatest military empire in the history of mankind, because we demilitarised that empire and because to 650 million people—one-quarter of the human race—we gave freedom, independence and self-government without the firing of a shot. Let us be true to what we did then. Let us think of the innocence and the nobility of our children, and let us leave them a world in which they will grow up with a civilisation of which they can be proud.

7.13 p.m.

LORD ORAM: My Lords, we have had a number of notable speeches in this debate and I am sure that my noble friend Lord Listowel is gratified that his initiative has led to such a valuable commentary on the Brandt Report. I should like to join those who have congratulated the noble Lord, Lord Chorley, on his maiden speech. He spoke most interestingly—and obviously on the basis of personal experience, which is always a good basis upon which to speak. I congratulate him upon his contribution.

Many of the speeches about the Brandt Report have made the point that it is an historic document. I believe that indeed

it is. We now need to match this historic document with a series of acts of world statesmanship comparable to the Brandt Report. Historical parallels can be inadequate and misleading, but in contemplating the world economic situation today, which has been described not only in the report but in many of the speeches to which we have listened, I cannot help thinking of the economic situation of Europe after the Second World War when the Marshall Plan was the means of revival. I believe that there is a parallel between the nature of the crisis and the method by which it can be overcome.

But today's crisis is not that of one continent needing to be rescued from devastation, as was the case with Europe at that time. It cannot be met, either, by the resources from any one nation, as was largely the case with American aid under the Marshall Plan. What we are concerned with today is not one poverty stricken continent but a poverty stricken hemisphere, the Southern Hemisphere. The action to overcome that problem must come not from one rich, powerful nation, as with the Marshall Plan, but from a group of rich, powerful nations acting together. Those in the OECD, those in the Communist bloc and those in the OPEC group all need to find a common ground for action. As my noble friend Lord Goronwy-Roberts and, indeed, the noble Lord, Lord Aldington, said, the problem which we face is a global problem. The solution therefore must be a global solution.

I think that one further comparison with the Marshall Plan is worthwhile. That plan was as much in America's interest as it was in Europe's interest. Therefore today, as the noble Lord, Lord Holderness, said, it is not a case of charity, of altruism from the rich to the poor; it is as much in our interest, in the interest of the developed world, as in the interest of the developing countries that this world economic crisis must be solved. As a number of noble Lords have pointed out, that is the essential message of Brandt—the message of mutuality, of mutual common interest between the North and the South. Either we learn to swim together—North and South, rich and poor—or we shall certainly sink together.

We are concerned in this debate not only with the Brandt Report but with the

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second part of my noble friend's Motion: with the policies of Her Majesty's Government towards developing countries. If I have any criticism of the way the debate has gone, it is that almost all speakers have concerned themselves with the Brandt Report and that few have concerned themselves with the need for the Government to review their policies towards developing countries. Perhaps I may attempt to redress the balance in that respect. It is not enough to examine the Brandt analysis and to accept its proposals. We need to know what Britain can do and what Her Majesty's Government propose to do. How much I should like to think that when the noble Lord, Lord Trefgarne, speaks he can be as forthcoming and as enthusiastic as was the noble Lord, Lord Aldington, in addressing the House today. I rather doubt, though, whether the noble Lord, Lord Trefgarne, can be thus, because in doing so he would have to retract a great deal of the Statement on aid which Lord Carrington made to the House on 20th February. I doubt whether Lord Trefgarne is authorised so to do.

When we think of the Government's policies towards developing countries we come up against two supremely ironical aspects of the present situation. First, we have had a Statement on the 20th February from the noble Lord, Lord Carrington, about the Government's review of their overseas aid policy, and as Mr. Neil Marten said in another place, the review was produced before the Brandt Commission published its report.

Was there ever a more blatant example of putting the cart before the horse? Here we have a major and thorough review by Brandt and his eminent colleagues which has been under preparation for two years. It was initiated by the President of the World Bank and received the support of the Secretary-General of the United Nations, although of course, as has been noted, it was independent of those two bodies and now, as all have agreed, the report turns out to be a document of outstanding significance. Yet the British Government, instead of waiting for the commission's report in order to relate their own policy decisions to the commission's analysis and conclusions, go ahead with their own inward-looking review in isolation and announce decisions which in major respects

run directly counter to the proposals of the Brandt Commission.

The second great, and indeed somewhat sad, irony that I find in the present situation is that the British signatory of the report is the man who was first rejected as leader by his party and whose talents in world affairs were then spurned by the leader who replaced him; and I believe it is to Mr. Heath's great credit that, having been so treated, instead of retiring to his yacht, as no doubt he was tempted to do, he is raising his voice and giving a lead for sane and imaginative policies in world economic affairs. I hope he will continue to do so with ever greater strength and support and influence. Within the Brandt Commission he worked with eminent colleagues with very different political views, but they found, as Herr Brandt has put it, that consensus became a reality and what was true on the international front in these respects I believe could be true on the home front.

It is indeed the case that the issues with which the report is concerned do transcend party politics, as has been evident in the debate today and if, as I hope, Mr. Heath is intent upon putting before the British people the conclusions which he and his colleagues have reached, he will find support from across the party boundaries. It is to be hoped also that he will find support from within the Government, but it is here that I am afraid the signs are unfavourable, from what we know so far. I have already said that the Government's policy has run directly counter to Brandt in certain major respects, and I want to deal briefly with two of the ways in which I believe it does run counter: the size of the aid programme and the character of the aid programme.

It was clear from what the noble Lord, Lord Carrington, said on 20th February—and indeed from what he did not say when he was directly challenged by the noble and learned Lord, Lord Elwyn-Jones—that we may expect a cut in the aid programme when the figures are announced in the forthcoming White Paper. Yet the Brandt report indicates that one of the major causes of the world's present crisis is the failure of the developed nations to fulfil their obligations of providing 0.7 per cent. of GNP to overseas aid, and it urges that that target should be reached by 1985. Yet according to the noble

[Lord Oram.]

Lord, Lord Carrington, we are proposing to go in the opposite direction.

It is not valid for the noble Lord, Lord Carrington, to say that Britain is a poor country and therefore we must give only what we can afford. This is the whole point of defining an aid target as a percentage of GNP. If our production turns out to be less than hoped then we are committed to a smaller aid programme than was expected. If a country is smaller or poorer than another then its contribution is correspondingly less. So it is not right for us to plead poverty in aid-giving. But the path which we now seem to be treading is one which leads away from the United Nations target. Apparently what we are proposing to do is to go back on our word: to make cuts in real terms, cuts relative to GNP. I believe that is the implication of what we heard the other day, but if it is not so then I hope that the noble Lord, Lord Trefgarne, will say so and I will gladly withdraw that part of my criticism of the Government's policy. I hope he can say that we are not going to cut aid.

The second major way in which the Government's policy runs counter to the Brandt Commission concerns the tying of aid to British products. The Brandt Commission argues cogently in several parts of this report that more aid should be provided for development programmes rather than for projects. I myself experienced this when I was a Minister in the Ministry of Overseas Development and when I engaged in discussions with ministers from developing countries. What we had to offer was not what they needed most for development. They wanted to be able to choose programmes of development and technologies suited to their own local needs. They wanted resources with which to meet local costs, and our conditions often compelled them to accept inappropriate aid or none at all.

Now it is proposed that we should go further in that wrong direction. It would seem that we propose to take a narrow-minded and restrictive view of the aid which we provide. Aid tied to British products is much less useful to the recipient than untied aid and also it is an illusion to believe that it is in the long-term commercial interests of the

donors. What we need are markets, and markets in developing countries result only from sound development programmes. So I am not opposed by any means to the Government's declared objective of conducting our economic relationships with developing countries in order to serve our own commercial and industrial interests, but we can do so only if we know where our true interests lie.

Let me give an example from the work of the Commonwealth Development Corporation, which I have seen in the field and which I am sure many of your Lordships have seen. In their work they are doing a great deal to build up the economies of the developing countries where they operate; in other words, they are building markets for British goods. Yet I understand that they are threatened with severe cuts in their budgets, resulting from the general policy of the Government. This country's commercial interests depend on the kind of work that the CDC is doing in the developing countries and I believe it would be a great folly to inflict cuts on that kind of work.

LORD TREFGARNE: My Lords, if the noble Lord will allow me to intervene, I think it is the case (is it not?) that the CDC has access to many funds other than just Government funds?

LORD ORAM: My Lords, that may be so, but to a major extent it depends upon the funds which are provided through Acts of Parliament and it will be those cuts which will severely eat into their viability. I say again that our task is to create markets in the developing countries for our goods and services. That is the long-term objective. But there is another problem to which I want to call attention; that is, the immediate and urgent task which faces us in preventing the collapse of the markets that already exist. That is why in my concluding moments I want to say a word or two about the problem of the increased indebtedness of the developing countries and to emphasise one part of the Brandt proposals in that connection.

There are of course, as we have heard in this debate, a multitude of other problems and I do not propose even to list them; we have heard of them from other speakers. The monetary problem, and

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particularly the indebtedness of many developing countries, has been getting alarmingly worse in recent years. The Brandt Report call particular attention to this, if I may quote from it. The report says:

"One of the most dramatic changes in recent years has been the increase in the loans of the international private market, which now account for nearly 40 per cent. of the outstanding debt of developing countries compared with only 17 per cent. in 1970. As the loans fall due they—

that is, the developing countries—

"need to borrow more in order to repay and service them, and the debtor economies, and the entire international credit structure, are now very vulnerable to any disruptions in the flow of capital."

As Professor Singer of the Institute of Development Studies has written in *The Times*:

"If the large deficits projected particularly for 1980 are not financed, some non-oil developing countries may be unable to cover their balance of payments deficits and may increasingly default on their repayments of debts, with very serious consequences for the international banking community and world economy."

He goes on—and this is the point relative to our commercial interests:

"This would worsen also the recession of the developed countries, as important markets for their exports in the Third World would be lost."

So what I am saying is that our commercial interests should be served, but we should have a proper view of what those commercial interests are. Those commercial interests will not be served by cutting aid to the developing countries; they will be served by an expansive attitude to what we need to do for the developing countries.

The resources for us to do that are there, as the report makes clear, and indeed, it was made very clear in that article by Mr. Heath in *The Times* of 26th February, to which the noble Lord, Lord Aldington, referred. There are trading surpluses arising from the transactions of the OPEC countries and of the members of the OECD. There are already powers exercisable by the World Bank, the regional development banks and the International Monetary Fund which could do much to meet the problem of world monetary liquidity. And beyond them there is the possibility of a new institution, as proposed by the Commission, to fill the gap if those existing institutions should prove inadequate.

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I am not urging—and I do not think anyone who has spoken in the debate is urging—that the Government should here and now espouse all or indeed any particular one of the many proposals put forward as part of the programme for survival. I am not suggesting, indeed, that any one country, least of all perhaps our own, is in a position to act alone in these matters. What I am suggesting is that we can and should, as a nation and as a Government, respond positively to the challenge that Brandt places before us. We should at least—and I hope we can have this at least this evening—announce our willingness to join with others in a global effort to avoid the international crisis which confronts us, knowing, as we do, that the world has available to it the material and technological resources to overcome that crisis. It is the political will that is missing, and we as a nation can, if we bestir ourselves and if the Government will respond, make a full contribution to the creation of that will on the international scene.

7.35 p.m.

Lord TREFGARNE: My Lords, like other noble Lords, it falls to me to thank the noble Earl, Lord Listowel, for raising this matter this afternoon, and of course to congratulate the noble Lord, Lord Chorley, on his most enlightened and absorbing maiden speech which clearly—as several noble Lords have already said—came from the depth of his own experience.

My Lords, the Brandt Commission was an original and imaginative concept. I would pay tribute to Mr. McNamara, who proposed it, and of course to its distinguished members, particularly Herr Brandt, who led it during its two years of work, and indeed to our own Mr. Edward Heath. Indeed, I noticed that the right honourable gentleman was sitting for a good long time on the Steps of the Throne earlier this afternoon. He clearly has the same fortitude as your Lordships in surviving the all-night Sittings. Those steps are not particularly comfortable.

The commission has produced a clear and comprehensive account of the whole range of problems which will confront us in the remaining two decades of this century. They have addressed problems whose scale is truly daunting. In the

[Lord Trefgarne.]
course of its work the commission has achieved broad agreement between its members, despite the wide differences that might have been expected. In doing so, they have produced a report that will command serious attention around the world.

As many of your Lordships have said, the 1980s will clearly be difficult, particularly for the less developed countries. The world faces grave economic problems. There is serious concern about the future adequacy of oil supplies, their price and inflation which is widespread and intractable. Unemployment, too, is rising. These are universal phenomena, but for the developing countries they pose particular problems. In many of the poorest countries the growth in food production is inadequate in relation to a population which is still growing too rapidly. I will refer to that point a little more later on. The burden of debt which developing countries carry, already high, will rise as increases in oil prices take effect in their balance of payments. Many developing countries face a painful process of adjustment and nearly all of them are critically dependent for their export earnings upon a renewal of world economic growth. We fully appreciate the difficulties which these countries face and we well understand the impact which this prospect has had on the authors of the Brandt Report.

My Lords, the result of their study is a major document. It is extensive, running to nearly 300 pages, and I can assure the noble Earl, Lord Listowel, that the Government are giving it the most careful study that it deserves. At this early stage, the remarks that I shall make should, however, be regarded as of a preliminary nature. The report covers a very wide range of issues. The commission members have brought their considerable collective experience to bear in providing a comprehensive view of world economic relations as we enter the new decade. Their general theme is simple: a world in want is an unstable world. Or, as Herr Brandt himself has put it,

"While hunger rules, peace cannot prevail."

Their account of grave and growing difficulties in developing countries is a sobering one, and one can readily endorse their overall intentions and aims. The

issue for Governments is how to make progress in the desired directions while preserving and strengthening the existing means of world economic co-operation.

I am sure that my noble friend Lord Aldington would agree that our approach should be evolutionary and not revolutionary. I can assure my noble friend that we endorse the commission's central message—the need to advance the North/South discussion for the furtherance of the mutual interests of all the parties concerned. The noble Lord, Lord Pitt of Hampstead, also raised that point. Any new arrangements, if they are to be both credible and durable, must clearly be in the general interest. The commission is therefore right, I believe, to urge a freeing of the log-jam which has too often characterised North/South discussions: the two groups have tended to dig themselves deeper into entrenched positions. I hope that the commission's encouragement of a balanced and constructive approach will point the way to a more promising future.

Unfortunately, not all countries have been willing to play a part in world economic development commensurate with their economic resources. In my view, the commission were fully justified in pointing to the poor performance of the Soviet Union and its partners. The Russians have sought to disguise the very modest dimensions of their civil aid programme by making exaggerated promises. But it is the sums actually paid over which count. The OECD estimates that in 1978, apart from Cuba and Vietnam, which are clearly political special cases, repayments by developing countries exceeded new disbursements of aid by the Soviet Union by some 135 million dollars. That same year the British aid programme paid out a net £768 million or nearly 1.5 billion dollars to developing countries. Your Lordships will have noted that the Soviet experts told the Brandt Commission that "necessary military expenditure" prevented an increase in overseas development aid. The world has recently seen some of the uses to which that military expenditure has been put. The answer to the point raised by the noble Lord, Lord Noel-Baker, is that we cannot advance along the road that he would wish—indeed, that we would all wish—while the Soviet Union builds and develops

its military capability at the present speed.

We agreed also with the stress placed by the report on the importance of the efforts of the developing countries themselves and particularly of the key role of their own economic and social policies. The noble Lord, Lord Tanlaw, raised this point. It is also true that the stronger developing countries are increasingly well-equipped to play a fuller part in world trade and to assist their less fortunate partners, and we welcome the attention given in the report to regional co-operation.

The Brandt Report contains a great number of recommendations which, as I have said, are being given careful study. Some of the measures suggested are already familiar and are being examined in international fora. The report's value is that it takes a comprehensive view of the measures needed to tackle the world's problems. A full appreciation of the report needs to be addressed, I think, to its proposals as a whole, so I must emphasise again that any comments by me tonight on individual proposals are just preliminary reactions.

The Report proposes a massive transfer of financial resources to the developing countries. The commission is confident not only that this would benefit the developing countries but that, through increased imports from the industrialised North, it would prove to be an effective way of stimulating world economic growth—a point which the noble Lord, Lord Oram, dwelt upon at some length. But clearly one has to consider the implications for inflation, and for economic and monetary policy. Recovery in world economic activity is a vast and enormously complex process. I would note in passing that South and South-East Asia contain both the poorest among the developing countries, and also the most successful; it is evident that economic growth results from many different factors, many of them of a domestic character, and not merely geographical origins.

The transfer of resources alone cannot magically dispel internal obstacles. For instance, greater agricultural and food production depends critically upon the share of total investment which each country directs to the rural sector. It depends on the terms of trade which public policies

induce as between town and country; and on overcoming cultural and political obstacles to needed land reforms, as well as the development of effective agricultural training and infrastructure.

Several noble Lords—the noble Lord, Lord Tanlaw, my noble friend Lord Aldington and others—referred to the report's recommendations in the field of energy. The way in which we manage our energy resources will surely be critical for the development of the world economy and, indeed, for the lives of future generations. The report has some interesting suggestions for a new approach to these problems which we shall wish to consider very carefully. However, as regards the specific proposal of the noble Lord, Lord Tanlaw, about nuclear power for the developing countries, I rather feel that the difficulties described by my noble friend Lord Aldington will prove very formidable, indeed.

Another novel proposal in the report is for a new kind of summit conference intended to promote what is called a "leap forward" in understanding. We shall certainly look carefully at any such proposals which may emerge. But if expectations are not to be disappointed, the ground would have to be prepared very thoroughly.

The Brandt Report will undoubtedly prove a valuable catalyst for further serious thought among the world community. At the same time, we should not forget how much has already been achieved and what is going on at present. The IMF—as one noble Lord mentioned—has greatly extended its facilities and modified the terms on which it can end its considerable resources. A doubling, by 40 billion dollars no less, of the general capital of the World Bank is expected, as is a sixth replenishment for the International Development Association. Overall financial flows from the developed to the developing countries have expanded greatly. They include official aid flows from the major OECD donors which now have a grant element in excess of 90 per cent. Some major Western aid donors have, in common with the United Kingdom, written off past aid loans to the poorest countries, or taken equivalent measures.

Trade between the OECD and the developing countries has expanded more

[Lord Trefgarne.]

rapidly than trade within the OECD, and developed countries have largely resisted protectionist pressures. The Multilateral Trade Negotiations have been successfully completed with general reductions in barriers to trade and special—and indeed, favourable—measures for developing countries. The new Lomé Convention extends and improves on the trade arrangements of its predecessor as well as providing aid totalling £3.3 billion over the next five years. As the noble Lord, Lord Pitt, mentioned, discussions on a common fund for commodities has been making some progress. I am sorry that the progress is not as fast as the noble Lord would wish, but these are difficult matters and we are certainly playing our part. An agreement was reached towards the end of last year on stabilising the price of natural rubber and on establishing a buffer stock for it; that agreement was under the auspices of UNCTAD.

As several noble Lords mentioned, in particular again my noble friend Lord Aldington and, I think, the noble Lord, Lord Chorley, Governments are very far from being the only factor in the development process. The contributions of private individuals and private companies are vital. They bring technology and management expertise which are essential for the recipient countries. Indeed, commercial finance now represents some 70 per cent. of total financial flows to the developing countries. The United Kingdom has traditionally been a major investor overseas and, now that we have removed all exchange controls, there is no hindrance to private funds flowing from Britain to projects overseas. Furthermore, we take positive steps, by means of investment guarantees and investment protection agreements, to encourage such flows. Complementary to these activities, it is very important that developing countries themselves play a full part and provide an attractive climate for foreign investors.

For our part, our overriding responsibility must be to restore the strength of the United Kingdom economy. Renewed growth in the United Kingdom will benefit all, not just through increased investment flows, but also through increased trading possibilities for the developing countries. Furthermore, our ability to continue to provide aid to the develop-

ing countries on a substantial scale is clearly dependent upon the state of our own economy.

The efforts of the developed countries, which I have just described, demonstrate the importance that we attach to our relations with developing countries. Their political importance has been underlined by developments in recent years, and particularly by the invasion of Afghanistan.

Lord PITT of HAMPSTEAD: My Lords, the noble Lord seems to be moving away from the point I raised. I have the impression that, in effect, the Government, or probably on this occasion the noble Lord, have not given enough information to the House about the part that we, as a developed country, would play in accepting manufactured goods from the developing countries. The noble Lord did not seem to deal with that point, which I thought was important. As the noble Lord seems to be moving towards the political aspect of this matter, perhaps he can give us some assurance on my point.

Lord TREFGARNE: My Lords, there are two important points here. First, our ability to receive goods from developing countries, or anywhere else, on a substantial scale depends of course, upon the health of our own economy, and that we are working to rectify. The other important matter, to which I have briefly referred, is our resistance to clamouring calls for protection by British industries. There are many applications to the Government, particularly through the European Community machinery, for protection from what are called imports from low-cost suppliers, and these we have been able to resist to a very substantial extent. I hope that that is helpful to the noble Lord.

However, the political importance of the developing countries has been underlined by developments in recent years, and particularly, as I said, by the invasion of Afghanistan. This action has caused many developing countries to reassess the role and policies of the Soviet Union. On any objective analysis, they have a greater community of interest with the West, their major trading partner and source of both finance and technology, than with the Soviet Union, which, as my

right honourable friend the Prime Minister has said, has offered them little apart from arms and dogma. If, however, developing countries are to accept this, they will look to us for evidence that their economic difficulties have been understood and that we are willing to work with them to overcome the problems ahead.

Just before I close, may I deal, as far as I can, with some of the points that have been raised. The noble Lord, Lord Oram raised the question of the Colonial Development Corporation—I say the “Colonial” Development Corporation because that is what it was when my father was its first chairman in 1947. It is now, of course, called the Commonwealth Development Corporation. But I can tell the noble Lord that the CDC does, indeed, raise funds commercially, and from the ODA, and can borrow from the National Loans Fund. I fancy that the noble Lord knew that already, but now at least I know it as well.

The noble Lord, Lord Oram, also criticised the Government—and I suppose, by implication, me—for announcing the results of our aid policy review ahead of the publication of the Brandt Report. But, of course, the Brandt Report—as every noble Lord has suggested—refers to the aid policies of the entire Western world, or the North, in respect of the developing countries, and we have to consider our policies in accordance with the restraints placed upon us here at home. That was an important consideration which persuaded us to bring forward the results of our aid policy review at the time we did.

The noble Lord, Lord Noel-Baker, whose speeches I listen to with such admiration, although not I confess always with total agreement, I felt departed from his usual high standard for one brief moment this evening when, as I understood him, he referred to my noble friends sitting on this side of the House as being in favour of all sorts of evil things, which, of course, we are not. We are just as compassionate as noble Lords on any other side of the House, but in the context of the topic which we are discussing this evening, let me just say that we must first create the necessary wealth and not, as some of our predecessors have done, seek to spend the seedcorn first.

Lord PITT of HAMPSTEAD: My Lords, I do not want to interrupt the noble Lord too much, but are not the Government missing the point that investment in overseas development should be regarded as an investment and, therefore, it is not a question of eating the seedcorn—it is a question of using it in order to produce more corn?

Lord TREFGARNE: My Lords, it really does not matter what we call it; we still have to find the money, and that is the difficulty. The aid programme which we inherited from our predecessors could not be sustained with the funds available to the Government. That was why we had to revise them. My noble friend Lord Holderness delivered, as he always does, an illuminating and thought-provoking speech founded on his great experience and eminence in these matters. It might be presumptive of me, as well as time-consuming, if I discussed in too much detail, what my noble friend said, but I shall certainly undertake to study it very carefully indeed.

Several noble Lords raised the point of population control. I agree with them and other noble Lords, who referred to the great importance of population programmes—which are, indeed, set out and vividly analysed in the Brandt Report—that this is a sector to which we ought to give considerable attention in our aid programme, indeed and we do. For example, last year we spent about £7 million on aid for population projects, but progress in moderating population growth goes hand in hand with economic growth and progress generally; and of course our aid programme contributes to these factors generally. However, I certainly accept and agree with the noble Lord, Lord Vernon, and others that a root cause of the problems of so many of these Third World countries is overpopulation.

Lord ORAM: My Lords, I wonder whether the noble Lord would care to say a few words about our contribution to the United Nations Fund for Population Activities. Is it our intention to maintain that contribution?

Lord TREFGARNE: My Lords, I am afraid that I do not have that information in front of me. Perhaps the noble Lord,

[Lord Trefgarne.]

Lord Oram, will allow me to find out and write to him.

The final point with which I should like to deal was raised by a number of noble Lords, including the noble Earl, Lord Listowel, and my noble friend Lord Aldington, who said that the Government should be moving more rapidly to the United Nations' target of 0.7 per cent. of GNP. We accept that target—as has been done many times from this Box, by me at least—but we have never set a date by which we should reach it, and I am afraid that it is not possible for me to do so tonight. However, there is another United Nations' target of 1 per cent. of GNP for all financial flows—that is, both private and governmental—and I am pleased to say that we have greatly exceeded that target for a number of years past.

The speeches that have been made in the course of the debate tonight are evidence of the widespread interest that has been aroused in this matter. The commission have shown how a fresh approach to these major problems can command the attention of an important and influential audience. Governments must now look anew at these problems to see how we can move forward. As my noble friend the Foreign Secretary made clear on the 20th February, our ability to support development overseas is dependent upon the state of our own economy and the need to strengthen it. We shall nonetheless be examining the report of the Brandt Commission with great care to see how progress can be made in ways conducive to the welfare of all.

Lord BROCKWAY: My Lords, before the noble Lord sits down—

Lord NOEL-BAKER: My Lords, before the noble Lord the Minister sits down—

Lord WELLS-PESTELL: My Lords, I should like to point out to your Lordships, at the risk of incurring your Lordships' displeasure, that this debate has been going on for five hours and there have been only 17 speakers. There is another debate, just as important, if I may say so, in its field, in which there are eight more speakers. There are some noble Lords

in your Lordships' Chamber who have been here since 2.30 yesterday afternoon.

Lord BROCKWAY: My Lords, I was going to ask the noble Lord before he sat down this question. I was perplexed by what he said earlier in his speech that British aid was greater than what we received in return. Is it not the case that private investment is included in our estimate of aid? Was it not estimated, up to the end of 1978, that we received back in repayment for loans, dividend and interest three times more than the expanded interpretation of aid which was given?

Lord TREFGARNE: My Lords, I think we are not talking of like with like. I was referring to the raw figures, if I may call them that, of our aid programme which, in the year I referred to, was £768 million net from the United Kingdom: that is to say, the gross figure less the receipts from loan repayments and interest. I compared that with a similar figure for the Soviet Union.

Lord NOEL-BAKER: My Lords, before the noble Lord sits down, may I ask him to consider that he has misunderstood what I said tonight and what I have said before? I have never proposed that we should reduce our armaments, or get rid of our offensive weapons, before the Russians or other nations do the same. What I have proposed, and what I urge upon him and upon the Government, is that our admirable Foreign Secretary, who has spoken and worked for us all on the question of Rhodesia, should do the same in the United Nations on the even more vitally important twin evils of the arms race and the world poverty with which the Brandt Report has dealt, and that the noble Lord, Lord Carrington—

Lord LYELL: My Lords, would the noble Lord give way? I think it is the feeling of the House that the noble Lord might be abusing the custom. He may ask probably one question, but I think it would be the feeling of the House that the noble Lord might pursue this argument either by writing to my noble friend or possibly at a later date. The noble Lord made a lengthy and worthwhile speech. I think it might be the feeling of the House that my noble friend has replied to all the points. I think that the noble

Earl would like to wind up, and we have the feeling of the House that many of us have been here for a long time.

Lord NOEL-BAKER: My Lords, may I apologise to the House if my inexperience has led me into error.

8.5 p.m.

The Earl of LISTOWEL: My Lords, I shall be very brief indeed. This debate has been memorable, if not unique, because it has displayed a complete and wholehearted agreement between the noble Lord, Lord Aldington, and my noble friend Lord Brockway. I should like to thank the noble Lord, Lord Trefgarne, for the undertaking he gave that the Government would give serious consideration to the proposals of the Brandt Report. I did not expect him to go further this evening. I do not think he will be surprised if I say that I shall not leave him or the Government alone until they can come back to this House and say whether or not they accept the main recommendations of the Brandt Report.

I should like to join in my congratulations to the maiden speaker, who is not here at the moment. I should like him to read in *Hansard*—

A noble Lord: My Lords, he is here.

The Earl of LISTOWEL: I apologise, my Lords, he is here. I should like to tell him that I have listened to many maiden speeches but that I have listened to none that has shown such an extraordinary excellence in the qualities that your Lordships particularly appreciate: first-hand experience and balanced judgment. I should like to thank all your Lordships who have taken part in the debate for your welcome to the broad outline of the Brandt Report. It is indeed impressive that this welcome has come equally from both sides of the House. This has been an important expression of Parliamentary opinion. I hope that it will influence public opinion and the policy of the Government. My Lords, I beg leave to withdraw my Motion for Papers.

Motion for Papers, by leave, withdrawn.

CARE OF THE ELDERLY

8.7 p.m.

Lord HYLTON rose to ask Her Majesty's Government whether they are giving favourable consideration to certain modest but significant proposals for improving the financial arrangements affecting residential homes and care generally for the elderly who are frail or handicapped. The noble Lord said: My Lords, I beg leave to ask the Question standing in my name on the Order Paper. After those formal words I should like to thank in advance all those who are going to speak on this question this evening. I am doubly grateful to them for doing this after an all-night sitting and after a long debate on a question of world importance. I am delighted to have attracted a maiden speaker tonight in the person of my noble friend Lady Trumpington.

I should perhaps briefly declare my interest in this subject. I have been for many years closely connected with three charitable trusts which make both grants and loans for the housing of elderly people. Therefore I am perhaps in a position to know, as regards the voluntary sector, just where the shoe pinches. It may be helpful if I try briefly to define some of the terms of art which I, and no doubt other speakers, will use.

First, there is sheltered housing. By this I mean grouped, self-contained housing for the elderly, usually with a resident warden and with some communal facilities designed normally in accordance with the DOE circular 82/69. There is also under this heading shared accommodation of, for instance, the type of Abbeyfield Houses with which many of your Lordships may well be familiar. The second important term is voluntary homes for the elderly. By this I mean residential accommodation registered with local social services departments and designed to standards set by the Department of Health and Social Security.

The neatness of these definitions is slightly blurred by some other newer forms. We have, for instance, caring hostels in accordance with the Housing Corporation Circular 1/77, and certain extra care units which are built on to traditional sheltered housing. Voluntary housing associations manage all of these

