

Antallet og omfanget af krige og ikke mindst den ødelæggende virkning, de har haft, er snarere steget i de sidste hundrede års vækstperiode.

Man må derfor nok sige, at hvis det er frygten for en kommende nord-syd konflikt af voldelig karakter, der skal være et afgørende ledemotiv i de rige landes politik over for u-landene, vil en rationel politik ikke være at fremme disse landes økonomiske vækst. Det vil tvært imod være at hæmme deres udvikling.

Men der kan være andre begrundelser for i-landenes ønske om øget vækst i u-landene. To motiver skal her særlig fremhæves.

For det første ønsket om at skabe større afsætningsmarkeder for i-landenes industriprodukter. Dette synes at have været det helt afgørende mål for f. eks. dansk bistandspolitik siden begyndelsen af 1960'erne.

For det andet tegner der sig en kommende udvikling, hvor industrilandene i stadig højere grad vil tilstræbe at integrere u-landene i de markedsdirigerede økonomiers samlede produktionsapparat.

U-landenes rolle vil her ikke blot blive den at levere råstoffer til produktionen i i-landene. Men i højere og højere grad at overtage de første og relativt enkle led i forarbejdningsprocessen, mens den overordnede og samlede styring af produktionen forbliver i de udviklede stater.

Dette vil ikke nødvendigvis medføre en egentlig social og økonomisk udvikling af u-landenes samfund, selvom det sikkert vil skabe en vækst i disse landes produktion. Men det vil gøre u-landene endnu mere afhængige af den udviklede verden, end de er i dag. Og paradoksalt nok er det, når alt kommer til alt, måske den eneste vej, man kan gå, hvis man på langt sigt vil tilstræbe

en »international økonomisk og politisk stabilitet«. Der er ikke meget »international solidaritet« heri. Men det med solidariteten har nu heller aldrig været noget betydeligt motiv i staters internationale politik.

A longer-term perspective on international stability: Thirteen Propositions

Norman Macrae:

I think I can best contribute to this conference by setting down a number of outrageous short propositions, which more learned participants can then disagree with at some length.

I am going to do an awful thing as a happy economist (there are some) at a joint conference of the Danish Economic Association and the Danish Foreign Policy Institute. I am going to say that most of the economic problems in front of us are very easy, and that it is doubtful if even economic advisers to present major governments can for very long go on making a mess of them – although foreign policy experts, such as Henry Kissinger, do a lot to help us try. And I am going to forecast that foreign policy problems are going to grow more difficult, for reasons familiar to each of the three regions which we have been asked to think about at this conference.

At the end of this paper I will set down two propositions about the oil exporting countries, which have moved from being very poor to being briefly very rich, but some of whom will probably soon move back to being poor, because they are likely

to be ruined by their monoculture of what will become unwanted oil.

In the middle of my paper I will set down two propositions about the poor countries, the desperate two-thirds of mankind who should always be in the centre of all human thoughts.

But at the beginning of my paper I hope you will forgive me for setting down nine propositions about the rich or OECD countries.

The main reason why economic problems are easy in OECD is that, at a time when everybody is saying that economic growth is going permanently to slow down, there is a strong probability that economic growth is instead going to accelerate. The main reason why foreign policy problems may be going to become more difficult is that we are probably coming to the end of the American century of 1876-1976, just as a hundred years ago we were coming to the end of the British century of 1776-1876. Which leads to:

Proposition number one. Through some sophisticated fluke, the two empires who through very temporary dynamism led the two successive centuries of material advance - the British in 1776-1876 and the American in 1876-1976 - handled the task of world leadership rather surprisingly well. Most of the right sides eventually won most of the big hot and especially cold wars. This has been particularly true of these last dangerous 30 years of the American century. I always infuriate my children by saying how much more hopeful things look in 1976 than they did in 1946 when I was their age. We still barely recognise the progress we have made and the escapes we have achieved.

In 1946 the average age of death of an Indian was in the late 20s; now it is in the mid-50s. In 1946 real gross world product was one-quarter of what it is now. In 1946 the political situation was that the principal arbitrating power in the free world had just plopped into the hands of two small and unknown men - Truman and Atlee - by outrageous historical mistake. 1946 was also the year in which one of my contrymen was, as an act of idealism, giving the secret of the nuclear bomb to a mad Russian dictator, whose qualifications for thus holding in his hands the power to destroy the planet were not comfortingly advertised by the fact that he was soon to want to condemn his doctors to death for not making him feel better on the increasingly frequent occasions when he went to bed mad roaring drunk. I am sometimes accused of being too optimistic in what I write. I think that anybody who has been a journalist in the past 30 years has really been living through those 30 years in a state of evaporating nervous breakdown. Now we come to one reason why it may not continue to evaporate.

Proposition number two. The Americans in 1976 are now showing the same symptoms of a drift from economic dynamism as the British did at the end of their century in 1876. We britons are experts at describing a drift from economic dynamism because we have spent 100 years observing it at close quarters. There were two early signs of British decay by the 1870s. First, the upper class just about then began to regard business as something rather vulgar and to look upon new factories as things that were ecologically unfair to their pheasants and wild ducks. That is exactly the mood of Ameri-

ca's - and, alas, Scandinavia's - intellectual upper class now. Secondly, after about the 1870s a progressive person in British public life no longer meant a person who believed in progress, no longer a person who was eager to rout down to the roots of every way of doing things so as to cut and graft wherever an improvement in production or effectiveness or competitiveness or individual liberty could be secured. A progressive person began to mean a chap who did not like progress and change very much, but who was most decently eager to pass on in welfare benefits a larger part of the growth in national income which his own anti growth attitudes now made it more difficult to attain. That is exactly the change that has happened in America in these years just before 1976. Most of their new senators and congressmen seem to me to belong to the Fabian society of about 1903. All their public women are Mrs-Pankhurst-suffragettes. One can most easily envisage them in bicycling bloomers.

Proposition number three. World leadership is therefore likely to pass into new hands quite early in the century 1976-2076. If one had been guessing in the 1870s who would take over world leadership from the British, one would have guessed Bismarck's Prussia and been quite wrong. If one is guessing in the 1970s who will take over from the Americans I would guess Japan and probably be quite wrong.

Proposition number four. During this new century 1976-2076 the world will face some extraordinary opportunities and also some bizarre dangers. The opportunities will probably include an ability to put material living

standards in the 21st century more or less wherever men want them. The history of economic growth is that, after man stopped being a mainly migratory animal in about 8,000 BC, real gross world product per head stood practically still for 10,000 years down to about 1776. Then it exploded. Real incomes have increased in each of the 20 decades since 1776 (even the 1930s) because of an increase in every decade in man's control over energy and matter. To this has been added, in the last two decades, a breakthrough in the processing of information and a nascent breakthrough in the distribution of information (ie, computers, telecommunications by satellite, the beginnings of packaged and computerised learning programmes, maybe even at last a start towards understanding of the learning process itself). It seems to me rather likely that this will make the potentiality for economic growth accelerate, not slow down.

Proposition number five. Ecologists say that the main barriers in the way of further growth will be a shortage of (1) energy, (2) food, (3) raw materials, plus (4) high birth rates and (5) high pollution. These seem to me to be the five least likely barriers to growth in the next 20 years. Energy, food and raw materials are each things in high elasticity of supply, each things whose production is now in a state of exploding technological innovation, yet each things in which the present selling price to advanced countries is above even present day marginal cost of production. The same broad considerations apply to birth control devices and to anti-pollution techniques - ie, advancing technology and subsidised oversupply. If we do run into temporary shortages of supply,

it is much more likely to be in things in which we do not allow a market mechanism to operate properly, such as water and non-academic education.

Proposition number six. We do, however, face a major problem in business organisation. In the rich one-fifth of the world during the dying manufacturing age we have built up big hierarchical business corporations, in which executives sit arranging what each man below him will do with his hands, down to the man turning a screw on the assembly line. Now in the post-manufacturing age we have great hierarchical corporations in which executives sit trying to arrange what the man below him will do with his imagination. This doesn't work, and can't work. New forms of business organisation will have to be found, probably making big corporations into confederations of entrepreneurs. The firms and countries that will go bust in these circumstances are those which try to replace hierarchical corporations by even more ossified forms of hierarchical corporations: say, by deciding that you mustn't have a boss trying to arrange what free men do with their imaginations, but can have a trade union committee doing so instead.

Proposition number seven. The bizarre dangers in the century ahead will include, first, the biophysical. The present orthodox way of creating a human being – namely by copulation between two individuals giving no thought to what the product will be – may quite soon change. Sex is already 99.99 % for fun, and technology is bound to home in on the pre-planned twice in a lifetime occasion when it will be for repro-

duction. Our children will probably progressively be able to order their babies with the shape and strength and level of intelligence that they choose as well as alter existing human beings so as to insert artificial intelligence, retune brains, change personality, modify moods, control behaviour, enjoy artificial pleasure by stimulating the pleasure centres of the brain. And lots of even more horried things like that. The pace and sophistication with which some of these things are not done will hang on the world's leading nations whom other peoples will most wish to emulate or will most fear to fall behind.

Proposition number eight. One thermonuclear explosion can now release more explosive power than was released by all of the explosions of all the TNT in all the wars of history. And a thermonuclear bomb is soon going to be almost portable. Quite small groups of fanatics and terrorists and individual criminals will therefore soon have the capability of destroying the planet. We have not made the beginning of an advance towards thinking what we will do as that power of blackmail escalates.

Proposition number nine. Just as the century from 1776 to 1876 was based on the transport revolution of the railways and on steam power, just as the century of 1876 to 1976 was based on the transport revolution of the automobile and on manufacturers' assembly lines, so the third century of 1976–2076 is likely to be based on the third and by far biggest transport revolution – that of telecommunications – allied to knowledge processing. This is likely to change the whole pattern of our lives, because it probably

means that an increasing number of us will no longer have to live near the places of our work. We will be able to live in Tahiti if we want to and be able to telecommute daily to our London or New York or Copenhagen office in order to have continuous contact with the computers and colleagues with whom we work. Sociologically, this makes it quite possible that the age of urbanisation is about to end and the problems of the re-ruralisation about to begin.

So much for the rich one-fifth of the world. Now for the poorest two-thirds of what will become the nuclear trigger-minders' profession. We British left behind in the power structures of those countries ex-Sandhurst cadets and ex-London-School-of-Economics-socialists; those are the two least suitable types for ruling anything in this last quarter of the twentieth century; they are now fighting civil wars against each other across all the parts of the map that were once painted an imperial red. So we economists had better look for ways of correcting these mistakes that experts in Foreign Policy have made.

Proposition number ten. The best mechanism would be something like this. At present nearly all big industrial countries look forward to what their gnps may be a year ahead, and most often pump any desirable extra spending power initially into the hands of the poorer countries (extra SDRs created so they can expand their imports?). Their use of this would then mop up unwanted unemployment in the world's rich north.

The objective should be to raise ever more countries to the sort of income level where their governments will be composed

of people who think of themselves and their political opponents as heading slowly towards comfortable retirement, instead of racing to get their brothers-in-law to the firing squad first. Probably the best definition of the sort of government that will not start nuclear fighting is: any government where the decision-makers assume that they personally will end their lives in the local equivalent of Southern California, a dacha outside Moscow, or the House of Lords. This seems usual at gnps per head over about \$ 1,000 a year.

Proposition number eleven. The worst mechanism will be one much favoured by meetings of economists and foreign policy experts: namely conferences on international stability that pass motions in favour of repealing the laws of supply and demand. All these attempts at creating buffer stocks are helping to lock poor countries into products that are going to be unprofitable. We are repeating the same error as we committed 25 years ago.

Proposition number twelve. As we have one group of poor countries that are temporarily rich, do let us try to find during this breathing space a mechanism for moving western technology down to them in the right places. I do not myself think that multinational corporations are going to prove the right mechanism: they make goods bought by the richer 40 % of people in these countries, and are running into all sorts of organisational difficulties. But it will be wonderful if we can use this period to establish mechanisms for performance contracts: to bring a dynamic to food production by saying that high profits can be received by any new sort of corporation that can raise nutri-

tion standards in Algeria by starting green revolutions there, increase literacy and health standards in Nigeria by computer-assisted education or health care delivery etc.

Proposition number thirteen. You will have gathered that I do not think the age of high oil prices will last long. There are many thousand possible ways of releasing energy from storage in matter. They range from petty ways, like 25 BTUs per pound of matter by letting a pound of elastic bands untwist; through fairly petty way, like 20,000 BTUs by burning a pound of petrol; through more sophisticated ways like 250 m BTUs from the fission of the U-235 isotope in one pound of natural uranium; up to 260 thousand billion BTUs from the fusion to helium of a pound of hydrogen. Note that this last system, in which the waters of the oceans could serve as a limitless reservoir of fuel, would be over 10,000,000,000 times more effective per pound of matter than burning a pound of the Arabs' oil.

The trend since 1776 has been for new technology to drive on in sudden bursts towards the cleaner power sources nearer the top of the range. The present "energy crisis" – ie, the raising to a 100 times its marginal cost of the asking-price for the inconvenient mineral slime that is temporarily considered the most transportable energy source – must make the next burst a bit faster. The likely speed of the coming glut in oil might best be gauged by the speed with which other sources were displaced when oil became cost-effective (oh, those poor interwar coalminers and horses), by the range of known future alternatives (unprecedented, including fusion, solar geothermal,

ocean-gradient, renewable cellulose-into-clean-alcohol, a lot of others).

That has provided an unlucky 13 of outrageous propositions. Briefly (1) that the world has done marvellously well in 1776–1976; (2) that the Americans are in danger of becoming undynamic Fabians; (3) that world leadership will pass to somebody else, with the favourite being Japan; (4) that economic growth will accelerate in the next 25 years, just as most people are expecting it to slow down; (5) that there will probably be especial gluts of energy, food, raw materials, environmental controls and too few births, (6) that businesses need to become confederations of entrepreneurs; (7) that there are big dangers that biophysics might alter the nature of man; (8) that there are even bigger dangers that small groups of lunatics might blow the world up; (9) that telecommunications are going to provide the third great transport revolution, and that we will all telecommute; (10) that we need to switch macroeconomics from planning gnp to planning gwp; (11) that buffer stock schemes are bound to be unsuccessful attempts to repeal the laws of supply and demand; (12) that we need to create performance contracts for new sorts of profit-making multinational service corporations to be paid profitably if they increase (eg) nutrition standards in Ruanda-Burundi; (13) that oil prices will crash.

I think I can probably be of most use at the conference if I do not make a long speech, but throw myself open to answering questions and receiving assaults from the majority of participants who will probably disagree with most of those propositions.