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The New International Economic Order

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stabilize the prices of primary products exported by the developing countries; little has come of that demand either, for reasons to be discussed in more detail later. The fourth demand evolved into the so-called "link proposal" for coupling the creation of new international reserves or liquidity with distribution of a substantial part of the new money as aid to the less-developed countries. Such is the attraction of the idea that the creation of money involves bringing into existence something for nothing that this scheme has both excited a great deal of expert discussion, and become a general operating principle of International Monetary Fund thinking about world monetary reform. Nevertheless, the benefits to the developing countries are likely to be small, since the subsequent emergence of world inflation is a symptom of the fact that the world has too much international liquidity, not too little.

The idea of international agreements to stabilize and raise the prices of commodity exports of developing countries-crystallized at the First United Nations Conference on Trade and Development into the concept of "an integrated programme for commodities"-is the core of the current demands for a new international economic order. However, nothing much came of it in the decade or so after the first conference. There has, incidentally, been a conference every four years since, up to Nairobi this year; the sequence happens to fall in a United States presidential election year, guaranteeing minimal capability of achieving anything that requires influencing American foreign policy. In spite of apparently intensive sustained work on the question by the Secretariat, the "integrated programme for commodities" got nowhere for a very simple reason: it is not possible to integrate a program designed to secure a multitude of quite inconsistent economic objectives. All a Secretariat

countries, least of all the United States, but rather the non-oil-producing poor countries, whose hopes of economic development had been based on the assumption of continuing supplies of cheap power. Further, there is little reason to believe that the possession of monopoly power leads the owners of the monopoly to redistribute voluntarily the profits they make to the workers in their factories. The folklore of monopoly typically depicts the monopolist as exploiting his workers as well as his customers. There is, if anything, less reason to think that the government of a country deriving profits from exploitation of a collective monopoly of a primary product export will redistribute those profits to the poor farmers and miners who do the work of producing the product in question. On the other side, the proposed system relies on the ability to create and enlist feelings of guilt sufficiently strong to support regular payments of blackmail, made in the form of artificially high commodity prices. Economists have, it is true, been working on the economics of crime, bribery, and (so far as I know) hush money and blackmail as well; but no one has yet suggested that these phenomena have ever been, or are likely to be, the organizing principles of a viable economic system.

Fourth, the system that would result, namely one of developed-country toleration and support for developing-country use of every possibility of monopolistic exploitation they could devise, would not be an order, but an experiment in the rule of the jungle-a rule modified by the hope that the largest and most savage carnivores will be so ashamed of their present existence by virtue of the killing and eating successes of their ancestors that they will offer themselves up as willing sacrifices to the hunger of the smaller fry. No amount of repetition of the rhetoric of “an integrated commodity policy” can convert the rule of the

a great difference between the society and economy from which the tradition sprang, an economy of known and static technology in which the ownership of property was associated with status and carried no obvious personal productive contribution, and the modern economy of growth and change, in which the management and accumulation of property is a means of increasing output, efficiency, and the general standard of living. Property, very crudely, is the outcome of productive contribution, rather than an alternative freeing its owner from the obligation to make a productive contribution. Yet the old idea of property -as an entitlement to enjoy income without working for it-continues to hold sway in the public and political mind.

The reasons are obviously complex. To my mind, however, they owe a great deal to the fact that, to the ordinary politician and the ordinary person, the world in which he currently lives is the environment, and fixed; and property is something that others have for no obvious reason, and that so far as is possible, they can and should be deprived of for the benefit of others with better current social claims. More concretely, it is easy for the politician and his public in the developing country to disregard the centuries of effort, educational improvement, and accumulation that have gone into the creation of the high incomes of advanced Western societies and to claim that, as human beings, they should have the same high living standards as the heirs to those centuries of effort. And it is equally easy for their Western intellectual counterparts to be as forgetful of the past, and to feel guilt that they are so much better off than the descendants of a different set of ancestors.

The third and final question concerns the identification of the establishment of a new international economic order with a shift of political power from the governments and civil