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United Nations

A Sober Anniversary

The historic hour of the setting-up of the United Nations in 1945 after a gruesome war was to ring-in the era of internationally agreed and secured peace. But all the UN have been able to do in the 25 years elapsed since their foundation has been to settle wars by arbitration, and to mediate. Quickly, the period of long and lasting peace turned out to have been an illusion. However, a new task fell upon the UN: in the wake of worldwide de-colonisation it became the stage for the developing countries. It was possible to establish diplomatic relations in the Palace on the Hudson river. Friends were canvassed there, and foundation-stones laid for animosities. The international plenum provided the opportunity for everybody to speak regardless of what he, or she, have had to say. The UN were degraded to a debating club, and in the lobbies the developing countries began to sell their vote at the highest possible price.

It can therefore not have come as a surprise that today, after 25 years, the Third World is not being listened to. The anniversary exhibition, staged with so much pomp and splendour, is overshadowed by wars in the Near and the Far East. No word and no resolution will really contribute towards improving the situation of the Third World. It has sandwiched itself into the concert of the Big Powers and must now pay for it. Perhaps the less developed countries will learn in the next 25 years how to use their vote in the UN to their own advantage. With this lesson at least they should leave the glass palace on the Hudson river at the end of this year. mk.

EURATOM

Endless Crisis

The common research policy of the European Atomic Community continues to stagnate. All attempts by the Research Ministers at their Luxembourg council meeting in October could not show a way out of this dilemma. Although the necessity of reforms was recognised in principle,

an agreement on the guiding line for a common research policy proved impossible. France rejected even interim solutions in respect of the reform of the structure and the tasks of common research quarters. France apparently intends to reduce factually and formally the Commission's influence on research establishments as far as possible in order to gain for itself greater possibilities for its own influence. This attitude also prevented an agreement on a European installation for the enriching of uranium because of France's categorical rejection of the participation of third countries—in this particular case of Great Britain.

One can only come to the conclusion that France does not desire a common research policy although this would be contrary to the provisions of the Hague agreements. Firstly, France's attitude is explained by its position as an Atomic Power and, secondly, by its endeavours primarily to further its own industry. Even though remote, the hope yet remains that at their next meeting on December 1 the Research Ministers will be able to come to an agreement after all. Otherwise the distance of the EEC countries from other industrial countries, notably from the USA and the Soviet Union, would be bound to widen even further in this field. ma.

Sweden

Chances through a Price Stop?

The first compact action taken by the minority Cabinet of Olof Palme lays outside the programme emphasis on "More Equality". On October 10 the first step was taken in the fight against inflation and for an improved balance of payments. Finance Minister Gunnar Sträng froze the prices for nearly all goods and services.

A price stop, however, makes sense only if accompanied by a stabilisation programme. Such a programme has meanwhile been forthcoming. Nearly 2 bn skr annually are to be drained off the private sector by means of tax increases. The chief measures are a doubling of the Payroll Tax to 2 p.c. and higher prices for oil and petrol as well as alcoholic beverages. The programme does not lack originality. With the aid

of a lottery—the so-called Sträng Game—the Swedes are to be induced not to spend the tax rebates to the sum of 2.5 bn skr, due to them before Christmas, prior to January when, so one knows, the added value tax will be stepped up from presently about 11 to at least 16 p.c.

On the whole the political Left as well as the Right look upon the price stop and the tax increases as a belated step but one in the right direction. But economists doubt that it will dampen demand sufficiently. There has been no mention yet of limiting public expenditure. The contrary seems more likely. Furthermore the trade unions have under the threat of strikes so far refused to moderate wage claims substantially. The danger thus exists of the price stop only temporarily stemming off inflation. The stabilisation programme also does not clear the way for the declared aim of improving the balance of payments. True enough, though, the capital intensive industries will be hit relatively less by the tax increases. It can even be maintained that the price stop will entail a cost relief at least for a time. The main problems, however, are not so much costs and prices but limited production capacities. But Sträng's programme does not offer any incentive for the necessary regrouping of production factors which is a pre-condition for the surmounting of this bottleneck. ju.

UNCTAD

Unsatisfactory Tariff Preferences

After years of deadlock the negotiations about tariff preferences for developing countries have scored one success. At the second UNCTAD World Trade Conference in 1968 the industrial countries had agreed to extend unilateral preferences to the developing countries. But after complex negotiations it was not before its fourth meeting on October 11, 1970, that a Special Committee of the UNCTAD-Council succeeded in obtaining the consent of all participants to a compromise solution. The UNCTAD-Council, too, approved of this arrangement at its special meeting on October 12 and 13. Eighteen industrial nations of the West and five countries of the Eastern bloc declared themselves prepared, in the respective resolution, to give preferences in their markets for a substantial number of goods from developing countries. The first step was thus taken towards economic co-operation between the West, the East and the less developed coun-

tries. However, while some 90 p.c. of industrial goods benefit from these preferences, this is the case with only 10 p.c. of commodities which in their turn, represent the lion's share in the LDCs' total export to industrial countries.

The countries conceding the preferences are willing to fulfil the legal and other pre-conditions for the realisation of the agreements not later than in 1971. But any optimism in respect of this time limit and the effectfulness of measures to be taken does still not appear justified. For, the effectfulness of the decision to further the LDCs' exports foremostly depends on those countries' ability to adjust their offerings to the market conditions in the industrial countries. And the rich countries have done little or nothing to make this problem any easier for them. na.

Nobel Prize for Peace

No Predicament Solution

Somebody must have made a mistake", said Dr Norman E. Borlaug, when learning of the bestowal of the Nobel Prize for peace on him. The award of this highly coveted Prize has indeed had a discordant echo. It is universally recognised that the cultivating of top-efficient kinds of grain deserves greatest attention. It paves the way for the "Green Revolution" and gives many developing countries a chance to solve the problem of hunger. Such a discovery lends them at least a breathing-pause. Without accompanying measures such as fertilisation, pest control, mechanisation, irrigation and other steps towards infrastructure, however, the effect of the "Green Revolution" would peter out.

It would not have been more appropriate to honour these achievements, unquestionable as they are, "only" with the Nobel Prize for the Natural Sciences. After all, similar to Albert Schweitzer who did not receive his Nobel Prize for Peace for his achievements as a doctor, Dr Borlaug was not awarded it for his merits as a grower of seeds. There is a direct connexion between violence and poverty. And hunger which is suffered by more than half of the LDCs' population is the most marked state of poverty. In this sense, his contribution towards a solution of the hunger problem by means of research and practice is to be taken as a contribution towards peace. The bestowal of this Prize on the hitherto largely unknown Dr Borlaug is courageous and to be welcomed. fa.