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Between Lima and Santiago

The Conference of Lima has given a foretaste of the clashes to be expected between industrialised and developing countries at the third World Trade Conference in Santiago. The rich nations will be facing a virtually unbroken phalanx of countries deeply disappointed by the forms of international development aid in the past and the often repeated pledges of world-wide cooperation.

The common disappointment and frustration made it possible to mask the great differences among the 95 developing countries which were represented in Lima. The conflict between India and Pakistan was ignored. So were the clashes between Uganda and Tanzania. But the true culprit was found. Such "differences of opinion" among developing countries, the Peruvian delegate Jarrin expounded, are in the main a consequence of their present production structures, of which everybody knows that they have come into being as a result of colonial and imperialist subjugation.

How disastrous their economic situation really is can be judged by the figures published by UNCTAD on the growing debts of the Third World. Total debts of 80 developing countries reached a new record high of \$ 59 bn at the end of 1970. In 1970 alone it increased by \$ 5.9 bn or 9 p.c. And that was before the monetary and trade troubles started, which according to UNCTAD have brought losses to the developing countries of at least \$ 1.5 bn.

The repercussions of the monetary crisis and increased protectionism of the USA are seen as fresh proof of exploitation and subjugation. In Lima all countries agreed that the dollar depreciation was nullifying the economic achievements of the last years and that the obstruction of imports by the USA denoted a perilous—and for developing countries particularly damaging—trend in the world economy.

The less developed countries saw themselves more than ever condemned to the role of impotent victims of a crisis which they have not caused — delivered into the hands of rich states which are lusting for power and, while pretending to want cooperation, devour them like "social cannibals". This feeling gave rise to a much stronger

front-line against the industrialised countries than had been seen on previous occasions. The "doves" among the developing countries who are still advocating friendly cooperation are losing out against the "hawks" who address their demands to exploiters, capitalists and imperialists.

Nevertheless the outcome of Lima was a compromise — a last attempt to move ahead on the old tracks. The Lima demands in many points recall the Charter of Algiers. There are demands for an end to discrimination, for foreign trade alleviations, for financial support programmes, and for special assistance to the most under-developed countries. But they are not likely to fare any better than in the past. Given the present situation in the IMF there does not seem to be much chance of the developing countries being allowed a greater say in the reorganisation of the international monetary system.

At this moment in time the industrial countries are even less flexible in their development policy than they were in past years. It would be utopian to expect them to increase their contributions to any great extent. They will instead again pay lip service to the idea of cooperation and advocate any measure short of immediate cash commitments. Besides, old and new schemes will again be moved from committee to committee.

Such conduct however will do little to advance cooperation. It is more likely to prompt the developing countries to present greater demands and more radical plans. The suggestion of the Algerian Foreign Minister, Bouteflika, to emulate the example of the petroleum producing countries in the marketing of raw materials is the first pointer to a more obdurate attitude on the part of the poor states to the rich ones and the result of many mistakes and omissions in the last ten years.

When the Declaration of Lima comes before the United Nations, a final "Group of 77" document will be debated in this forum for the first time. It will be one of the first papers to be placed before the Chinese delegation. Will Peking already be able to exploit the stiffening of the fronts?

Dietrich Kobschull