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**FRG: Changes in development policy?**

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# COMMENTS

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*Italy*

## Malaise of the System

Has Italy become ungovernable? Political and criminal acts of violence, disorder and indiscipline loom large, and there is hardly a public service left which works as it ought to do. In its daily life the country has to grapple with an apparently irresistible inflation. In his statement in the Chamber Premier Rumor drew a sombre picture. In protracted negotiations the coalition partners have agreed on necessary economic measures but not arrived at a clarification of the political fundamentals. The welcome news from Washington that the considerable gold reserves of the central bank have been upvalued to four times their previous value, which enables Italy to draw on fresh foreign loans and make sure of vital imports for a few more months, offers only a respite.

The crisis has only been adjourned; its causes are inherent in the system. Since the war Italy has been governed by the same parties, chiefly the Democrazia Cristiana — with or without coalition partners. Even a four-party coalition, like the Centro-Sinistra, which was supposed to bring a change of direction, did not in fact give the power to new men but only led to a reshuffling of power positions. The system is ailing because there is no democratic alternative. The deep distrust among the population has induced the trade unions to assert themselves more and more and to attempt a policy of their own. Their embarrassing agitation reflects the popular will for action; the people will no longer be put off with empty promises. The emergency programme drawn up by the new government however demands sacrifices, and these will be accepted the less readily the less confidence there is in their success. It is to be hoped for that the present immobilism of the system will be overcome — perhaps with the help of the trade unions — so that it becomes possible to embark on an economic policy which provides a way out of the misery. hg.

*FRG*

## Changes in Development Policy?

The German development aid is on the horns of a dilemma. For years efforts have been made to explain to the German people that development aid is a necessity, not only on humanitarian grounds but, especially, on account of the economic and political selfinterest of the Federal Republic. Looking back on this discussion today, it is particularly interesting that it was pointed out time and again, especially by official circles, that defects and difficulties in one's own country are

no excuse for giving no or little development aid. This line of argument seems to have been dropped in view of the upsurge of oil prices, the burden this imposes also on the balance of payments of the Federal Republic, internal stability problems and, in particular, domestic political considerations.

The matter came to a head when the 1975 budget was drawn up and ended with the resignation of Minister Erhard Eppler who was in charge of German development policy. In this post Eppler would not and could not agree to the cuts in the 1975 budget and the finance plans for development aid for the following four years which the Minister of Finance had proposed with backing from the Federal Chancellor. His reasons were in line with the arguments outlined above: Firstly, a constructive relationship with the developing countries was more important than ever and could certainly not be brought about by cuts in aid. Secondly, the Federal Republic would be the first country to violate EC decisions on the subject.

Schmidt however feels today that "near is the shirt but nearer still the skin". Cuts in public spending are always popular in one's own country, and the reputation of the Government and the prospects of the Government parties at the 1976 elections depend decisively on its image of thrift. The new Minister in charge of development policy is Egon Bahr, the previous Government's principal theoretician and negotiator for ostpolitik. So far the budget cuts are data to him. A man full of ideas like Bahr may however become an embarrassment for the pragmatism of Schmidt. ogm.

*UN Maritime Law Conference*

## Marine Resources in Focus

The UN Maritime Law Conference opened in Caracas on June 20 in the presence of representatives from 130 states. By the end of August they are to find a solution for the problems of the utilisation of the seas. UN Secretary General Waldheim pleaded for a "new balance" in international accords. This balance was to provide the states with a maritime law which enabled them to put the treasures of the seas to use and yet safeguard the interests of all of them. The conference must be successful, he said; old conflicts on land must not be replaced by new ones on the seas. It is clear that the conference is pressed for time and must yield results. Important raw materials like iron, manganese, copper and other metals and also petroleum can be found on and below the bottom of the sea. Oceanographic and geophysical prospecting and computations are still in an initial stage but the available data are already giving an inkling of the great economic