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## Latin America: Influence of Arab capital

Intereconomics

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# COMMENTS

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## *World Conference on Population*

### **Controversial Family Planning**

It has taken many years of preparations to convene a conference sponsored by the UN on the problems of world population, which took place in Bucharest between 19th and 30th August last. The main points on its agenda referred to general relationships between, on the one hand, world population growth and economic and social development and, on the other hand, available resources and the environment. It was hoped, in the end, to draft a worldwide plan for action on population growth. All these questions had already been discussed during the period of preparation but, in industrialised countries, this discussion largely circled round population policies and/or the swift expansion of the population in LDCs, which is frequently believed to be the fundamental cause of their poverty.

Delegates who had travelled to Bucharest full of such expectations were bound to be disappointed because most of the 135 states that were represented there refused to see the reduction of birth rates through family planning as the key for overcoming poverty but recommended instead the promotion of social and economic growth. It did not come, therefore, as a surprise that LDCs demanded a fairer distribution of wealth and the establishment of new rules for world trade. This led the Population Conference — as had happened at all the other giant world conferences — to a revival of the old conflict between industrialised countries and LDCs.

In the end, a programme for action was adopted which strays far from the original UN draft on cutting down the rates of population growth. It encompasses a number of declarations of principle and of recommendations setting up new impulses for the discussion of development policy, enshrined in numerous policy statements. But these are bare of all practical proposals suitable for dealing with the problems to which the Conference was to be devoted. na.

## *Latin America*

### **Influence of Arab Capital**

Arab activities in Latin America have been growing for some time in the most variegated fields. There is, of course, the influence of sizeable groups of population of Arab origin but more important are two forces that press upon the Latin American republics the need for pro-Arab policies: the need for oil imports and finance.

Bare self-sufficiency in crude has been achieved by Bolivia, Colombia and Mexico, whilst Venezuela and Ecuador are net exporters. All the remaining Latin American nations have always been, to a greater or lesser extent, net importers of oil, which implies that they cannot afford to antagonise the Arabs. Anyway, Latin American and Arab oil producers are closely linked already within the OPEC cartel. Latin America, moreover, is in dire need of capital imports for investment. At the same time, there is widespread fear lest credits from the US and from multi-national concerns cement their growing dependence on the United States, and therefore they are keen on obtaining a slice of the billions of dollars now earned by Arab countries. They do not seem to be unduly worried by the fact that the Arabs, too, make credits conditional on political conditions, frequently in far more outspoken forms than any US Federal Administration would dare to put them today.

The pressure of oil requirements and of the need for money in Latin America have had adverse effects especially for Israel. Growing political leverage acquired by the Arabs has led to a general weakening of Israel's position, and this effect presumably increased because the US are the main supporters of Israel. But it is more important to see the advantages for the Latin American economy arising from loosening the strong dependence of Latin America on the US. But the Latin American republics would be well advised to prevent the replacing of old one-sided dependences on foreign powers by new ones. iwe.

## *Stabilisation Policy*

### **Theory's Impotence**

This year's conference of the *Gesellschaft für Wirtschafts- und Sozialwissenschaften, Verein für Socialpolitik* (Society for Economics and Social Science, Association for Social Policies) took place in Zürich from September 2 to 5. Members of the oldest and perhaps most venerable association of economists in German-speaking countries were dealing in 1974 with the general subject of "Stabilisation Policies in a Market Economy". The choice of subject betrayed a lively interest in highly topical questions, because stabilisation policy, in practically all western industrialised countries, is given high priority treatment. Consequently, the interest in this subject has, long ago, burst its confinement to the narrow circle of experts.