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## Energy conference: Fruitiess talks

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# COMMENTS

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## *Energy Conference*

### **Fruitless Talks**

After nine days of negotiations the Paris preliminary conference, convened to fix the number of participants to, the place, and the agenda of the planned energy summit between oil producing, oil consuming, and developing countries, ended without result in mid-April. Right from the start there was a confrontation between two diametrically opposed basic opinions. The industrialised countries held the view that the negotiations should be confined to energy problems and related issues and warned of one of those mammoth jamborees with endless disputes and meagre results. Contrary to this the mineral oil producing and the developing countries were not willing to content themselves with an oil conference but insisted in putting all raw materials as well as questions of development aid on the agenda.

That the failure of the conference did not evoke much distress in the industrialised countries did not come as a surprise since the energy crisis seems to have lost much of its urgency: there is plenty of oil available, the oil producers' cartel has shown first indications of a break-up, and the recycling of the petro-dollars has so far refuted the gloomy predictions of a financial drying-up of the industrial nations. This, however, means also a deterioration of the other raw material producers' chances to obtain, with the support of the oil countries, a new price system for their own products and to establish a new world economic order according to the principles passed by the majority of delegates to the UN General Assembly. Notwithstanding their present, relatively strong, position the industrialised countries would, however, be ill-advised to leave it at that until further notice. The energy situation could soon change again and in the long run they will in any case have to concede a larger share of the world's wealth to the raw material producing countries.

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## *Raw Materials*

### **AIEC — A New Cartel?**

Eleven states meeting in Geneva have decided to form an Association of Iron Ore Exporting Countries (AIEC) with headquarters in London. The initiators, on the one hand, stressed that their organisation was not to operate as a cartel but, on the other hand, the Association shall help above all to bring about better trading conditions and higher export prices.

Australia, India, Peru, Sierra Leone, Sweden and Venezuela are among the AIEC's members. The USSR, the USA, Canada and the P.R. China — accounting together for more than half the world's iron ore production of 85 mn tons in 1974 — are staying outside. Whether Brazil, one of the major exporting countries, will join an "ore cartel" is very much in doubt: its Government aims at doubling production and expanding exports; a clash of interests would be inevitable if the "Ore Club" felt tempted to hold up prices by tightening supplies.

In view of the fact that the most important producers and some of the major exporting countries as well are so far standing apart from the AIEC, it does not look probable that an OPEC-like iron ore cartel will come into being. AIEC is more likely to remain a consultative body without incisive powers. The conference chairman, the Indian Minister Chattopadhyaya, said that the Association would demonstrate the ability of the exporting states to defend their "legitimate" interests without violating the interests of the consumers. But conflicts will probably be avoided only as long as one side accepts as "legitimate" what the other side deems to be "legitimate". iwe.

## *Taiwan*

### **The Death of the Generalissimo**

Chiang Kai-shek, the man whom Sun Yat-sen, the father of modern China, saw as his successor, is dead. Little had been heard of him since the U-turn in US policy to China. It was as long ago as 1911 that the then young officer came into contact with the nationalist and social reformer Sun Yat-sen, and when Sun and his national people's party, the Kuomintang, in 1922 succeeded in forming a government, Chiang was a member of it. By that time the Kuomintang had developed into a movement set to rally the whole nation. Amongst others it included the Communist Party of China which had been founded in 1919.

After Sun Yat-sen's death Chiang soon emerged as the leader of the Kuomintang. He surrounded himself at first with many leftist advisers, amongst them Chou En-lai who became his chief of staff. In 1927 however Chiang unexpectedly broke with the Communists. The Kuomintang Government was made up of politicians of moderate views. In the decades which have elapsed since, the duel between Chiang and Mao has dominated the political scene inside China and engaged the interest of the world. Often it seemed that Chiang was close to final victory, but later the fortunes of war turned forever: Chiang with two millions