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Angola: Another congo?

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the raw material-producing developing countries are not.

After the exchanges of views in the Agency and within the scope of OECD the industrial nations are thus willing to have talks with the developing countries not only on oil but about other raw materials, food production, development aid for the poorest countries and the whole complex of relations between industrial nations and Third World countries as well. In dispute is still the procedure to be adopted. While the developing countries still insist on a comprehensive conference, the OECD countries are opposed to such a mammoth meeting which would deal with all matters together and at the same time. They want the dialogue to take place in all appropriate and competent bodies. This of course is in line with established US policy. That the response from the oil states was muted is understandable in the circumstances, for the preparatory conference in Paris had failed on this very point of the joint discussion of energy and raw material questions. The hope in the OECD Council of Ministers that its consultations provide a basis for a resumption of the dialogue started last April thus appears to be somewhat premature. zz.

Angola

Another Congo?

About 3,000 people have been killed and over 7,000 injured since the Portuguese withdrawal from Angola, reports the Red Cross. They were the victims of rival "liberation movements" between which Portugal, intent on staying neutral whatever the circumstances, has been trying desperately to mediate. The discord is most acute between the marxist Popular Movement for the Liberation of Angola (MPLA) which is supported by Moscow and the National Front for the Liberation of Angola (FNLA) which has the backing of Zaire, a generous supplier of arms. The Chinese-trained FNLA is at the moment the strongest group. Its leader, Holden Roberto, leans towards the West and is in this respect at one with the leader of the National Union for the Independence of Angola (Unita), Jonas Savimbi, who has until recently prudently kept out of the fighting as far as possible and been steering a middle course in the belief that it is impossible to build a new Angola without White cooperation.

It is not very likely however that Savimbi will succeed once more in reconciling the MPLA and FNLA as he did when the interim Government was set up, the less so as his organisation has more recently also become involved in the clashes. Angola could very easily become the scene of a repetition of the bloody turmoil seen in the Congo

in the sixties, for the conditions are similar: The black population is split between hostile tribes and political fractions, and there are rich natural resources of iron and manganese ore, uranium, copper, diamonds and mineral oils. Behind the warring groups stand greedy "protectors". The Red Fleet is casting its shadow over the MPLA; Luanda would make a convenient naval base. Behind the FNLA stands Zaire's Mobutu, the most powerful dictator in Africa and a man who has the greatest objections to a Soviet presence on his borders. Angola will be submerged in a bloody civil war and have to pay an exorbitant price for what it once acclaimed as "liberation" if the rival "liberation organisations" do not at the last hour achieve a compromise. hg.

Peru

Large Foreign Credits Needed

After over six years of rule by army officers Peru can, in some respects, present a quite respectable record of success. Production has risen by slightly over 5 p.c. a year on average. The land reform which is to be completed by the end of 1975 has provided a new livelihood for about 175,000 Indian families through the redistribution of the land and successful establishment of agricultural communities. The time when 0.4 p.c. of all landowners owned nearly 75 p.c. of the cultivable land seems to be over.

Given the magnitude of the problems which had to be tackled, it is not surprising that the Government has not achieved all its aims. It is certainly a matter for regret that the creation of employment is one of those which have not been attained: 30 p.c. of the population only, it is estimated, have steady work, and one reason for this is probably that the financial resources available for the achievement of the development plan targets for the mines, basic industries and oil production are not large enough to have a real impact on employment. The list of projects which Peru has submitted to the World Bank's advisory committee involves loans, i.e. external financial means, of \$ 3.5 bn of which 38 p.c. is to go to industry and 29 p.c. into the mining sector.

While foreign finance is wanted by Peru, there is a risk of increasing external indebtedness. In view of the extensive development projects to be undertaken in the coming years Peru is bound to run up heavy trade deficits in the future. It is to be hoped that employment will benefit from these negative aspects of development and the prices will not rise at much more than the present — under South American conditions acceptable — 20 p.c. so that the benefits of increased prosperity for the individual will not be jeopardized. iwe.