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All Quiet on the Western Front

People who expected surprises from the summit meeting of the economically powerful in Puerto Rico were bound to be disappointed. The final communiqué upon which the participating heads of states and/or governments of the Federal Republic of Germany, of France, Italy, Japan, Canada, the UK, and the USA agreed consisted only of a series of generalities in the form of jejune credos and declarations of intent, which were woolly and non-committal to a degree that could easily vie with so many concluding documents of numerous UN mammoth conferences.

To demonstrate some kinds of success, above all cyclical policy had to serve as a butt. In this field, it was possible to point to some achievements which had emerged during recent months and which could also be noticed by the proverbial "man-in-the-street". However, whether this kind of progress can be claimed as an effect of the agreements made at the preceding conference of Rambouillet — as the final communiqué of Puerto Rico suggests — is, at least, incapable of proof. And all those prolix joint invocations of the need for a policy of stabilization, which is to lead to a determined fight against inflation, to ban it forever, and to guide world trade back to perennial but moderate growth, have little persuasive power in view of the reservations tabled by the UK and by Italy.

These two nations would like to postpone the fight against inflation, at least for the time being, in favour of induced growth, because their economies still suffer from the absence of an upward surge. This does not mean anything else than that their governments intend to continue, at least for a period of transition, along the political path which, after all, helped to lead them to the well-known economic distortions. The economic policy of the two countries derives from the fundamental error that economic growth and high employment can be bought, for the duration, by tolerating a certain degree of inflation. After all, the most important partners in world trade have made it clear that they — in a similar way as very recently through the joint action of aid for the

British pound — would be prepared also to lend their support to Italy on condition that Rome begins to tackle the reorganisation of the Italian economy in earnest, for which a sensible programme is overdue.

In the question of commodity supplies which, among the western industrialized countries, has been a bone of contention for quite some time, no tangible progress could be made in Puerto Rico, and this applies also to their relations with the Third World. It would be, after all, artless in the extreme to expect that the heads of governments would have been able to hammer out a joint concept in this area within a mere two days of a summit conference after their recent meeting in Nairobi had made it abundantly clear how diametrically opposed the different western governments are in the question of raw materials. In this context, it was of scant help that the Federal German Chancellor, Herr Schmidt, proved with the aid of model calculations that carrying out the commodity programmes demanded by the LDCs would profit mainly those industrialized countries rich in raw materials, like the Soviet Union, the USA, Australia, or South Africa. In fact, the poorest of the poor, support for which is the main purpose of all joint efforts, would not only not reap any benefits; their burdens would even be increased. However such musings could not have been new to the participants in the summit conference, at least in principle, and they were, therefore, hardly suited to break through the rigid fronts.

So it seems that, taking all in all, the fantastic outward pomp of this economic summit meeting was quite disproportionate in relation to the conference results. In consequence, nobody will probably feel too sad over the fact that Puerto Rico, for some time in the future, will have been the last get-together of its kind. Finally it is to be welcomed, because of the offensive given to the countries which had not been invited, which is probably much more aggravating than the amount of solidarity and common action which the West may achieve through such powwows of the „Great“.

Claus Hamann