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THE UNCTAD IV

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IT IS the habit of international conferences to start with pompous pronouncements of noble and generous sentiments and often conclude on a dismal note of poor performances. UNCTAD which met at Nairobi between the 3rd and 29th of May, with high hopes of achieving positive answers for some of the economic ills afflicting the developing countries, has proved to be no exception to the rule. The United Nations Conference on Trade and Development consists of 153 members and includes some non-members of the United Nations like Switzerland and some specialised agencies. It meets once every four years; it first met in Geneva in 1964, for the second time in New Delhi in 1968, the third meeting was held in Santiago, Chile, in 1972 and the fourth session concluded recently at Nairobi.

The aim of the UNCTAD is to evolve a co-ordinated set of policies to accelerate the economic development of the poorer nations of the world. The first conference was a convivial birthday party where members vied with one another in eloquent expressions of their hopes and aspirations. The Delhi meeting achieved a measure of success through the introduction of the Generalised System of Preferences in favour of exports of manufactured goods from developing countries. The third conference at Santiago was marked by acrimonious debate and much wrangling without any results. Meanwhile, the concept of a new international economic order narrowing the gap between the rich and the poor nations gained acceptance and became a subject of discussion in the United Nations and other international forums. The UNCTAD IV met at Nairobi with this background and was expected to take a step forward towards the new economic order.

The developing countries named "Group of 77"—though it numbers more than 100 now—met in Manila earlier this year and adopted a declaration of their stand on vital issues arising for consideration at Nairobi. The most important items before UNCTAD IV were: (a) Commodities programme, (b) Aid, (c) Debt re-scheduling and (d) Transfer of technology. With a view to stabilising their economies, the developing countries wanted an integrated commodities programme to ensure stable prices for their primary products, to finance buffer stocks of 10 commodities, namely, sugar, tea, coffee, cocoa, cotton, jute, hard fibres, rubber, copper and tin, and to create a 3 billion dollar fund for the purpose. They also urged 'indexation', a formula by which commodity prices will be increased in unison with the price of manufacture.

The developed countries accepted neither of the two proposals. Dr. Kissinger, on the other hand, wanted a case-by-case study of these commodities on the plea that the problem relating to each commodity differed from the other. He proposed a one-billion dollar International Resources Bank which would lend through an international organisation for the development of natural resources (mainly minerals) in the Third World and, in return, would have the option on the output. Thus, the Bank will provide project finance for the developing countries, on the one hand and ensure supplies of raw materials to its Western investors, on the other.

While the proposal has the merit that it will ensure the much-needed finance for the development of resources in the Third World, which the multi-nationals are reluctant to provide except on their own terms, the obvious control over natural resources implied in the scheme was hardly concealed. The scheme, therefore, became suspect in the eyes of the developing countries as yet another ruse to exploit the scarce resources of developing countries by the developed ones. Furthermore, the contemplated Resources Bank was not the same as the 3-billion buffer fund which the developing countries proposed and it has not enthused the latter. The developed countries also objected to 'indexation' on the ground that the scheme would only accentuate inflation and not help stabilise the prices of commodities. Thus, on the most important item of the agenda, namely, the commodities programme, there has been no consensus between the rich and the poor nations. However, the Netherlands, Norway, Sweden, Finland, Iraq, Libya and the Philippines have accepted the Third World's proposal for a commodities programme and have agreed to contribute to a common fund. India has also announced her decision to provide 25 million dollars to the fund. Though these are welcome as a gesture, the fund cannot make any progress without massive contributions and support from the advanced countries.

The record of developed countries in regard to aid has been none too bright. Notwithstanding all the eloquent speeches in international forums that the widening gap in the levels of living between the rich and the poor countries should be bridged by transfer of resources, the actual performance in this direction has been decelerating. The initial proposal for transfer of one per cent of the rich countries' GNP to the less developed countries remained a paper target. Nor did the subsequent reduction of the target to 0.7 per cent improve performance. In the case of the U.S.A. the transfer came down from 0.53 per cent in 1960 to 0.25 per cent in 1974 and is expected to go down to 0.17 per cent in 1977, while the GNP has been increasing all the time. In the case of West Germany, aid has been ranging between 0.31 per cent and 0.37 per cent. Meanwhile, the debt burden of the developing countries has been growing heavier and heavier. Between 1965 and 1973, the indebtedness of 86 developing countries rose from $38 billion to $119 billion. Coupled with the trade deficits, many of the developing countries may be forced to default in repayment, upsetting the international credit equilibrium. The Manila declaration, therefore, pleaded for a "Debt Moratorium". The developed countries have argued that some debts were military, others commercial and some official development aid and that all of them should not be clubbed together. They were against a global approach and favoured a case-by-case dialogue directly between the debtor and the creditor countries. Thus, on the question of aid and debt-rescheduling, no agreement has been possible.

Even on the question of transfer of technology, there was a keen divergence of opinion between the developed and the developing countries. It has been estimated that at the end of 1960, developing countries were paying about 1½ billion dollars a year for the right to use patents, licences, know-how and trade marks and that this sum would increase in the future. The developing countries, therefore, wanted a scheme for transfer of technology with mandatory provisions; but the advanced countries argued that the governments could not enforce regulations, as the subject related to dealings between private commercial firms including multinational corporations and that, therefore, only a voluntary code of conduct could be envisaged.

No surprise, therefore, that the UNCTAD has ended without positive conclusions on the most important issues, namely, Commodity programme, Aid and Debt re-scheduling. Dr. Kissinger's proposal for an International Resources Bank was defeated by 33 votes to 31, the rest having either abstained or absented themselves. On the constitution of a common fund for buffer stocks of primary commodities, though it was resolved to "convene a negotiating conference open to all members of the UNCTAD on the common fund not later than March 1977", the developed countries laid emphasis on more negotiations on the objectives and modalities of the common fund, clearly demonstrating that they have not agreed in principle to the fund idea. It will, therefore, call for all the tact and wisdom in the world to reach an agreed solution to this thorny problem. On debt repayments, the conference approved a programme in which rich nations agreed to work out international guidelines to be applied on a case-by-case basis. The UNCTAD Secretary-General has been asked to convene a special inter-governmental group of experts to study the debt problem and provide guidelines.

Nevertheless, it cannot be said that the UNCTAD IV has failed for the reason that it has not rejected the Commodities programme or Debt rescheduling but has kept the door open for further negotiations and settlement. Unless a spirit of mutual co-operation prevails in future discussions, the UNCTAD will cease to be an instrument of world economic co-operation but become an arena for acrimonious abuses and unfruitful debates.

Project Monkey

New York: Can monkey learn to speak? This quistion is being asked by scientists and the tentative answer is that he probably can. "Nim", a two-year-old male chimp, may have the answers, if the researchers involved in "Project Nim" at New York's Columbia University can get him to sit still long enough to supply them.

Since birth, Nim has been raised in as close to a human environment as the project's head, Dr. Herbert Terrace, can devise. He speaks in the American sign language (ASL) mode, and his active vocabulary has been growing steadily and more rapidly, Dr. Terrace says. At the beginning of the year he had 40 words at his disposal. Since then, he has added 10 new ones, a 25 per cent increase, and the number is increasing as he gets into the swing of the learning process. From an initial combination of two words such as "more Eat" or "More Drink", Nim has progressed to such relatively sophisticated construction as "Give me Banana Eat".

In all, Nim has more than 650 word combinations of his vocabulary, and with his learning ability growing rapidly, the number of combinations is increasing dramatically. After analysis of the structure of Nim's word combinations, Dr. Terrace said, "he does seem to show certain statistically reliable departures from the simple minded models we have tested".