touted in UNCTAD's wake

OPEC will not take the lead in bringing the Third World into the modern age—instead it will pillage the underdeveloped sector. "The Manila meeting," he said, "was the beginning of a rift between OPEC and the Third World." More credit will not help the latter industrialize and prosper; Haq advocates autarky and austerity—"development, like charity, begins at home" with "saving, investment and productivity."

Instead of "debt forgiveness," Haq says, the talk was now of "monetary reform." "No longer, it was said [at UNCTAD], should the United States be permitted to export inflation by foisting added dollars upon the world...a signal that the Third World is being told that to get aid and credit, it must support Special Drawing Right subsitution for the dollar.

The *New York Times* wrote that "fissures in Third-World solidarity were more apparent than ever" as "poor nations began to speak out on the problems they are having with petroleum ... United States officials strongly denied influencing the energy debate to try to divide the Third World, but they privately applauded the divergence among the developing nations."

The June 2 London *Economist* chose to play up another divisive event—the UNCTAD resolution scolding the Soviet bloc for stinginess on aid—while smirking, with an eye toward "self-help" and further radical-fundamentalist upheavals on the Iran model, that "the meagre results expected from UNCTAD this week may strengthen the 'radicals' in the Third World group who say that dialogue with the West to rejig the world capitalist system is a waste of time."

The London *Financial Times* of June 4, for its part, indulges in a royal tantrum over American actions against seven transatlantic shipping groups for price-fixing, chastising its faithful today for breaking rank at a time when "Western"—and largely British—control of shipping is under attack by UNCTAD. Since UNCAD is hardly fearsome, we must surmise that the *Times* is responding to the fact that France has become very active in alliance with both the developing sector countries, the Arabs and with the Soviet Union on the pivotal shipping issue.

—*Susan Cohen*

TRADE

Comecon takes major initiatives

The Soviet-Eastern European sector is presently the principal source of new global trade and industrial development deals, pending results from French and Mexican initiatives for joint producer-consumer energy investment. In the past week, the following major Comecon-linked trade deals were announced:

- An $8 billion trade agreement between the USSR and Turkey, including $4 billion in Soviet development credits to Turkey for projects including the construction of nuclear reactors. The Soviets are concerned that its IMF-beleaguered neighbor does not go the route of Iran into Dark Ages chaos;
- A commitment by the Soviets to build a $2.75 billion steel plant in India at Vishakapatnam. The plant, to be financed through Soviet credits, will reach an output of 3.5 million tons per year by completion. Procartelization circles typified by European Commission Industry Minister Count Davignon are known to be furious at the Soviets for thus expanding world steel production;
- Polish-government-signed final-purchase contracts worth $260 million for four container ships to be filled by two French shipyards, Chantiers Navals de la Ciotat and Chantiers de l'Atlantique. Each of the yards will build two of the 24,000-gross-registered-ton ships. The French government is providing overall a $70 million subsidy. According to newspaper reports, the shipyards will be filling the order at a loss even with the subsidy. This was deemed preferable, however, to massive layoffs and shutdowns at the yards.

—*Richard Schulman*