The measures proposed for lightening the Third World's debt also received an unequivocal "no". The Group of 77 consider the problem to be vital. In fact, according to the UNCTAD study, the data from 80 developing countries show that the total external public debt increased at an average annual rate of 14 per cent during the Sixties and that, at the end of 1969, it totalled about $60 billion. As a result, the net transfer of resources (gifts and public loans) dropped from $5.4 billion to $5.2 billion between 1965 and 1969. This reduction in the net transfer of resources affected mainly low-income Africa, India and Pakistan. More than 20 per cent of the export earnings of Third World countries goes into debt-service payments, and this proportion is tending to increase. The President of the World Bank pointed out in his speech that "the debt service of the developing countries is increasing twice as fast as the export earnings which should finance them". Despite these facts and trends, the spokesman for Britain, undoubtedly expressing the opinion of the members of Group B (developed market-economy countries), stated that the external debt-service relief measures would be a bonus for poor management and would run the risk of weakening the bases of international credit.

On this subject, as on many others, the developed countries wished to retain full freedom to examine requests for the renegotiation of debts, separately, case by case, and always after a crisis had become obvious. The case of Chile is a striking example of such a crisis. In his inaugural address, President Allende stated: "The value of our exports is $1,200 million in 1972; this same year we have to pay $408 million as external public-debt service. It is not possible for a country to allocate 34 out of ever 100 dollars it receives to payment of the external debt."

Already the Pearson Report (*Partners in Development*. Commission on International Development, Denoël, 1969, Pp. 228-9.) had recommended: "Aid-giving countries should consider debt-relief a legitimate form of aid and permit the use of new loans to refinance debt payments, in order to reduce the need for full-scale debt negotiations."

Creditor countries are opposed in principle to tying aid to debt relief. The debtor countries will continue to be held on a "short leash", without the leeway necessary to develop plans in advance with reasonable security.

The "rich" countries did not reach a consensus on projects concerning monetary reform and the "tying" of SDR to additional development financing. After lengthy debate, they got around to studying "the possibility of tying the SDR to aid" in the context of world monetary reform. At the same time, the advantaged countries rejected the proposal made by the Secretary-General of UNCTAD, Mr. Perez Guerero (Venezuela), to establish a permanent liaison committee between UNCTAD, the IMF and GATT. Through such a committee, the underdeveloped countries would have been able to participate more effectively in monetary and trade negotiations in 1973. The tying of the SDR to development financing would have permitted the creation of additional liquidity for the underdeveloped countries that will soon be receiving only 0.35 per cent of the total GNP of the industrialized countries. The United States, which had demanded a separate vote for the "tying" clause, after lengthy consultations abstained from voting. This abstention added the last gloomy touch to the long sleepless night of the final session of the third UNCTAD.

Third chance missed

At the conclusion of UNCTAD, the countries of the Group of 77 were in the same position with regard to the rich countries as European union workers at the beginning of the century were with regard to their bosses. The bosses listened to them but refused to take out their wallets. Mr. Mansholt was right to say: "The Santiago conference is the place where everyone says what should be done and where no one does enough." At Santiago, a third opportunity to lay the groundwork for a more rational reorganization of the world economic system was allowed to slip by. Even the study of a charter of economic rights and duties of states, suggested by the President of Mexico, did not receive the massive support of the group of developed Western countries. Such a charter, similar to the Charter of Human Rights, could, in principle, counteract the commercialism of the present economic powers.

Poverty and wealth cannot coexist indefinitely. The present world situation, where one-third do not sleep for fear of the two-thirds who have nothing to eat, must be remedied.

The mass media, political leaders — indeed, public opinion — could attach a great deal more importance to underdevelopment and its causes and bring pressure to bear on governments so that they would take measures to narrow the gap separating the "have" countries from the Third World countries. Public opinion has forced governments to take measures to prevent