

faced by these people. It does not hear of their perils because they do not have a voice in the international system commensurate with their needs and interests. Many are now simply being overwhelmed by external events. Countries in sub-Saharan Africa with some 175 million people will soon have a negative per capita growth rate.

The current payment deficits of the oil-importing developing countries, which is expected to reach the new peak of \$69 billion in 1980, is projected to rise further to about \$80 billion in 1981. Even this estimated deficit is premised on severe cut-backs and reduced growth rates for many countries which cannot obtain additional financing. Some countries will have manageable deficits only because they have had to substitute grim deprivation for financing of their basic needs. The instant adjustment that the lack of adequate international machinery is imposing on them amounts to compulsory accommodation with starvation.

New protectionism

The crisis is worsened by the new protectionism. Protectionist barriers are a particularly savage expression of beggar-my-neighbour behaviour with the most damaging consequences for global growth and accord. Protectionism runs counter to the very principle of comparative advantage which developed nations have steadily held out as a major factor in economic growth. At a time of economic hardship and resource constraints it prevents developing countries from earning their way and nullifies the hard won gains of their earliest stages of industrialization. Worse, it leads even the least doctrinaire Third World country to question the good faith of the North and erodes any confidence they may have in a process of incremental improvements within the existing order of economic relationships. A stand against protectionism is not a surrender of national interests. Apart from denying the longer term benefits of a global division of labour along the lines of comparative advantage, protectionism forfeits the major anti-inflationary impact that imports from developing countries can make within heated Northern economies.

The recent Jenkins study on the cost and consequences of the new protectionism to Canada issued by the North-South Institute in Ottawa renders a service of major importance in demonstrating not only how much these policies hurt Third World products but how penal, wasteful and counterproductive they are in terms of the rich countries. Such policies also hurt the less well-off in the rich countries as well as the poor people in underdeveloped countries.

1980 was not only the year of the failed Special Session on Development it also saw the end of the first decade of disarmament". During the decade global expenditure on arms climbed from \$180 billion in 1970 to

\$500 billion in 1980, with the higher expenditure leading to greater insecurity and to mounting fear, mistrust and suspicion throughout the world community. All this despite the fact that the evidence of our time confirms the limitations of military power, while at the same time urban violence, terrorism and the swollen tide of refugees underline how powerless societies can stand even in the midst of power. Yet the arms race quickens, its nuclear excesses bringing us ever nearer to extinction.

The achievement of the 0.7 per cent target for Overseas Development Aid (ODA) requires an increase in aid equivalent to about five per cent of military expenditure in developed countries, both east and west. A freeze at the 1980 level of military expenditure could provide sufficient resources to reach that target in one year. Development could be spectacularly advanced, not just by lowering the world's expenditure on armaments, but by simply not increasing it.

The linkage between disarmament and development is even closer. The decline from detente is dangerous for the world; but for the Third World it is calamitous for it implies as well a decline in the prospects for development. It imperils not only East-West but North-South relations. But the situation is even worse. We could truly be in a cycle of disaster with East-West tensions retarding development and North-South disparities threatening peace.

North-South and East-West are now inextricably linked. Failure on either front is mutually dangerous. Success on either can be mutually reinforcing. Development is of direct concern to the poor; but, in truth, it concerns us all, rich and poor alike. We cannot, as some would have it, leave development for more tranquil times. Coming to terms with its challenge now may have become a precondition of more tranquil times in the future.

There are some general requirements if the 1980s are to become the decade of development that the 1970s was not. Progress is needed at the wider levels of detente. There must be movement away from the adversary politics of the era of power and a greater accommodation with the more promising, if sometimes more exacting, era of interdependence. There must be an easing of tensions — both East-West and North-South — with developing countries no less than developed playing their part in creating an environment propitious for peace and development.

There is also need for some more specific aids to progress. Successive failures of the dialogue are blamed in the South on the lack of political will in the North and in the North on the extravagance of the demands made by the South. Is the character of the negotiating process not at fault? Is it conducive to enlarging understanding at the highest levels of policy-making? Does it help in summoning political will and promoting mutual accommodation? It seems sometimes as if success will have to come not because of, but despite, the