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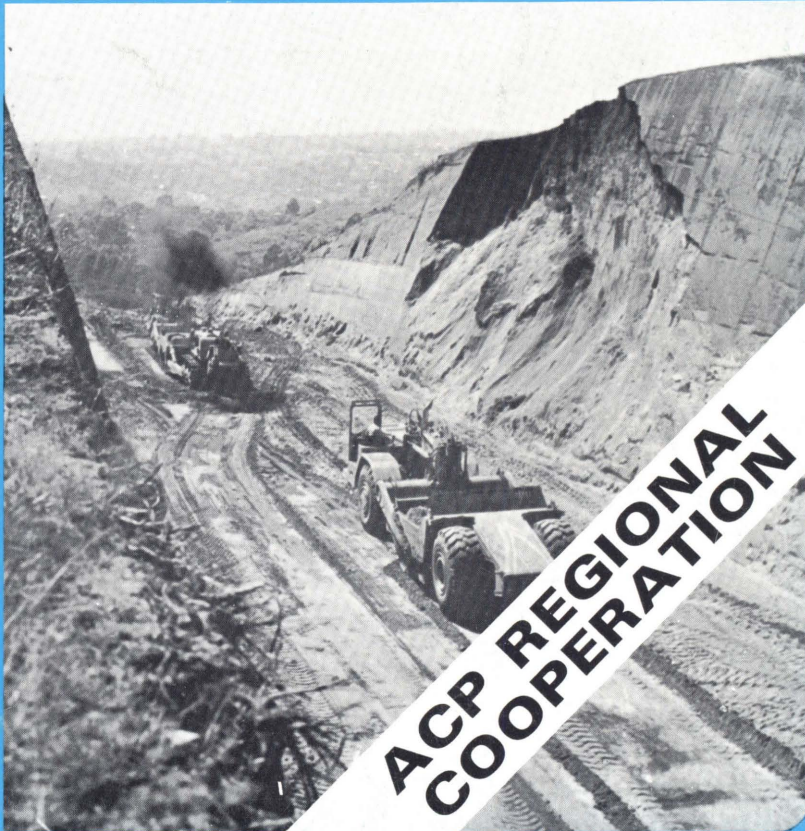


the courier

EUROPEAN COMMUNITY – AFRICA-CARIBBEAN-PACIFIC

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**ACP REGIONAL
COOPERATION**

France — Robert Galley, Minister for Co-operation, defines French policy towards the developing countries and dismisses the idea that aid is a matter of charity. He considers development cooperation to be in the mutual interests of donor and beneficiary countries. The logic of development aid, **Page 4**



Lionel Jospin — The French Socialist Party (PSF) has been working on an alternative development policy and has recently published the ideas behind it in a book called "Socialists and the Third World". PSF Third World secretary Lionel Jospin comments on these ideas and says: "it is not a question of what we will do *for* the Third World but what we will do in collaboration *with* the Third World". **Page 7**



Ivory Coast — President Houphouët-Boigny made an official visit to Belgium in May, meeting the EEC President, Mr Jenkins, and other members of the EEC Commission, including Mr Cheysson. The Ivory Coast Minister of Planning, Mohamed Diawara, outlines his country's "needs for growth" under the 1976/80 plan. **Page 27**



Zambia — Dr Kenneth Kaunda was the second African head of state to visit Brussels in May and June. President Kaunda met Mr Jenkins, President of the EEC Commission, and spoke of the need for cooperation, particularly between Europe and Africa, in "a dangerous world". He considered the southern African situation to be a threat to peace not only in Africa but in the world. **Page 33**



Dossier — Regional and inter-regional co-operation are necessary if the ACP countries are to develop beyond a basically local economy sapped by traditional export production. But to what extent can the economies of developing countries in the same region be complementary, as a successful regional development policy requires? The various ACP regional organizations have made slow progress. This Dossier looks at some of them and their problems. **Page 40**



THE COURIER

EUROPEAN COMMUNITY —
AFRICA - CARIBBEAN - PACIFIC

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A change at the top of the EEC's

Hans-Broder Krohn leaves the Directorate-General

For seven years, from 1 July 1970 to 3 May 1977, Hans-Broder Krohn was the steadfast leader of the EEC's Directorate-General for Development. A relatively short period, it is true, but an exceptionally eventful one, during which Mr Krohn both witnessed and was privileged to shape the changing Community policy towards the developing countries.

During his time as director-general this Community policy broadened its geographical scope, expanded its resources, diversified its instruments and confirmed both its originality and especially its effectiveness. It was a considerable achievement. At the outset, development policy was a marginal, peripheral aspect of Community affairs, but it progressed faster than the rest, to become a vital component of the unification of Europe.

Hans-Broder Krohn has had a full and satisfying professional life. His seven years at the helm were full of significant events, like the negotiation and signing of the Lomé Convention, the extension of this Lomé policy to southern Mediterranean countries, the rapid development of food aid, the provision of aid to non-associated developing countries, the Euro-Arab dialogue, the North-South dialogue, not to mention specific schemes of great importance like the prompt aid to developing countries hit by the oil crisis in 1974.

Need I add that, to make such progress possible, the whole of DG VIII has had to be able to adapt, act, react and invent, no small matter for this large unit.

Hans-Broder Krohn has played a role of the utmost importance in all respects. He has earned the Community's thanks. He has accomplished difficult tasks to everyone's satisfaction, primarily due to his eminent personal qualities and professional qualifications. It is due to his sense of order and organization that his original training gave him. It is due to his vast experience



Photothèque CEE

of multilateral negotiations. And it is due to his exceptional human qualities. But none of these qualities could have flourished to the full without the profound sense of commitment that has been the hallmark of his professional life and personal relations. Our friends and partners in the ACP are aware of this. They know that the driving force behind the competence of this top official is a vision of the solidarity that is vital to Europe and to Africa, that he has been convinced of the complementarity of their destinies and motivated by the will to translate these aims into everyday reality.

This is why I am so pleased that Hans-Broder Krohn is not turning his back on development problems, but becoming my adviser *hors classe*.

Hans, from the bottom of my heart I thank you, my friend and faithful companion in a fascinating journey into tomorrow.

CLAUDE CHEYSSON

Directorate-General for Development

Klaus Meyer appointed Director-General

Klaus Meyer left his job as Deputy Secretary-General of the Commission on 1 June to take over from Hans-Broder Krohn as head of the Directorate-General for Development (DG VIII).

The new director is friendly and open-hearted with a personality without which even the best of professional qualities will not flourish.

His professional qualifications are impressive. His intellectual training is comprehensive and varied and it is European in character in that he studied economics, philosophy and law at Göttingen, Paris, London and Oxford. His career has centred on two problems—Europe and the developing countries. In Brussels he was deputy chef de cabinet to Walter Hallstein, the first President of the Commission, and in Bonn he was attaché to the Chancellor and in both posts he had many opportunities to deal with development problems. For several months now he has been the Commission's prime mover in the Euro-Arab dialogue.

At the head of DG VIII, his qualities and experience will be valuable assets in getting to grips with the challenges of tomorrow. And they are vital challenges because it is our ambition to help bring peace to an ever-smaller world and to do this we must bring about fundamental changes in relations between nations.

These are formidable challenges. First we must achieve the administrative aims that the Community and its Member States have freely, but irrevocably, agreed to in the Lomé policy (the Lomé Convention and the Mediterranean agreements). And then we must improve our direct international aid schemes (food aid, aid for non-associated developing countries, support for non-governmental organizations, trade promotion, etc.) and make the Community's (and Europe's) mark in both regional negotiations, particularly the Euro-Arab dialogue, and international negotiations like UNCTAD and the continuing North-South dialogue.



Photothèque CEE

Klaus Meyer, at 49, has a wealth of experience, particularly from his time as right-hand man to Emile Noël, Secretary-General to the Commission. We can be confident that his ability to conceive ideas will go hand-in-hand with practical achievements drawn on past experience and adapted to all the structural and economic constraints which affect our current progress to European unification.

It is clear that nothing important or lasting can be built without the help and understanding of public opinion. Klaus Meyer is convinced of this and has already agreed to give top priority to this question, which is as delicate as it is important.

I am quite sure that, with his gallant crew, the new director-general will succeed in steering the boat across the rapids. Welcome aboard Klaus! Fair winds and fair weather!

CLAUDE CHEYSSON

“Cooperation for us is a matter of logic ... and a national cause”

Robert Galley, French Minister for Cooperation

The budgetary question

► France's cooperation budget for 1977 amounted to 2571 million francs, as against 2440 million in 1976. This is an increase of just 5.36%, although the French budget itself went up by 13%. Isn't this surprising, bearing in mind France's interest in the developing countries and their needs?

— I think you are right to mention this disparity, but I should just like to point out that the 1977 budget is the work of my predecessor's team and, to do it justice, it was put through at a fairly difficult time at the end of August when the government was more or less on the point of resigning. This has perhaps something to do with the result.

However, I feel that it wasn't a bad thing that Mr Barre's austerity measures and a tight budget, which the 1977 one was, forced the African states and ourselves, in cooperation, to take stock of the situation and to try, by a certain amount of pruning, to make cooperation more effective and more thorough-going—if not more attractive.

This is what we have been trying to do and I can assure you that the signs are that the sort of disparity you noticed will disappear when the 1978 budget is drafted.

An administrator by nature, a technician by profession, a politician and an African at heart—this is the man of wide experience who became France's Minister for Cooperation on 27 August 1976. There have been three main phases in his eventful life. First as a soldier, he joined the Free French Forces when he was only 19 and fought in Cameroon, Gabon and the Congo, then in Syria before being sent to the front at El Alamein. Later he took part in the liberation of Normandy and Paris and fought in Germany.

Then he became engineer, a graduate of the Ecole Centrale des Arts et Manufactures who was appointed delegate to the Prime Minister in 1966 to create France's computer industry and promote modern methods of management.

And then there is the politician, whom de Gaulle made Minister of Equipment and Housing on 31 May 1968 and who was elected MP for the Aube on 30 June one month later.

Robert Galley has been a minister ever since. His career has taken him to Africa on many occasions and he has made many friends there. For the last nine months he has been at the head of the Ministry for Cooperation and has made his opinions clear on the subject. As he said recently:

“The government's cooperation policy is not an altruistic one. In the long run it is a question of France's standing—not just



Robert Galley

its intellectual and cultural influence but its economic and political security too. It must be absolutely clear that cooperation is not a luxury but part of a development strategy which must prove its worth.”

Robert Galley told the “Courier” how he felt about some key questions: his ministry's budget, its priorities for action, the problem of harmonizing aid and the need to make cooperation “a national cause”.

Three priorities

► *French aid seems to be concentrated in certain areas. When your budget went before the National Assembly last year, the emphasis was on three things—the transfer of know-how via training and research, rural development and medical aid. Can you comment on this choice?*

— Yes, I can do so quite simply. I think that Africa's economic breakthrough depends on its natural resources, but it is also a question of training. It will never really develop until it stops being just a supplier of other people's raw materials.

This cannot happen unless teams of technicians are formed to prepare for industrialization. And industrialization can be a very simple business. For example, it may simply involve knowing how to repair the engine of a car or a lorry, a prerequisite for the mechanization of transport. Or it may involve repairing a tractor when tractors are needed to dig irrigation channels. These seemingly extraordinarily simple things are an enormous problem for Africa and a problem that can only be solved by training—mainly technical training. Consequently, I feel that we cannot overestimate the importance of teacher training,

since teachers can spread their knowledge and transform Africa. Finally, I have to admit that all my contacts with the African countries have shown that there is a fantastic demand for education; the only proof I need is the quite new and very surprising fact that nomads in the Sahel are settling round one or two towns simply so they can send their children to school. This is a completely new phenomenon to emerge in the last few years.

The second priority is rural development. Ousman Seck, Senegal's Minister of Planning, has expressed Africa's problem in his usual comprehensive manner by making a comparison between the rate of population increase and the increase in GNP. In one of the first talks I had with him at the end of last year, Ousman Seck impressed me very much by saying that a 3% population increase must be matched with a far higher rate of GNP increase if Africa is to make progress. For if—as has unfortunately happened in some countries—food production did not keep up with population growth, countries that export products today would be forced into importing the same things and this would aggravate their problems. You can also say that it is regression rather than development for the GNP in the African countries to grow slower than the population.

So I believe that we cannot devote too much of our efforts to improving the yield of land currently under cultivation and above all the area of land under cultivation.

Finally, the third priority. We, the industrialized countries, have no alternative other than to make an enormous effort of solidarity with our fellow men. There is one area where this solidarity is absolutely vital—health. The health hazards in Africa seem quite unacceptable in the modern world and I think we should concentrate all our efforts on combating them. Epidemics are gaining ground in many places, new afflictions are appearing (sometimes linked to development) and deficiencies arise because the way of life has changed—for example, people need more protein than they did. Then there is another factor which we must never underestimate—Africa will never develop until Africans are fully fit and not held back by the health problems which diminish their capacity for work.

► *Does the current French cooperation policy have geographical priorities?*

— Fixing geographical priorities would mean making choices and this we refuse to do. We think all men are equal and we do not therefore have to choose be-

tween people from Benin and Togo or from Cameroon and Chad or from Gabon and the Congo. France's African policy is fairly effective. Different countries ask for varying amounts of aid for various purposes, but it is not for us to choose one region rather than another. If we did have priorities, my personal feeling—in the light of the Dakar conference and with everyone's agreement—would be for us to concentrate on the poorest countries.

The geographical scope of cooperation

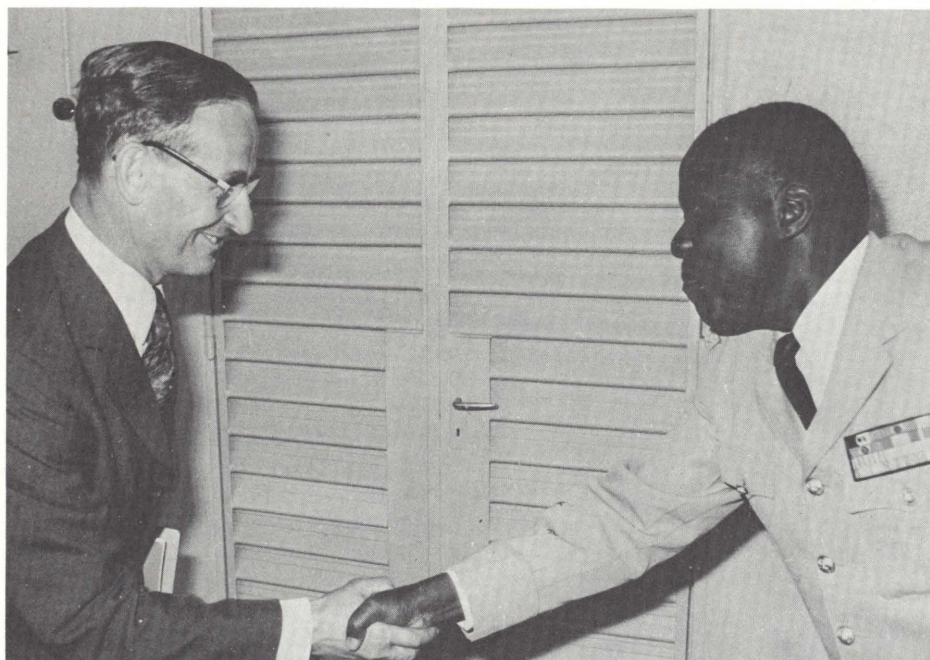
► *Still on this subject, there seems to be a tendency to go beyond the traditional framework of the French-speaking countries that used to be French-administered. For example, General Habyarimana came to Paris a short time ago and you now have contact with Guinea-Bissau, Sao Tomé Principe and Cape Verde as well as with other countries of Central Africa which are French-speaking, although they have never been under French administration. What will cooperation with these particular countries involve?*

— First of all, I should like to point out that France's cooperation policy does not just depend on the Ministry for Co-operation. There are 35 000 of our volunteers working in countries all over the world, but only 10 000 of them are in countries which concern us at the Ministry of Co-operation. Consequently, I refuse to espouse any cause which would involve France cooperating with French-speaking countries alone. The Ministry of Co-operation was maintained by tradition and because of our special links with the French-speaking countries and it is the Ministry that provides aid from the FAC (the French aid fund). But, in this case, I can assure you that we have only one French policy and that there is little difference between what we do for French-speaking, English-speaking or any other countries.

Harmonization of aid

► *How do you feel the members of the EEC are making out with the harmonization of their aid?*

— I am trying out something extremely promising here. I increasingly feel that



Robert Galley welcomed by the President of Upper Volta, General Lamizana

FAC should cover studies on infrastructure, investment and economic schemes which would then be implemented by the World Bank or the EDF or by Arab banks like ABEDA or the ADB or by solidarity or promotion funds. Consequently, there would, I think, be harmonization in each particular scheme, as the FAC would, for example, be responsible for a study of the Kandadji dam on the Niger, the polder project in Chad or the Manantali dam on the Senegal, as part of the overall Senegal valley development plan. These are just examples. Once the profitability of the schemes had been studied—at a loss, since the FAC is in fact a subsidy—we could try and submit a financing dossier to the various international organizations. This is what I hope. We all tend to try to finance the projects we have studied in the first place.

Harmonization, as I see it, is a matter for the ministers for cooperation when they meet in Brussels who should try and lay down the sort of guidelines I have just sketched out. But it is people on the ground who, with their fruitful contacts in the field, can actually make this harmonization a reality. This, I think, is what is now happening in most cases. There is so much to be done that we aren't really likely to find ourselves fighting to cope with the same problem.

► *So you would be in favour of joint financing? There are already some examples, of course, FAC is collaborating with other funding organizations on one or two projects in Africa and in this case is acting as a sort of catalyst.*

— One musn't generalize, although, personally, I am very much in favour. Obviously, our ministry's privileged contacts with the states themselves sometimes mean that we have a better idea of what is involved and can get certain projects off the ground better than other organisations.

A national cause

► *You said that cooperation policy ought to become, or become again, a national cause. What is being done to arouse public interest in France?*

In these times of crisis in our civilisation I am sure that young people could find some idealism in aid to the Third World, as long as it is organised efficiently. The Ministry for Cooperation is not the only body working for development. There are many private organisations, the Club of the Friends of the Sahel, volunteers for progress and so on, who work fervently not only in Africa, but also in France, joining their efforts to ours in order to

make the public more aware of the serious problem of under-development.

► *In the National Assembly you also said you had to play on frankness and clearly state that the rule of French cooperation policy is reciprocity and mutual advantages. Can you comment on this?*

— Cooperation is a profoundly altruistic act, solidarity on an international scale, particularly between people of the same culture. At the same time it is a rational act, based on a self-evident fact—that Europe and Africa complement each other. Europe is powerless without Africa's raw materials and it would be paralyzed without its African markets. Our cooperation schemes for Africa's development condition Europe's development in the longer term.

The figures show that an upturn in the American economy is less important for the EEC than an increase in the demand from non-oil producing developing countries.

The future of cooperation

► *On a more personal note, I think you first discovered Africa in 1938 when you won a competition in which the first prize was a trip to Africa. You went back again with the Free French Forces in 1940 and you have since spent eight years there, been on many trips and made many friends. Are you optimistic about the future of cooperation between Africa and Europe?*

— I am optimistic, provided cooperation can keep pace with the vast and growing needs. If Europe fails to provide enough cooperation, then Africa will look elsewhere. Consequently, if Europe can be convinced that it must make a gigantic effort for Africa, then I am resolutely optimistic as to the African's ability to establish this profound solidarity with Europe. If Europe is not disinterested enough or fails to take Africa seriously enough—then I think we will suffer many disappointments. The African countries have a great deal of faith in Europe, particularly in Western Europe, and will not forgive us if we disappoint them at this crucial period of their history. □



The French cooperation minister among young people in Niger

Interview by
ALAIN LACROIX

FRENCH SOCIALISTS

“The question as we see it isn't what we are going to do for the Third World, but what we are going to do in collaboration with the Third World” — Lionel Jospin

The PSF (French Socialist Party) national committee on the Third World has brought out a book called “Socialists and the Third World”, based on the results of two years of work and reflection on the problems of the Third World today; it contains a set of proposals from the French left on a socialist policy for relations between France and the developing countries.

The book analyses the cooperation policies of the various governments of the Fifth Republic and reflects on the profound political and economic changes in the Third World which will lead to the establishment of a new international economic order. It also puts forwards proposals for a socialist policy for international relations with the Third World.

The analysis, reflection and proposals make this a book that comes at the right time, answering the hopes of those who are concerned with the problems of relations between industrialized and developing countries and had long been waiting for one of the EEC's major socialist parties to analyse the situation in this way, state its position and put forward clear proposals as a basis for discussion by both the French left and the other socialist parties of Europe.

Lionel Jospin, the PSF's secretary for Third World affairs, discussed the book with the “Courier”.

► You have described “Socialists and the Third World” as “a public instrument of reflection and the results of a collective effort”. What does that mean exactly?

A public instrument of reflection

— The book is a public instrument of reflection in that it is not just for party members. It very quickly went beyond this stage and was brought out by a publisher outside the PSF. So, we immediately brought our ideas to the notice of the general public, to the militants and



Lionel Jospin

leaders of other left-wing organizations concerned with the Third World and, most important, to the Third World's own representatives—representatives of parties with which we already have relations, representatives of other parties and government representatives from the countries of the Third World. This illustrates one of our basic tenets—that we must establish a dialogue with the Third World. The aim is not to do something for the Third World but, as we said, to do something in collaboration with it.

These are not definitive proposals but they do form a precise, practical basis for a dialogue which should itself result in proposals.

A collective effort

As to its having been a collective effort, theoretically the Third World committee has 200 members, though in practice there are between 40 and about 80 people at the monthly sessions. Several meetings were devoted to drafting what was intended to be a brochure but which turned out to be a full-scale book. Then, after the collective discussions, a small editorial committee was set up to work, to get in touch with our friends and comrades in Brussels and in the developing countries and to contact various other correspondents. The results were ultimately collated by one or two members and I then submitted the draft to the executive officers, some of whom were appointed to a reading committee to approve the final revision, although not all the proposals are concrete and precise.

Aid is not sufficient ...

► The book is in three parts—“development aid”, “towards a new world economic order” and “a policy for France”. Can we take part one first? What do you think is the matter with aid to the Third World?

— First of all, there is not enough of it. The UN target for official development aid, as fixed by UNCTAD at the instigation of the underdeveloped countries, which we now wrongly call the "Group of 77", is 0.7% of GNP—not to mention the former target which was 1% plus of GNP. Very few developed countries actually keep to these figures. So, overall transfers of resources, particularly official development aid, to the Third World have stagnated over the recent period—if we discount the effects of inflation on the value of the franc, which is quite a legitimate procedure.

This is no doubt due to the crisis which has shaken the Western world and made it more egoistic and introspective, but we refuse to accept the phenomenon passively. We reject it.

badly distributed ...

This is the first criticism. Secondly, there is the question of distribution of aid. We feel that the relationship between bilateral and multilateral aid is such that multilateral aid suffers. We are not naive enthusiasts of multilateral aid. We are well aware of the fact that some international organizations are in fact dominated by certain countries and are thus practising bilateralism in disguise. But we do think that many multilateral bodies are a step towards an international community, can do useful work and should have more generous funds. We also think that aid from the main donor countries concentrates too much on a certain number of countries—not necessarily those whose population and needs make them priority cases but ones which are sometimes chosen for political reasons. So we feel that certain aspects of aid distribution need looking at.

... and often in the wrong form

Thirdly, we think that the form and the nature of this aid often leave much to be desired. French aid in the form of cultural cooperation and linguistic penetration is excessive and could well turn

The Third World and us (*)

1. Paradoxically, the worst effects of the crisis affecting Western economies are not felt by the United States or Europe but by the countries of the Third World, where three quarters of humanity live.

The crisis has struck us after a long period of economic growth. It has hit the poorest countries of the planet as they are emerging from difficult times.

Crisis in our countries means inflation, unemployment, imbalance of payments. The working classes are badly affected. But in countries where there is massive, chronic unemployment, a structural deficit in the balance of payments, poor financial resources and frequent corruption and speculation, crisis often means hunger, physical debilitation and despair for millions.

The problem of underdevelopment is thus more acute today than ever before. Soaring oil prices have weakened our economies—but how much worse hit are the Third World countries who had to face simultaneous rises in the prices of energy, fertilizer and cereals! How their populations have suffered from dearer imports and fewer export outlets due to the recession in western economies! In 1974 the world was on the brink of nutritional disaster. And although the situation has improved since, there is still hunger in the world and there are serious doubts about the future.

(*) From the preface to "Socialists and the Third World", a study recently published by the French Socialist Party.

And the crisis has widened the gaps in the Third World—the rise in prices of some raw materials has made some countries richer and others poorer. Some have significant industrial potential or efficient agriculture and others are still drastically under-equipped.

2. The Third World is getting nearer all the time. In France we rub shoulders with it every day. It appears in our shopping baskets in the form of groundnut oil, coffee, an Indian shirt or a camera made in Hong Kong. It sends us oil. It sends us people—building workers come to Paris from North Africa and street-sweepers from Mali.

3. Finally, the Third World is no longer merely a group of countries whose bad luck has forced them to beg for aid from richer ones. It is a powerful political force on the international scene. It is trying to regain control of its natural wealth. It claims, and sometimes imposes, higher prices for its raw materials. It wants a say in monetary problems. It is calling for the establishment of a new world economic order.

The growing place occupied by the Third World in our everyday affairs is perhaps the major event between now and the end of this century, and on the nature of the relations we establish with it will depend our own economic and political future.

4. The question is not therefore what we are going to do for the Third World but what we are going to do in collaboration with it to bring about the faster and fairer development of all the nations concerned ...

into tutelage rather than genuine help. We don't think those who provide cultural or linguistic cooperation are harmful but we do think that the proportion of official aid to this sector—it must be nearly 50%—is excessive and that not enough has been done for rural development. This is one of the lessons of the industrial revolution in the 18th and 19th century capitalist world—that agricultural revolution is the sine qua non of industrial revolution.

This does not mean we want to bring back colonialism and condemn the developing countries to producing raw materials and not manufactures. But we do think that the development of agriculture and the development of industry must be properly balanced and that, if we want to produce a labour force, encour-

age saving, create a big enough market and provide purchasing power, we must start by developing agriculture. And not just export agriculture, although of course foreign exchange is needed; we must expand food crops. Greater priority must be given to agriculture and to infrastructure in a certain number of sectors.

Finally, we can criticise the present aid set-up as being under-coordinated, i.e. far more the reflection of the needs of firms and the ideas of leaders and officials in the donor countries than genuine concertation with the underdeveloped world. We think the aid we provide should be spread over a number of years and that transfers of resources should be better integrated with the demands of Third World development

plans so that the countries concerned know exactly what they can count on for their economic programming over a whole period. All this must be properly discussed with the developing countries.

Those are one or two ideas. They aren't exhaustive and there are more of them in the book. But ultimately, they contain many of the main criticisms that can be levelled at aid as it stands. We obviously have to mention the distinctions between the various transfers of resources. Is aid just strictly tied aid? Is it trade credits? Can we talk of aid when, as usually happens, we are not having any effect on the economy but merely piling up further debts for the underdeveloped countries to pay? These are just some of the questions that need to be asked.

The attitude of the USSR

► *Everyone seems to be—or claims to be—in favour of a new world economic order. Do you think that the North-South dialogue—in which neither the eastern bloc nor China are taking part, can manage to set up this order and how do you, as socialists, see it?*

— As we see it, there are perhaps two reasons for China's—and certainly for the USSR's—absence from the economic dialogue, which is therefore just international rather than world-wide. First, it is because certain countries in the western capitalist world haven't made the effort they might have done to bring them in. We are sorry about this. We think that it is a new *world* order that is needed and these countries should therefore be part of it. The second reason is tied up with the wishes of the Soviet Union. At international meetings I have always heard the USSR say that, since it hadn't been a colonial power, it could not be held responsible for the phenomenon of underdevelopment and did not therefore need to shoulder any responsibility for it in the same way as the ex-colonial capitalist countries, or what it terms the imperialist countries, did. I think the idea can be criticized from many points of view and I think we should help ensure that the countries of eastern Europe, the so-called socialist

countries, take part in this world-wide discussion in general and in the North-South dialogue at the present time. When you see President Carter and various European Presidents and Prime Ministers at the London Conference agreeing on a billion dollar fund being set up for the underdeveloped countries,

you wonder where it is coming from. Will it be deducted from the usual amounts of aid—since you have to do more than just set up a fund to make it an additional transfer of resources—and isn't it intended to be a sop to make up for the problems, if not the total failure, of the North-South dialogue?

BOOKS

Socialists and the Third World — towards a socialist policy for relations with the Third World Berger-Levrault, Paris, 1977

Only a few months ago, the industrial societies of the West were still being seduced by the delights of the consumer society and they turned a languid ear at best to the needs of the people of the Third World. The aid of the West, so parsimoniously granted, was a cheap means of salving its conscience about the problems of hunger and underdevelopment and a way to maintain its hold over the hungry and underdeveloped. The West had drawn up the rules of the international economy and they provided it with cheap and easy access to the planet's resources. The distribution of wealth between the prosperous north, containing one quarter of the Earth's population, and the wretched south, unable to feed the rest, seemed settled once and for all.

The need for a new world economic order

The Third World's awakening to the fact that it was dominated and the affirmation of its collective desire for economic autonomy was to overturn this scheme of things. Today, the Third World contests the place to which it was assigned in the international division of labour, is calling for a new international economic order and intends making its own choice of development.

A realistic assessment of French cooperation policy

For socialists, France's place is alongside the peoples who are fighting for justice between men and nations.

They take stock of development aid policy—and French cooperation policy in particular—over the last few years

and agree with the Third World as to the need for a new system of international economic and political relations which will mean fair development for all.

A set of socialist proposals for government

Their proposals for a socialist policy for relations with the Third World involve defining a new international development strategy to be established between industrialized countries with socialist policies and the underdeveloped countries.

Their "critical support" for the Third World leads them to completely rethink French aid policy.

The socialists hear the Third World's claims, but they do not forget that they will have the job of running a developed, industrial country, nor do they try to hide the difficulties France will face if it satisfies them. The governmental measures outlined in the book both show that the Parti Socialiste Français is ready to take over the reins of government and illustrate the importance it attaches to the problems of the Third World.

A desire to get the debate under way immediately and arouse public interest with a view to implementing a socialist Third World relations policy

The PSF is anxious to involve all Frenchmen in building a new world order and appeals to public opinion in France and in the world by putting forward a set of proposals for discussion in preparation for the action which everything suggests must come soon.

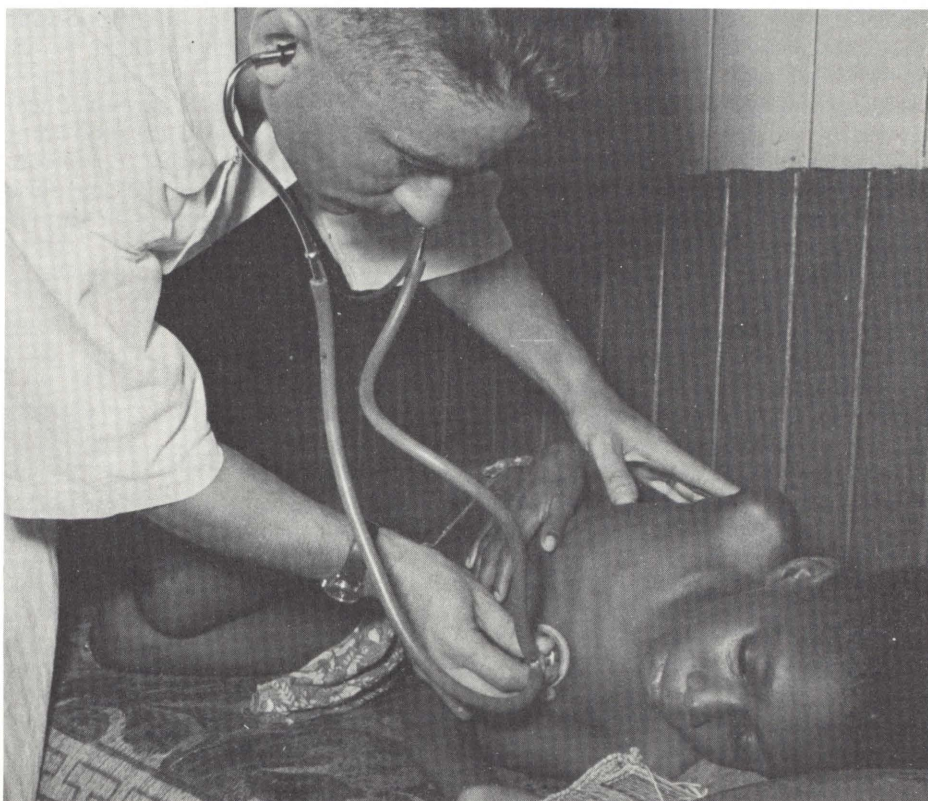
PSF national committee on the Third World

What we can do

We, as an opposition party, are able to develop our ideas and try and influence public opinion, and even, who knows?—influence the government too. Although we have no great illusions as to our means of doing so. The idea I am following now ought to be spread everywhere, and this isn't a forecast, if we come to power. When? We shall see. So, if we are elected, we think that France ought to do a certain number of things to get the North-South dialogue back on its feet. First, at bilateral level, it could put its commitments into practice, step up its aid and alter the form of it. This would be a good start. Then it could try and collaborate with other countries to outline a new type of co-operation. And finally it could make proposals at international meetings. But we do not think that France should try to act as if it were part of the Third World. The PSF belongs to the developed world and it is our job to defend the interests of workers in a developed country, if you like. We do not belong to the Third World. I don't think anyone would ask us to join the Group of 77 and I don't think we would accept if they did. So a left-wing government would join group B—or the group of western countries—but it could well be a force within the group, make proposals and pull away from the egoistic monolithism of the group as a whole. And it might well find itself with other countries—I am thinking of the Netherlands and Sweden here—who have done this sort of thing before. These countries, and others perhaps, could very well form a group which would facilitate the dialogue between the developed capitalist countries, the developed countries of eastern Europe and the underdeveloped countries. So this idea of a progressive—or at least pro-Third World claims—nucleus is not an unreasonable one, as we see it.

A common fight for social justice

So what should we do as socialists? I think there are two things. One: as far



FAO - P.A. PITTOT

Financial, technical and scientific aid must be made available to the Third World

as we are concerned, the fight for a new world economic order is part of the campaign for social justice we are waging inside our own countries. That is to say we think that the socialist fight against injustice, exploitation and domination has a basis within the individual nation and in relations between nations. These are of course socialist notions, which we feel are a vital part of the new world economic order. As we see it, the same forces as oppose social change within the country will oppose any real change in international economic relations and in the present balance of power. There may of course be a multinational firm strategy for a new world economic order, but we don't think that this order would do anything to change the living conditions of the vast majority of people.

Common interests

Two: we think that the opportunity for a real new world economic order lies in our ability to reconcile the interests of the people in developed and developing

countries. This means that if we can show the French, German, Belgian, or American masses that their interests do not conflict with development or with an improvement in the living standards of the masses in India, Zaire or elsewhere, we will have made an enormous step forward. How will we do this? Socialists must support the claims of the developing countries without abandoning their socialist philosophy. They must be critical of the Third World's oppressive regimes and of certain economic policies—I am thinking here of the Chicago school's economic policy which is now flourishing in Latin America and whose excesses are well known. We must not relinquish the right to criticize.

Economic and social transformation

There must also, as I see it, be substantial economic and social transformation in all the countries of the Third World. Without agrarian reform, development of democracy, reduction of eli-

tist privileges or increased scope for trade union or other action, there will not be, as we see it, any genuine economic development. Pockets of development will be scattered over a basically underdeveloped terrain. This is what has happened in Brazil. The Brazilian miracle is no miracle for many millions of Brazilians. There won't be any genuine economic and social development—this goes back to what I said earlier about the industrial revolution, which was founded on the creation of a vast internal market and on democratic progress. The progress was inadequate, it is true, since exploitation still existed, but it was fundamental progress nevertheless. If democracy does not progress and there are no improvements in human rights, if no vast internal market is set up in the underdeveloped countries, then there will be no possible way to a new world order because industries will be set up in the Third World for the benefit of the developed countries' market and not for the Third World populations themselves. That is to say we are throwing a ball against a wall and creating immediate problems of excessive competition and protectionist temptations. We must give the Third World some help with sending exports to our own markets (there is a new international division of labour to set up here), but we must also give them a great deal of help with developing their own internal market, that is to say integrating the mass of Third World countries into the development process from which they are now completely excluded.

► *One problem may arise from the fact that all socialists do not hold the same opinions—I am talking about the international situation here and I shall give you a concrete example. In Suresnes a couple of years ago there was an international socialist colloquium (which we reported in the "Courier") attended by two members of the EEC Commission. Divergences emerged between the analysis and solutions proposed by the socialists from the industrialized countries and those proposed by the Third World—between Samir Amin and Professor Tinbergen, for example. Simplifying things a bit, one was suggesting that the peoples of the world should fight and the other that they should forge international solidarity. Where does the PSF stand in all this?*

A "people's struggle" or international solidarity?

— We as socialists believe that there is no point, if we are to understand the way societies evolve, in denying that social classes exist. And this means—unless I am simplifying or caricaturing Samir Amin's views, which I don't want to do—that we are not in favour of a new set-up whereby the proletarian (that is to say totally proletarian, ruling classes included) nations are lined up against the rich countries (that is to say totally rich, proletariat included). The reality as we see it, is that there are forces of oppression and domination within both developed and developing countries. Of course, there are also cases where some nations dominate others and where the poorer classes in the dominant nation reap some benefit—this is the classic analysis of imperialism. But we feel that the new economic order will really be born of the possibility of forging solid links between the dominated classes in the various countries of the Third World. So I am not sure that I really understand what the "people's struggle", as Samir Amin calls it, means. If he means that we want the people to fight each other rather than their oppressors, then we don't agree.

The "common programme" of the French left is not enough ...

► *One chapter of the left's common programme (1) covers cooperation policy with the Third World. The terms are fairly vague and the situation has changed since the programme was drawn up. However, the third section of the socialist party's book is on a policy for France. Would you like to go over the proposed practical measures that you mentioned in general terms?*

— I have to agree that that part of the common programme that deals with the Third World is inadequate. It is very

(1) In 1972 the three main opposition parties in France combined to form a "Union of the left" and published a "Common programme" as their manifesto.

short and couched in general terms and even the rare items of foreign policy which have to do with it need boosting and revising. Perhaps we will have the opportunity to take this up with our partners when the programme is brought up to date. This is a question I cannot answer alone; but it is one that will be discussed.

... but it is not for us alone to devise a programme of government

► *Are there plans for this?*

— In the Communist Party's proposals, and the answering letter François Mitterrand sent on behalf of the Socialist Party's executive committee, there is a place for a more thorough treatment of the Third World's problems. So just what are our practical proposals? I hesitate to say at this stage. Our book contains proposals and ideas. You cannot say that it commits the Socialist Party to a whole series of very specific measures. It isn't for us alone to devise such a programme. So, going beyond what we would see as principles, I hesitate to say here and now "we will do this". I am no shadow minister of cooperation. I am working for the party and no-one else at the moment. It is true that the Third World Committee will be taking up a certain number of themes in this book between now and the next general election and trying to clarify what government action they would involve if the left came to power. We, as socialists, would then have to put forward our proposals. But I don't think it would be a good idea for me, as national secretary of the PSF Third World Committee, to say we will do this or we will do that without consulting with the party leaders and the Third World committee.

► *Development aid is one of the fields where the EEC and its schemes have developed most over the last few years. To a certain extent, the EEC development policy aims to be a positive factor in the*



Jesper Kirknes

Aid is meant to free people, especially from simple chores like water-carrying, not to make them dependent

difficult job of creating the united Europe to which the socialist party has always aspired. What do you think about this?

— In the book in question, we mention EEC policy, particularly the Lomé Convention, and our judgment of it isn't a negative one—I would even go so far as to say it's somewhat indulgent. However, in reality, we do think that a certain amount of criticism is called for. Why were we so positive then? Because we thought that the past had to be taken into account. We thought we had to remember the need for a compromise between countries with different attitudes to cooperation—you mentioned the Suresnes talks just now. We think that the Lomé Convention attempts to innovate, that it contains themes, outlines, even concrete structures in the

case of transfers, and an attempt at stabilization in the commodities sector. This is new. It could be better, obviously, but it is a step in the right direction. This is why we welcomed the effort that had been made, even if a certain amount of criticism is called for.

The European dimension

In addition—I am looking to the future here—we must remember what France's means are and what the developing countries need. As we see it, solidarity of interests may emerge between the countries of the EEC and the underdeveloped world, since they are both faced

with problems of domination, although posed in singularly different terms. Europe has the problem of American domination, since Europe is objectively more dependent on the Third World than America is. As we see it, there is an objective possibility of seeking a way out together. So, we feel that the European dimension is a *sine qua non* of a Third World cooperation policy and it may be extremely promising, particularly in the event of a move to the left, towards socialism, in Europe. There is a place for a European/Third World cooperation policy and, as we see it, any cooperation policy must be a European one. We say so in our book and we shall say so at our next congress. □

Interview by
A.L.

1957-1977

The Treaty of Rome, 20 years on

A talk with Maurice Faure

The 20th anniversary of the Treaty of Rome was celebrated on 25 March 1977. Whatever we think about the hopes, achievements, delays and disappointments in the unification of Europe, the signing of the treaty was undeniably a turning point in the history of Europe and for many developing countries as well.

Maurice Faure, French MP and Mayor of Cahors,

played an important part in the negotiations in 1956/57. He was then French Secretary of State for Foreign Affairs and the youngest of the negotiators who signed the Treaty of Rome. M. Faure looks back on the ups and downs of the negotiations, the atmosphere surrounding them and the very up-to-date problems which have emerged as a result 20 years later.

The signature of the Treaty of Rome, 25 March 1957 (Maurice Faure fourth from left in front row)



► *M. Faure, as Secretary of State for Foreign Affairs you were one of the signatories of the Treaty of Rome and you played an active part in the negotiations. First of all, can you tell us how the negotiations went at the time and which aspect of them impressed you most?*

— Generally speaking, what struck me most was the speed of the negotiations. In spite of the size of the problem, the interests—and emotions—involved and the technical nature of many of the issues, things went fast, for two reasons. First, when the various ministers who were committing their governments began discussions—this was the summer of '56, the real beginning being at the end of September '56—their work had already been prepared by a group of experts, who had been meeting throughout the previous year under the chairmanship of Paul-Henri Spaak and had drawn up a form of outline treaty of a fairly abstract kind. This was not binding on national governments; at the very most it committed the individual members of the group of experts; and this meant that it was completely free to lay down the guidelines for a sort of ideal economic community. Naturally, we ministers had to make a lot of changes to the general ideas and policies adopted during the first, fairly theoretical, stage, although I have to admit that we stuck to the guidelines themselves which were extremely clear and useful.

A common political will

The second reason is that, at the time, there was undeniably a much greater political desire in the six governments concerned than there is today to unify Europe. We were still traumatized by the failure of the European Defence Community and this is why France—which had refused to ratify the Defence Community in August '54—proposed to develop Europe via economic means at the conference at Messina one year later. The group of experts chaired by Paul-Henri Spaak was the direct result of this. A year later, genuine negotiations began between the accredited government representatives.

► *This was in Venice?*

— Yes, it was in Venice that the experts' dossiers were handed over to the ministers, in June 1956.

► *In his memories, Paul-Henri Spaak emphasizes the role you played, especially at that particular time. You knew all the negotiators. Technical problems apart, can you tell us about the atmosphere surrounding the negotiations?*

— Before the Venice conference, the French experts were led by the late Félix Gaillard, who was a highly able man but not then a member of the government and so unable to make any commitments on its behalf. I therefore had a part to play at the first official meeting at the end of 1956, once it had been recognized that everyone at the Venice conference had applauded the experts' conclusions and approved their general guidelines. I pointed out that all countries had their individual positions and that the negotiations would have to deal with them. I also pointed out that it would be extremely surprising if the individual positions of all six countries coincided, and that it was clear that Italy would feel we were going too far on any given point and Germany that we were not going far enough. And that the Netherlands, Belgium, France or Luxembourg would object to other things. Divergences would obviously appear when everyone put their cards on the table and we went from general principles, on which unanimity is easily achieved, to the practical drafting of the articles of the treaty. And that was when I said we had better put all our disagreements on the table straightaway and try and overcome them one at a time and Paul-Henri Spaak adjourned the meeting because he felt we all needed to think about it. When we met again—and this is the session he is talking about in his memoirs—Spaak said, "Well, at least Maurice Faure put the problems in concrete terms". So we decided that each government would have 15 days to submit a memo saying how it hoped to see the experts' proposals altered.

Everything happened as I said it would. Everyone wanted to make changes. But not the same changes. Everyone saw things from his own national point of view. We obviously had

to handle all these difficulties and it was the good atmosphere of the negotiations that enabled us to go so quickly. It was a cordial atmosphere, one of frankness and loyalty. There were difficult moments, certainly, over the agricultural common market and relations with overseas countries and territories for instance. Undeniably, there were extremely difficult moments, but never did we have the feeling that they were such as to compromise the whole undertaking. This is why I remember the negotiations with such enthusiasm, because I think they were marked by a genuine will to succeed.

► *After the war and the rebuilding of Europe that followed, the continent had almost 20 outstandingly prosperous years. This prosperity surely helped the negotiations for the Treaty of Rome and its implementation?*

— Certainly it did. The 50s were the first years of major economic recovery when the western world—and Western Europe in particular—expanded its economies at the rate of 5 or 6% p.a. This was a substantial figure and a generalized one. Prosperity lasted, I should say, for the first 10 years of the Common Market. The first cracks in economy came in 1967, when the French franc was first devalued, and between then and 1973 the system went completely to pieces—when the US decided to leave the gold standard, when the currency snake—soon to be dropped—was hastily introduced and when the attempt at monetary and financial union proved unworkable due to the extreme divergence of our national monetary policies, a reflection of their general economic policies. It was quite unrealistic to think that it was enough simply to decree that there would be economic and monetary union. A union requires careful preparation in great detail and on a large scale and once completed, comes into being of its own accord. The absence of monetary troubles was the hallmark of the years of prosperity. We did not take enough notice of the fact that, at the time, fixed rates of exchange had been more or less maintained and that it was this which enabled trade during the first 10 years of implementation to be liberalized (i.e. tariff barriers to be dropped

and quotas eliminated) even faster than the treaty had stipulated.

This economic situation was obviously a profound advantage as far as implementing the Treaty of Rome was concerned. And it is no less true that the existence of the treaty accelerated and strengthened this prosperous trend by developing the competitive element in the economies of the six countries, by stimulating initiative and adapting and strengthening structures. In other words, we all prepared for competition and this was, undeniably, particularly in industry and agriculture, to the benefit of us all. It is a great pity that we did not make the most of the circumstances and work towards economic and monetary union then, since when we came up with the idea in 1968, the international monetary system was already very shaky and had deteriorated to the point where the whole project was almost naïve in design.

► *You mentioned just now the overseas territories—the French ones in particular—as presenting a problem at the negotiations. Can you tell us about this?*

— This was the biggest problem. Naturally, we came up against fairly considerable problems with agriculture, with the choice of industrial policy, on the rate of tariff dismantling and on the switch from phase one to phase two. But these were intrinsic in the notion of the EEC. We knew the six had a problem with agriculture which would have to be solved one way or another and that the varying production structures in the different countries would give rise to difficulties. No-one thought these issues

An “epiphenomenon”

could be skated over. But the problems of the OT were, to a certain extent, an artificial problem for the EEC. After all, Italy and Germany had no overseas territories at the time. And France, Belgium and the Netherlands could quite well not have had any—in which case the problem would never have arisen. I would almost go so far as to say that it was an epiphenomenon in relation to the very substance of the EEC. It was a phenomenon that history—and not geogra-

phy—placed across our path. And we French could not avoid it, since in 1956/57 we were half way between the old system of political domination by the home country and independence of the territories in question. Via the notion of the French Union and then via the outline law that Gaston Lefèvre had passed by the Guy Mollet government, the status of these territories changed and they achieved autonomy—generally considered to be the gateway to independence. But, at that time, they were still legally under French sovereignty and the foreign minister, who was negotiating for France, was also negotiating on behalf of Madagascar, Senegal and Algeria, which were still French departments. We therefore had to face up to the problem. It was impossible, inconceivable politically and monetarily—since all these territories were in the franc zone—to dissociate metropolitan France from its extensions overseas, mostly in Africa, and for it alone to accede to the EEC. We had to start by realizing that these territories would in any case become independent but that since they had not yet attained their majority there would, for the moment, have to be rules attaching them to the Community in one way or another.

The first North-South dialogue

Faced with this barrier, which at one stage seemed like something we could well do without, we French were the first to take the rather original view that there was perhaps a major policy to devise for future relations between Europe and those developing countries with historic ties binding them to one or other of the EEC countries. This was the first North-South dialogue, a first full-scale achievement in that thousands of millions of people were concerned in a discussion, for which we tried to establish rules with a framework of greater solidarity between rich and poor countries.

► *What arguments did you, as a negotiator, use to convince those of our partners who did not have France's and Belgium's reasons for taking an interest in Africa?*

— That's a good question. When I heard one or other of my colleagues in the French parliament say that France had brought the Union Française as part of its dowry, I could not stop myself from thinking that this was a gift that would soon be scattered to the four winds as the countries were going to be independent—General de Gaulle having done no more than bring to fruition a process that had started well before his time. In addition, we had to get the Treaty of Rome to say that our partners should share the burden imposed by these territories and we therefore had to convince them of the need for this. We used two arguments. The first consisted of saying that, in any case, they could only negotiate with metropolitan France—I shall take up this argument again later. They were negotiating at the Val Duchesse talks in Brussels with the French Republic and these territories were part of the French Republic. France had land abroad, and consequently it was more or less out of the question, politically speaking, to do otherwise. They had to take the French Republic as it stood.

Necessity the mother of the invention of a major policy

The second consideration was a step towards a major policy of mutual assistance on the part of industrialized and developing countries. There was a vague notion of Eurafica here, which, geographically speaking, was situated between the Soviet Union and the United States. We therefore used the great political argument that it was in Europe's interest in the long and medium term to maintain the political, cultural, economic and commercial links which would make privileged associates of these African countries which were autonomous at that stage and shortly to become independent. I spoke for these territories. I bound them by my signature as member of the Government of France and I explained that, when they became independent, we would have to ask them if they wanted to carry on with their association or not. And, with the exception of Guinea-Conakry, I have had the immense satisfaction of seeing these now

independent territories unanimously ratify the clauses associating them with the Common Market, as laid down in the Treaty of Rome. Why? There are two reasons. First, we associated their representatives with the French parliament. Léopold Senghor and Houphouët-Boigny accompanied me on several visits to Brussels, and Houphouët-Boigny was a member of the government. We often consulted them. But above all, we often negotiated clauses which were in their exclusive interest. These fell into two main categories. The following simple rule was introduced on trade—the territories could protect themselves in respect of imports from the Community, but the Community could not protect itself in respect of products from them. Secondly, as far as investments were concerned, the European fund for the development of overseas territories—which was to become the EDF—was supplied by contributions from the budgets of the six countries of the Community. The accession of the associated states, which they confirmed after independence, was a rich reward for those who had genuinely striven for this cooperation for their benefit.

▶ *Did France have to make the association of the OCTs a sine qua non of signing the Treaty of Rome or was there more to it than this?*

— Although the negotiations went quickly, our partners gradually realized that they would not succeed unless this problem was solved. The worst moment was when it came to dipping our hands in our pockets and deciding how much each state would have to contribute to the overseas territory fund. Obviously, in 1957, countries like Italy had barely got back on their own feet and were still in a precarious economic position as far as industrial production structures were concerned. Italy, particularly, had the enormous handicap of the Mezzogiorno and pointed out that it had underdeveloped areas of its own that cost it considerable amounts. Although willing, it would find it very difficult to make a large contribution to the fund. However, Germany, which had had overseas territories and had, in its own words, been lucky enough to lose them, had lost the habit of spending money on them and felt that our proposals were calculated

to get all the countries of the Community to shoulder a burden which France had shouldered alone thus far. To a certain extent, it suspected us of wanting to keep a kind of exclusive political hold over the territories but to get everyone to pay the costs.

We had to resort to a summit of heads of government in Paris, at the Hôtel Matignon, with Guy Mollet in the chair. After a long day's discussion, we managed to obtain all the contributions planned for the first five years. Our idea was that, if the fund was to be taken seriously, it had to be a large one from the start and it had to be sure of regular in-payments over the five years in question. At the end of these five years, the Common Market would go into phase two and contributions would be renegotiated in the light of results obtained thus far and of the position that any newly independent states had adopted vis-à-vis this association. Obviously, if these states broke their links with the EEC, the fund would be redundant, at least in its original form.

▶ *There is one area where the principles laid down in the Treaty of Rome in 1957 are very much up to the minute. This is as regards direct elections by universal suffrage to the European Parliament. We hear a lot about this at the moment as the elections are scheduled to take place in 1978. Do you think they will actually materialize and how do you expect them to affect the unification of Europe?*

— I think there will be elections. I expect the French parliament will ratify the convention on the election of the European assembly by universal suffrage in a couple of weeks and I don't think there will be problems about ratification in any of the Member States. The elections can therefore be held in summer '78. However, there would be no problem if they had to be held in the autumn. As to what we are expecting of them?—that's the million dollar question! That is to say that we all have our own ideas.

I expect less than some exaggeratedly optimistic people whose statements I read in the press. I do not, in any case, expect it to transform the European Parliament into a constituent assembly. The Community is a civilization governed by written laws and the powers of its various institutions are only conferred by

written texts, the treaties, and, revolution apart—this being the negation of written law and, thus, of the free regime—the European Parliament, even if it is elected by universal suffrage, will only have the powers it has today. If it is to have further powers—a debatable point—intergovernmental negotiations must be reopened with a view to a new treaty being signed by all the governments and ratified by all the parliaments. This would pose problems of constitutional revision for some of them, if the European Parliament was to be given powers outside the scope which the Treaty of Rome gives the Community. However, if it was a question of increasing the Parliament's powers without going beyond the scope which the treaty gives the Community, there would be no such problems. That is to say that any increase in the Parliament's powers will of necessity be slow and difficult.

And when the members of the European Parliament take their seats thanks to the hundred of thousands of votes that have been cast for them, when they realize that their powers are still fairly slender then I am afraid that they will do one of two things—become disillusioned or turn into trouble-makers. This is one danger of the election which we must be clear about. But nevertheless, I feel there are more advantages than disadvantages and more opportunities than risks. I can see two main advantages. First, going beyond the notion of legal powers of control, there is the notion of political powers of influence and, undeniably, MPs directly elected by universal suffrage who put questions to the Commission or the Council of Ministers would get more detailed answers than they do now. And furthermore, more notice would be taken of what they say and of the pressure they can exert.

A great public issue

Secondly, and this is the great advantage to my way of thinking, it would at least be an opportunity to get this issue, which should be the major issue of our times, discussed by the general public. For once the big issues will not stay in the ivory towers of governmental summits and the people will be asked what they think about what concerns them

A collection of handwritten signatures in black ink, arranged in two columns. The signatures are stylized and cursive, representing the heads of state or government of the founding member states of the European Community.

Signatures on the Treaty of Rome

most. We can only applaud a move such as this. It will then be up to public opinion to tell us whether it is still in favour of Europe and what sort of Europe it wants—since one word can have many different meanings—and how far it wants us to go with unification. Public opinion, basically, will have the last word. I think this great democratic debate will have the decisive advantage of reconciling Europe with public opinion, of giving the public a clear picture and asking them to choose. But it can only give a clear and coherent answer on one condition—that we avoid falling into the internal policy traps of our various countries and avoid making the elections a minor repetition of our internal political differences and elections. European parties of the same political colour must agree among themselves. The socialists

must agree. The communists, the liberals and the christian democrats must agree, so they can at least put forward a minimum of homogeneous programmes on this conception of European unity. This will mean that the election results can be interpreted clearly. We must achieve this cohesion via international associations which exist and must be strengthened. Otherwise we will have fired our last shot to no avail.

► *Now, 20 years after the Treaty of Rome and going beyond what you just said about direct elections, are you generally disappointed or reasonably optimistic about the unification of Europe?*

— I am disappointed. Apart from the agricultural common market and the liber-

alization of intra-Community trade, we have made very little progress with joint economic policy and even less with joint monetary policy. I am disappointed to see that, now crisis is upon us, we have no joint strategy on employment or against inflation or unemployment and no industrial policy, economic policy, budget policy, monetary policy or energy policy either. Never have our economic and monetary policies been as different as they are now. That is to say that the Community has failed to coordinate and harmonize its policy on this fundamental issue. The only positive thing to emerge from this inheritance is that, without the Common Market, each of our countries would have been unable to resist the temptation to revert to protectionism when crisis struck. This is to the credit of the Treaty of Rome.

The second resounding failure of the last 20 years has been our total inability to forge a political Europe. But while there's life, there's hope. There are institutions, even if they work in slow motion. Europe is ill-governed, or rather not governed at all. The weakness of the executive in this Common Market is a sign, as is parliamentary control. These institutions work badly—but they do exist and their very existence gives us hope. This is why I think that direct elections are a chance, but not a certainty. What makes me sceptical is the complete indifference of public opinion. Europe has ceased to be its number one interest. I don't mean that public opinion is hostile to the idea of Europe. I think it is more in favour than the governments themselves are and that it would be prepared to go a lot further. But it is disillusioned and indifferent. The same word has many different meanings—everyone is European, but in different ways. Public opinion is lost—perhaps the popular debate opened by the elections can help clarify the issue. There is no other way. If our aims are to be security, the preservation of liberty, prosperity and greater peace in the world, and if we believe we still have a message and that Western Europe cannot go without a murmur and within the space of 50 years from being a world leader into an almost dominated, and certainly minor position, then we must be united. □

Interview by
A.L.

MAPUTO

International action for settlement in Zimbabwe and Namibia

An international conference for the support of the peoples of Zimbabwe and Namibia and against apartheid was held in Maputo, capital of Mozambique, on 16-21 May 1977. The aim, the UN said, was to generate world-wide assistance for the people of these territories in their struggle «for self-determination and independence».

About 100 countries, international organizations and liberation movements from the countries concerned attended the Maputo meeting, which was opened by UN Secretary-General Kurt Waldheim and President Samora Machel of Mozambique. All the independent states of Africa which are members of the OAU were represented. From the Caribbean, Jamaica was represented by Prime Min-

ister Michael Manley and there were representatives of Trinidad and Tobago and Guyana. India was there, the West—the US, Germany, France, the UK, Denmark, the Netherlands and Canada—and the USSR, China, the OAU, the UN, SWAPO (Namibia, the Patriotic Front (Zimbabwe), and others.

In his speech, Kurt Waldheim said he was encouraged by the fact that there was unanimous international recognition of the need for "firm, resolute action" against the Salisbury regime and the illegal occupation of Namibia by South Africa: "Unless we speed up our efforts to find just, peaceful solutions that will put an end to the unacceptable situation in Zimbabwe and Namibia, there may well be a real disaster, the grave conse-

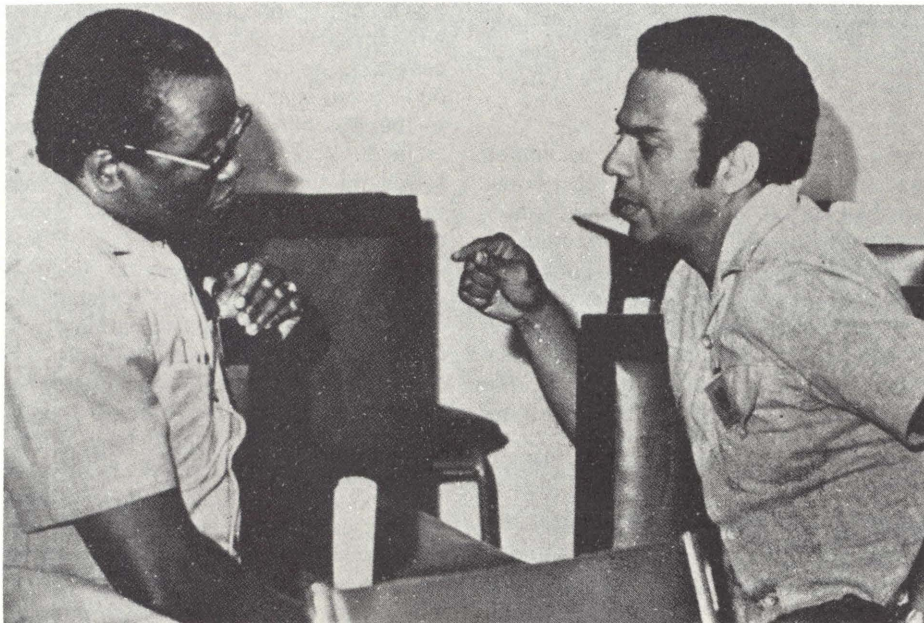
quences of which will be felt far beyond the region itself." Dr Waldheim outlined the UN position on Namibia, which is being "illegally occupied", and called upon South Africa to withdraw from the territory, which is still under UN control. As far as Rhodesia was concerned, Mr Waldheim again said that the Salisbury regime was a threat to international peace and security. The threat was aggravated, he added, by Rhodesia's repeated attacks on neighbouring African countries.

The Maputo Conference led to the adoption of a 6-point programme of action and support for the Namibian and Zimbabwe liberation movements, which involves:

1. providing Namibia and Zimbabwe with the greatest political and moral support;
2. providing and stepping up financial and material aid for liberation movements connected with the OAU;
3. encouraging non-governmental organizations to support these movements;
4. stepping up contributions to the UN fund for the promotion of the Lusaka (Zambia) Training Institute for future cadres in independent Namibia;
5. extending travel facilities and training and job opportunities for Namibians abroad.
6. Finally, the conference asked the various states taking part to be extremely active—primarily by setting up Namibia assistance committees—during the Namibia Solidarity Week which the UN would be running every year during the week following October 27.

The final resolution of the Maputo Conference was approved by all countries, including the countries of the EEC and the West, in spite of the fact that some of the latter had minor reservations.

At a New York press conference, Kurt Waldheim commented on the outcome of the Maputo meeting, saying that the UN and the US were giving their support to the British plan for a settlement in Rhodesia, particularly in view of the fact that there was armed fighting going on in both Rhodesia and Namibia. □



Andrew Young (right), the US ambassador to the UN, with Siteke Mwale (Zambia) at the Maputo conference

"The United States will no longer support racist regimes in the name of anticommunism"

The Lomé Convention

One year after its entry into force ⁽¹⁾

From 46 to 52: six new partners

To the original 46 ACP members of the Convention, three former Overseas Countries and Territories were added after they had become independent: the Republic of Surinam, the Republic of Seychelles and the Republic of the Comoros, which acceded to the Convention on 16 July, 27 August and 13 September 1976 respectively.

The acts of accession to the Convention of a further three countries were signed on 28 March 1977: they are Sao Tome and Principe, Cape Verde and Papua New Guinea. Their accession is yet to be ratified by the states signatory to the Convention, so, in the meantime, these three countries will benefit from advance application of the trade arrangements. The preparatory work in the field of financial and technical cooperation will start immediately.

The second meeting of the ACP-EEC Council of Ministers was held in Fiji on 13 and 14 April 1977. One year after the entry into force of the Lomé Convention the ministers debated a number of specific problems concerning its implementation and took various decisions, and assessed the overall achievements of that first year of cooperation between the ACP and the EEC.

The purpose of this memo is to enumerate the main events in the life of the Lomé Convention during the phase of launching institutions and mechanisms and starting operations.

It is obviously not possible here to take stock of "Lomé policy". It is too soon, for example, to measure the impact of the trade arrangements (advance application started in July 1975) on the development of trade. Financial cooperation is not yet in full swing, especially in those countries from whom cooperation with the Community is a novelty. Similarly it was not possible to obtain instant results from the **new cooperation formulae**, for instance **industrial cooperation**, for which oper-

ational machinery had to be set up, and the financing of **regional projects**.

Nonetheless, the fact remains that, after only one year, this vast cooperation undertaking—vast by the number of partners it encompasses and by the variety of instruments used to implement it—has got well under way.

The **institutional framework** is established: within the Convention's organs—Council of Ministers, Committee of Ambassadors and its specialized Committees, Consultative Assembly—a dialogue has been initiated which is essential to any cooperation which is alive and dynamic. And of course any difficulties, problems of interpretation or implementation of the Convention are gone into thoroughly in that dialogue.

Despite, however, the importance that both sides lend to seeking solutions to the problems that arise, to improving the functioning of the Convention, the significance of what has already been achieved, or is about to be, must not be overlooked.

Since 1 July 1975 **over 99% of ACP exports have had free access to the Community market**. In addition the Community has done its best to safeguard the essential interests of the ACP producers when a difficult situation on the Community market has made it necessary to take safeguard measures for a particular product such as beef and veal.

The first transfers under the **system for the stabilization of export earnings** (Stabex) were made in July 1976: eighteen ACP countries, thirteen of which are among the poorest, have benefited from this insurance against losses incurred in 1975.

The special arrangements for **sugar** have been in force since 1975. The results of their operation in 1976/77 have confirmed the advantages of such a mechanism for a product whose prices on the world market are subject to sudden fluctuations.

In May 1976, a few weeks after the entry into force of the Convention the first financing decisions under the **European Development Fund** were taken: since then a total of 565 million units of account have been committed (of which 73 million under Stabex), to which should be added the first contributions of the European Investment Bank.

In December 1976 the Centre for Industrial Development (CID)—the instrument for cooperation—started functioning.

I. Trade cooperation

The **Convention's trade arrangements** were put into operation on 1 July 1975, in advance of the Convention itself. Note again that this means that **over 99% of imports from the ACP States are guaranteed free access to the Community market**.

It has not been possible, however, to apply this principle to

(1) This document was published by the European Commission on 1 April 1977, one year after the entry into force of the financial provisions of the Lomé Convention.

certain products coming directly or indirectly under the common agricultural policy: these products (representing less than 1% of all products imported from the ACP) do however enjoy preferential treatment over imports from other non-member countries in the form of a reduction in customs duty or in the levy.

As regards the trade arrangements for **imports of European products into the ACP States**, the Community's partners are under only one obligation and that is to apply most-favoured-nation treatment and not to discriminate between Member States. In the vast majority of cases, the ACP countries accord the Community non-preferential treatment, either because such treatment was already being applied or because the preferential treatment accorded to the Community of Six or to the United Kingdom has been stopped. Certain countries, however, have maintained or even re-established preferences, mainly in order to avoid an increase in prices to the consumer.

ACP-EEC trade

The ACP's exports to the Community represent, on average, in the latest years for which information is available, approximately 50% of their total exports (as against 15% for example to the USA).

This average percentage is often a great deal higher where exports of individual products (such as coffee and cocoa) from a given country are concerned. In certain cases, almost all the sales, except for intra-ACP trade, are on the European market (for example: groundnuts, palm oil, bananas, hides and skins). The Community's purchase undertaking in respect of sugar represents some 60% of ACP exports.

Structure of EEC imports from the ACP (1975)

- agricultural products: 40.7%
- of which "common agricultural policy" products: 15.5%
- oil: 34.5%.

Particular problems

Apart from the problems that have arisen in the implementation of the Protocol on sugar (see below), there are a number of particular aspects of trade cooperation that have received the special attention of the partners to the Convention at their various meetings at both ambassadorial and ministerial level.

Solutions have been sought to maintain the flow of trade in certain products of special importance for the economy of a given ACP country.

This has been the case, for example, with beef and veal: in spite of the fact that safeguard measures are being applied in this sector, the Community accords four exporting ACP States far more favourable treatment than they would receive if the provisions of the Convention were applied strictly, for it allows imports of certain quantities corresponding to the amounts traditionally imported and grants a reduction of 90% on normal import charges. This special treatment was adopted first of all for successive six-monthly periods and then extended for one year up to 31 December 1977. Other problems—of an

Trade 1975/1976

million EUR (1 EUR = \$ 1.2)

	1975	first 9 months 1975	first 9 months 1976
• Total imports from ACP (cif)	8 159	5 822	6 802
• Total exports to ACP (fob)	7 589	5 563	6 246
• Trade balance	- 569	- 258	- 556
• 1973 index = 100	index for 9 months		1975 = 100
imports	125	100	117
exports	162	100	112

In 1975 the EEC's exports to the ACP countries represented 6.6% of exports to all non-member countries.

By way of comparison

- all developing countries = 36%
- of which OPEC = 15.3%
- non petroleum producing = 21%
- Maghreb-Mashreq = 6%
- USA = 10.8%
- State-trading countries = 10.8%

other kind—that can be quoted are those concerning sales of bananas, rum and groundnut oil-cake.

The more general question of the Community's trade relations with non-member countries, notably the developing countries, has been brought up on various occasions in the ACP-EEC institutions. Thoroughgoing exchanges of views have taken place, for example, on the presentation of the Community's offer on tropical products in the multilateral trade negotiations and the preparation of the 1976 and 1977 schemes of generalized preferences. It is because of these consultations that the Community has been able to take into consideration some of the preoccupations aired by the ACP States.

II. Application of the sugar protocol

The sugar protocol annexed to the Lomé Convention is an interesting innovation in policy on commodities. For this product, which is particularly important for the economies of a number of ACP countries in addition to the reciprocal undertakings to purchase or deliver specific quantities. The prices guaranteed to the producing countries are virtually indexed to the prices guaranteed to Community producers.

The quantity of cane sugar specified in the protocol is 1 400 000 tonnes (or approximately 1 221 500 tonnes expressed in terms of white sugar), which represents approxi-

Deliveries of sugar in 1975/76

	Annual quotas stipulated in the Protocol (1)	Actual deliveries (1) (2)
Barbados	49 300	50 430
Fiji	163 600	135 000
Guyana	157 700	154 190
Mauritius	487 200	487 040
Jamaica	118 300	119 920
Kenya	5 000	—
Madagascar	10 000	10 030
Malawi	20 000	20 000
Uganda	5 000	2 960
People's Rep. of the Congo	10 000	—
Swaziland	116 400	114 300
Tanzania	10 000	10 120
Trinidad and Tobago	69 000	68 940
TOTAL	1 221 500	1 173 000

(1) Expressed in tonnes of white sugar.

(2) Under the protocol, those ACP states that fail to deliver the agreed quantities—within a margin of 5%—have their quota reduced by the shortfall. This provision does not apply if the country has defaulted on deliveries for reasons of force majeure. In this event an additional period is, at the request of the state concerned, allowed for delivery (this was the case with Mauritius) or the quota is maintained (as with Fiji).

mately 60% of the total exported by the ACP. The provisions of the protocol have already been in force for two years: 1975/76 and 1976/77.

The implementation of this protocol has been the subject of numerous discussions between the Community and the ACP countries, particularly as regards the limits within which the guaranteed minimum price should be negotiated each year, since this price has to be "within the price range obtaining in the Community".

Following the meeting on 20 October 1976 between the two Presidents of the ACP and EEC Councils, the Community spelled out its interpretation on the basis of the idea that application of the protocol should procure for the cane sugar-producing ACP states earnings comparable to the net earnings guaranteed to the Community's beet sugar producers.

Although there have been difficulties in running in what is a totally new system, the stabilizing role of the sugar Protocol mechanism is clear when seen against sharp price fluctuations on the world sugar market over the last few years.

Although, when it was first negotiated, the guaranteed price was fixed at a lower level than the current world price, the situation has since been completely reversed: the guaranteed price fixed for the last year is on average at least twice as high as world prices (1).

(1) It should be noted furthermore that up to now ACP sugar has never been offered to the intervention agencies, which means that it has been sold at a higher price than the guaranteed price.

(2) Seven more products were added at Fiji.

III. Stabilization of export earnings

The Community and the ACP states agreed that the first year of application of the system for the stabilization of export earnings would be 1975. In July 1976, barely three months after the entry into force of the Convention, 25 transfer agreements were signed involving 17 ACP countries. Another agreement was signed later with one more country (Mali), bringing the total transfers for 1975 to nearly 73 million units of account.

— Though this is only its first year of application, the nature of the protection offered by Stabex is already clearly illustrated: it is protection not only against **export losses resulting from a deterioration in the economic situation** in this case, a fall in demand—but also against losses caused by a drop in production attributable to **circumstances or natural disasters**: 68% of transfers in the first case, 32% in the second.

— It can be seen, moreover, that this mechanism does not benefit exclusively, nor even mainly, the relatively more developed countries which have a reasonable supply of exportable resources, for 57% of the transfers went—in the form of grants—to the least developed countries.

— This trend is expected to become more marked for 1976: transfers in the form of grants to the least developed countries could account for approximately 77%.

— Certain points regarding the implementation of Stabex have been discussed on several occasions between the Community and the ACP. The latter would, moreover, like to see if it is possible to extend the system to cover several products that are not on the original list contained in the Convention.

STABEX in brief

— **Appropriation:** 375 million u.a. for the duration of the Convention, divided into five annual instalments of 75 million u.a. each with an automatic carryover of the balance to the following year. The annual authorized amount may be increased in certain circumstances.

— **The products covered:** Twelve commodities (groundnuts, cocoa, coffee, cotton, coconut products, palm and palmkernel products, raw hides, skins and leather, wood products, bananas, tea, sisal and iron ore) and certain of their by-products (2).

— **Dependence threshold:** For any one of these products to be taken into consideration, it must have represented at least 7.5% of total exports to all destinations in the preceding year. This percentage is reduced to 5% for sisal, and to 2.5% for all the least developed, landlocked and island ACP countries.

— **Trigger or fluctuation threshold:** In order to be eligible for a transfer actual earnings from exports to the Community of a given product must be less than the average of the corre-



From left to right, Ambassadors Lambert Messan (Niger), Kombat-Naguemon (CAE), Razafimbahiny (Madagascar) and Mtonga Mloka (Tanzania) signing the conventions for Stabex transfers on 16 May 1977.

Table shows Stabex transfers for the 1975 financial year

Mr Cheysson, EEC development commissioner



Recipient ACP State	Product	Amount of transfer in EUA
BENIN	Groundnuts	464 330
	Coffee	1 174 883
	Cotton	4 299 556
	Oilcake	1 191 079
BURUNDI	Cotton	965 602
	Raw hides and skins	520 053
CAMEROON	Wood in the rough	3 601 423
CENTRAL AFRICAN EMPIRE (1)	Coffee	353 108
CONGO	Wood in the rough	7 361 677
ETHIOPIA (1)	Coffee	9 339 683
	Raw hides and skins	5 080 364
FIJI	Copra oil	615 140
GHANA	Wood in the rough	5 176 408
IVORY COAST	Wood in the rough	15 000 000
MALI (1)	Cotton	648 503
NIGER (1)	Groundnuts	5 441 294
	Raw hides and skins	507 747
SOMALIA (1)	Fresh bananas	1 296 907
	Raw hides and skins	635 238
SUDAN (1)	Raw hides and skins	1 658 579
TANZANIA (1)	Cotton	1 887 082
TOGO (1)	Coffee	2 680 324
UGANDA (1)	Cotton	1 748 932
UPPER VOLTA (1)	Groundnuts	685 239
WESTERN SAMOA (1)	Cocoa	276 978
		72 785 065

(1) Least developed states receiving transfers in the form of grants.

sponding earnings over the four preceding years by at least 7.5 % in normal cases or at least 2.5 % in the case of the least developed, landlocked and island countries.

— **Nature of the transfers:** In general they are interest-free loans which are repaid by the recipient States when certain conditions have been fulfilled relating to increased export earnings. In the case of the twenty-four poorest countries, however, the transfers take the form of grants.

IV. Financial and technical cooperation: a good start

1. Programming

Even before the Convention entered into force the preparatory work for the implementation of financial and technical cooperation had already made headway so that it was possible to make rapid progress with the “**programming**” of **Community aid**.

This programming has since been completed for all the ACP countries and each now has its **indicative programme**, based on the priorities set by each country and defining, within a given financial framework, the projects for which a contribution from the European Development Fund can be considered.

The **breakdown by sector** of the projects included in these programmes reflects the importance that is ascribed in general to rural development—36 % of total programmed aid. Industrialization, economic infrastructure and social development account for 11.9 %, 27.2 % and 15.4 % respectively, with a balance of 9 % for other schemes.

The distribution of the programmed aid among the recipient countries reflects the “special attention ... paid to the needs of the least developed ACP States” (Article 48 of the Convention): these, numbering 24 should receive approximately 65 % of such aid.

Programming, the main aim of which was of course to enable the ACP States better to fit Community aid into their development plans, has also made it easier to step up coordination of Community aid proper with bilateral aid from the Member States.

The fact that the programming was carried out so rapidly meant that it was possible, a few weeks after the entry into force of the Convention, to take the first financing decisions and to keep up a satisfactory flow of commitments during this first year of application.

2. Amounts committed in the first year

If the full range of financial resources available under the Lomé Convention is considered, the balance sheet of financing decisions taken between 1 April 1976 and 31 March 1977 looks like this:

	Resources available for the duration of the Convention (1) (million u.a.)	Commitments as of 31 March 1977 (million u.a.)
European Development Fund	3 000	565.5
of which :		
– grants	2 100	413.4
– loans on special terms	430	53.4
– risk capital	95	25.3
– Stabex	375	73
EIB ordinary loans	390	50.6

(1) Figures stipulated in the Convention when it was signed. These amounts have since been adjusted to take account of the accession to the Convention of six new states. The figure for the EDF is 3 054.1 million u.a.

For the first year of application, the proportion of resources committed in relation to those available for the duration of the Convention is approximately 19 % for the EDF. The percentage is about the same if aid under financial cooperation proper is taken into consideration, that is excluding Stabex transfers.

3. Exceptional aid

Not all the resources available under financial cooperation are allocated to the country-by-country aid.

An initial appropriation of 50 million u.a. (which can be made up to a total of 150 million u.a. for the duration of the Convention) has been set aside for exceptional aid to ACP States faced with serious difficulties resulting from natural disasters or comparable exceptional circumstances.

In one year 49 million u.a. have been committed under this head for 11 ACP States. For four of them (Madagascar, Mauritius, Niger, Somalia) the aid was to help cope with natural disasters (cyclone, drought). In the remaining cases (Botswana, Comoros, Lesotho, Malawi, Rwanda, Zaire, Zambia), it was intended to mitigate the serious difficulties resulting from international tension or conflict, particularly in Southern Africa.

4. First regional projects

In order to give particular backing to regional and inter-regional cooperation, some 10 % of available Lomé Convention resources has been earmarked for financing such projects.

Numerous projects have been submitted to the Commission, and the Community, after agreement with the ACP, has approved an initial programme involving an instalment of over 200 million u.a.

The financing decisions implementing the programme will be taken as and when the projects are appraised. The various sectors concerned are: transport infrastructure (only regional projects can help accelerate the opening-up of certain land-

EFD financing decisions by sector (11 April 1976 – 31 March 1977)

	Million u.a.	%
1. Development of production	250	61.5
of which – industrialization	136	33.5
– rural production	113	28
2. Transport and communications	101	25
3. Social development (education, health, water engineering, housing)	45	11
4. Trade promotion	9	2
TOTAL 1 to 4	405	100
(5) Exceptional aid	49	
(6) STABEX	73	
(7) Miscellaneous	34	
TOTAL EDF	565	

NB: In addition to EDF aid there is EIB aid from its own resources, equivalent to 50 600 000 u.a., devoted entirely to industrialization.

locked countries), production (development of river basins, joint schemes to improve agricultural production, industrial undertakings), education and training (strengthening regional establishments) and so on. In addition to these regional projects proper, there are general cooperation schemes involving all or groups of ACP countries, for example in the field of trade promotion.

Though the programme has yet to be implemented, some financing decisions have already been taken such as that for the CIMAO industrial project (Ciments de l'Afrique de l'Ouest) involving Ghana, Ivory Coast and Togo, with EIB financing for the clinker plant and EDF financing for various forms of social infrastructure.

New forms of financial aid

In various fields the signatories to the Lomé Convention have introduced new formulas to cater more especially for the requirements of different types of development operation.

One of these is aid in the form of risk capital, which is well suited to the requirements of industrialization. Such aid, administered by the EIB, has enabled eight operations at a total cost of over 25 million u.a. to be financed in the first year.

In other directions things have got off to a slower start, as in the case of microprojects, for which there is a special procedure, EDF being authorized to intervene during a first two-yearly experimental phase within a maximum limit of 20 million u.a. Nonetheless, one programme has been started (in Cameroon: 25 rural development projects) and, in view of the interest shown by a number of ACP states, others should follow in the next few months.

Likewise many ACP states have stated their intention of taking advantage of the facilities provided in the Convention for aid to small—and medium—sized firms, but only a few projects have been submitted as yet.

Breakdown of aid by sector

After only one year the distribution of aid cannot be considered significant: the financing decisions taken during this launching stage concerned those projects whose preparation was the most advanced and cannot reflect the importance attached to each sector by the ACP states if a longer period were involved.

Although not too much attention can be paid to the figures for each sector, a striking feature is the variety of schemes: all sectors are covered and in each many projects are worthy of note for their importance or their particular characteristics.

Development of production

The productive sector is the one to which the largest amounts have been assigned and future developments are not likely to change this trend.

In this first year, the Community has committed aid to some large-scale **industrial projects**, in the energy, manufacturing and agro-industrial fields.

In the **energy production sector**, the Community will participate in the financing of large projects for dams in Cameroon, Ghana and Mali, in conjunction with other aid bodies, including **Arab funds**. There are other projects in Mauritius and Rwanda. It should be noted that, in Mali and Rwanda—countries on the list of least developed ACP states—the EDF's aid is in the form of grants.

There are a number of **agro-industrial projects** aimed both at developing plantations and at the on-the-spot processing of the produce, with a view to diversifying the economy and reducing dependence on imports (sugar projects in Chad and Upper Volta, oil palm project in Cameroon).

The most important **manufacturing project** is one that has already been mentioned, the CIMAO regional project, in which numerous other financing organizations are participating, including **Arab Funds**. In addition studies for various projects are being financed (fish-processing factory in Guyana, fertilizer mixing plant in Trinidad, various manufacturing undertakings in Sudan and Tanzania, etc.).

In the **rural production sector**, the prime importance of which was underlined by the ACP countries' choice of projects when the indicative programmes were drawn up, the projects approved reflect a desire to diversify production and develop food crops and the interest shown in integrated rural development schemes.

Alongside projects to extend and improve plantations (industrial-scale and village-based) geared to exporting (tea growing in Burundi, coffee growing in Burundi, Ethiopia and Tanzania,

bananas in Jamaica), there are others, more numerous, which aim at developing production essentially for the domestic market. These projects can involve the development of plantations, such as the oil-palm plantations in Liberia and Zaire, or of food crops through hydroagricultural schemes (Jamaica, Mauritania, Somalia, Upper Volta) or the supply of agricultural inputs (Gambia, Guinea-Bissau). Several projects are aimed at the integrated development of rural areas (for example in Niger, Tanzania, Togo and Swaziland).

Infrastructure

The development of transport and telecommunications infrastructure represents 25 % of projects, but this percentage is likely to increase when various large-scale regional projects have been approved.

The approved projects are also concerned with eliminating bottlenecks by modernizing existing railways (Congo-Ocean railway), extending and modernizing ports whose development is often important for several countries, modernizing highways, helping to open up regions or whole countries (Niamey-Zinder highway in Niger, Ouagadougou-Lomé highway, Golweïn-Gelib highway in Somalia, etc.).

It should be noted that many of these projects are cofinancing operations in which Arab contributors are involved (Congo-Ocean railway, port of Douala, road project in Somalia).

Social development

The first **public health projects** to be financed are geared to the training of management staff and, in particular, maintenance staff. Alongside the technical assistance schemes started up in several countries, with this in mind there is an investment project (in Sierra Leone) aiming at the same goal: besides equipping or re-equipping hospitals and dispensaries, it is planned to train mobile maintenance and repair teams.

The bulk of the resources devoted to **education** concern, besides the construction and equipment of a science faculty in Burundi and a medical faculty in Rwanda, the programmes of scholarships and training grants for 10 ACP countries (the programmes for the other countries will be presented during 1977).

The scholarships for university studies are intended for the training of the future executives of the ACP states, the training grants being for the retraining and advanced training of civil servants in employment (particularly in economic, agricultural and technical subjects).

There is a growing tendency for training programmes to be held in the ACP countries, with scholarships in Europe being reserved for specialized subjects that cannot be taught on the spot. **Special efforts are being made to link training with infrastructure projects so that there will be staff to run and maintain them.**

The number of scholarship holders is about 3,200 at present.

Trade promotion

The largest amounts are being spent on the programme, common to all the ACPs, of participation in international trade events for the years 1976, 1977 and 1978.

In 1976, this programme involved the provision of 140 stands at eighteen international fairs and specialized shows.

Among the other operations financed by the EDF, mention should be made of the continuation of industrial trials on tropical wood, promotion schemes for tropical fruit and out-of-season vegetables and the organization of a seminar for senior foreign trade officials in ACP countries. As a general rule, the ACPs and the Community try to identify in each field the schemes best suited to the needs of each country and those most likely to encourage diversification of exports.

V. Industrial cooperation

The various industrial projects on which the EIB has already taken financing decisions show that cooperation has got off the ground very quickly in this field too.

The signatories to the Convention have decided, nevertheless, to provide fresh impetus in this direction by setting up bodies to encourage direct cooperation between business operators and hence to foster the development of European industrial investment in the ACP countries beyond the level made possible by EIB aid. These bodies were set up at the end of 1976: they are the Committee on Industrial Cooperation, a joint body responsible for supervising application of the Convention's provisions in this field, and the Centre of Industrial Development (CID), a strictly operational body concerned with exchange for information and arranging contacts between EEC and ACP businessmen; it also has to seek openings for industry in the ACP. The CID, under a director (Mr R. Theisen from Luxembourg) and a deputy director (Dr Akinrele from Nigeria) should also help to steer investment decisions in the right direction by providing a better picture of marketing prospects, particularly on the Community market.

Although the CID's definitive structure and programme are still under discussion, preliminary work has already started on over 300 projects, 82 of which have been submitted by European industrialists interested in investing in the ACP countries.

Important dates

July 1973	Opening of ACP-EEC negotiations
1 February 1975	Conclusion of negotiations
28 February 1975	Signature of the Lomé Convention
1 July 1975	Advance entry into force of the provisions on trade

1 April 1976	Entry into force of the Convention
May 1976	First European Development Fund financing decisions under the Lomé Convention
1-3 June 1976	Constituent meeting of the ACP-EEC Consultative Assembly (Luxembourg)
8 July 1976	First transfer decisions under Stabex
14-15 July 1976	First meeting of the ACP-EEC Council of Ministers (Brussels)
July-September 1976	Comoros, Seychelles and Surinam accede to the Convention
20 October 1976	Meeting of the Presidents of the ACP and EEC Councils (Brussels)
20 December 1976	First meeting of the Committee on Industrial Cooperation, establishment of the Centre for Industrial Development
28 March 1977	Signature of the Acts of Accession to the Convention by the Republic of Cape Verde, the Democratic Republic of Sao Tomé and Principe and Papua New Guinea
13-14 April 1977	Second meeting of the ACP-EEC Council of Ministers (Fiji)
8-10 June 1977	Second meeting of the ACP-EEC Consultative Assembly

Breakdown by Member State of trade with the ACP countries ⁽¹⁾ as annual percentage

	1973	1975
a. Imports from the ACP group:		
B.L.E.U. (Benelux)	9.7	7.5
DENMARK	0.9	1.5
FRANCE	21.7	24.8
GERMANY	18.3	21.7
IRELAND	0.6	0.5
ITALY	11.0	8.4
NETHERLANDS	9.4	11.7
UNITED KINGDOM	28.4	23.9
EUR 9	100.0	100.0
b. Exports to the ACP group:		
B.L.E.U.	5.7	5.5
DENMARK	3.0	1.6
FRANCE	27.4	30.2
GERMANY	17.8	17.7
IRELAND	0.3	0.6
ITALY	8.4	8.2
NETHERLANDS	7.0	8.9
UNITED KINGDOM	30.4	27.3
EUR 9	100.0	100.0

(1) Including Cape Verde, Comoros, Papua New Guinea, Sao Tomé and Principe, Seychelles, Surinam.

1 March 1980 The Convention expires

Projects involving participation by the Community and by a financial body of the Arab oil-producing countries

Project	Country	Arab fund participating
Extension to the Port of Douala	Cameroon	Arab Bank for Economic Development in Africa (ABEDA)
Congo-Ocean railway	Congo	Kuwait Fund for Arab Economic Development (KFAED) ABEDA
CIMAO regional project (Ghana, Ivory Coast, Togo)	Togo	ABEDA
Kpong dam	Ghana	Saudi Development Fund (SDF), KFAED, ABEDA
Tambao railway	Upper-Volta	KFAED, ABEDA
Sélingué dam	Mali	SDF, KFAED, ABEDA, Abu Dhabi Fund for Arab Economic Development (ADFAED)
Resettlement of droughtstricken people	Somalia	SDF
Development of the Juba Valley	Somalia	Arab Fund for Economic and Social Development
Golwein-Gelib road	Somalia	ADFAED
Nouakchott-Kiffa Néma road	Mauritania	ADFAED, AFESD, KFAED

For these 10 projects, representing a total investment of approximately 1 000 million u.a., the participation of the Arab Funds amounts to some 250 million u.a., that of the EDF to 139 million u.a. and that of the EIB 36 million u.a. □

IVORY COAST

President Houphouet-Boigny visits Brussels

President Houphouet-Boigny of the Ivory Coast paid an official visit to Belgium in May during which he had discussions with Belgian leaders on future cooperation and with members of the European Commission on the progress of the Lomé Convention. The President was welcomed to Belgium by King Baudouin and Queen Fabiola, and later had talks with the outgoing Prime Minister, Leo Tindemans, and the foreign minister, Renaat van Elsende. Some 700 million CFA francs will be provided by the Belgian government this year for economic development in the Ivory Coast under the general cooperation agreement signed between the two countries in 1968. Fifteen projects are involved covering training, education, health and agriculture. Belgium also provides technical experts and teachers as well as a number of scholarships. During his talks with Belgian ministers the Ivory Coast President pressed for more European help in the development of Africa. "Europe", he said, "will be committing suicide if it doesn't make a conscious effort to build on the common ties which link it with Africa". He hoped that the EEC countries, both bilaterally and through multilateral organisations, would not fail to take up the opportunities which were open to them to develop Africa.

Talks with the EEC

Part of the President's official tour of Belgium included a working visit to the European Commission where he met the President, Roy Jenkins, the development commissioner, Claude Cheysson and other members and officials of the Community. In welcoming the Ivory Coast President to the Commission Mr Jenkins outlined the scope of cooperation now underway. "I am pleased to note", he said, "that the Ivory Coast is in a good

position to take advantage of the whole range of forms of intervention. Stabex, trade promotion and training schemes are already in application. In the field of regional cooperation the multinational CIMA project is now under implementation. The European Investment Bank has taken financial commitments in the industrial and tourism sectors. Rural development and water supply projects will be soon finalised."

Immense challenge

In his concluding remarks Mr Jenkins referred to the longterm objectives of cooperation. "Let us not forget," he said, "the primary purpose of our cooperation. The Republic of Ivory Coast is a nation of immense potential or immense challenge. Your government, through its development of agriculture, of industry, of energy, of education, is striving to



From left to right Messrs Houphouet-Boigny, Jenkins and Cheysson

J.L. Debaize - CEE

convert that potential, with very bright results, into the well-being of every citizen. The cooperation of the European Community is designed to maximize the effectiveness of your efforts to transform the structure of your country and improve the quality of life."

Help for the poorest

In his speech to the Commission, President Houphouët-Boigny put great emphasis, when speaking of the future of ACP-EEC cooperation, on more help for the most needy. He argued for more aid, "and I think", he said, "that we must put our minds to the necessity of making a more significant contribution to the poorest amongst us. What we must seek in the end is harmonious development in the African countries with which you are associated, because internal differences create envy, jealousy and explosive situations which neither you nor we have any interest in seeing develop. I am sure also of the need for you to grant substantial loans to the least favoured ACP countries at rates of interest lower than those currently in force, and with longer grace periods. This would

mean that we would not reach a situation, because of insufficient resources and hard repayment terms, where we would have to ask for debt moratoriums on funds already borrowed". The President also spoke of what he described as the mutual interest of Africa and Europe in the future and of the danger of the least favoured developing countries becoming the prey of adventurers and subversion. "An equitable division of industrial activities", he continued, "and a re-organisation of commercial ties between Europe and Africa will ensure the continuation of your position in the world, which you deserve, and guarantee our peaceful development". The President also stressed his desire for peaceful change in a press conference mentioning particularly the need for a peaceful settlement in Rhodesia and Namibia to avoid the type of developments which had occurred in Angola and were now, he said, having their effect on Zaire.

Continuing cooperation

Before making his speech to the Commission, President Houphouët-Boigny took part in a working session on future

cooperation between Ivory Coast and the EEC. The 4th EDF has already provided funds for the Ivory Coast, the most recent decisions including technical assistance to the value of 79 000 EUA towards the staging of the SITHA fair (International Textile and Clothing Fair) in Abidjan, and of 760 000 EUA for the Ivory Coast Centre for Foreign Trade. The European Investment Bank has also agreed two loans totalling 9 150 000 EUA, the larger for the palm oil industry, which benefitted from an earlier loan under the first Yaoundé Convention, and the smaller for a hotel development in Abidjan. In its first year of operation, the Ivory Coast also received from Stabex a total of 15 million EUA in compensation for a fall in its timber earnings. In the field of regional cooperation the European Community is supporting a new clinker production plant and installations at a limestone quarry at Tabligbo in Togo, through CIMA O, a company set up by an international treaty between Ghana, the Ivory Coast and Togo. In 17 years of continuing cooperation with the EEC, the Ivory Coast has now benefitted from over 60 projects financed by the EDF. □



Oil palm plantation in the Ivory Coast

“Economic growth is still vital to the Ivory Coast”

Mohamed Diawara, Minister for Planning

► *What are the guidelines of the new five-year (1976/80) plan and, in particular, what sectors of the Ivory Coast's economy are going to get special attention in the coming years?*

— The 1976/80 plan for development and growth involves seven major changes. We propose to reform agriculture and rural life, to build diversified, export-oriented industries, to accelerate ivorianization, reform the education system, reform the administration, introduce a productive balance between the various regions and seek an original cultural synthesis. These are the main lines of the plan. In more detail we aim to boost economic growth by making structural changes to agricultural production and by introducing a new policy geared to large-scale exports. Our aim in fact is to alter the scale of our production. We shall also seek and implement solutions to three major problems in our society—education, administration and ivorianization. We need to extend growth and development to the whole of the national territory. This growth has already been started, by the establishment of textile complexes in the interior and by mainly agricultural programmes in the north, and by a vast hydraulics programme covering the whole of the country. We also plan to safeguard our cultural identity while this vast process of development is going on.

The priority sectors of the economy are agriculture, stockfarming, export industries, sea transport and energy.

The following major schemes are already under way or on the drawing board:

Agriculture. Sugar and soya programmes, a continuation of the rice/cotton programme in the north and the palm plan and the rubber programme in the south-west. The fruit and vegetable programme is also in progress in the north and around the towns.

Stock-raising. Introduction of poultry-raising and the launching of major indus-

trial pig and cattle-raising programmes.

Industry. The paper pulp complex in the south west (which will use the primary forest), the development of the textile industry, particularly spinning/weaving complexes, the development of timber industries with a view to processing 75% of our logs.

Energy. The construction of dams at Taabo and Buyo has begun. The Soubre dam will be started at the end of the current five-year period.

Maritime transport. The aim here is to ensure 20% of transport by the national fleet in 1980.

Further economic growth and ivorianization

► *Faced with recession and world-wide inflation, have you incorporated policies into the new plan that previous plans never had?*

— Recession and inflation come from without and not from within and the Ivory Coast alone can do nothing to alter the situation. In addition, in spite of promising results in the past, we are, and shall remain for some time to come, a



Mohamed Diawara

developing country—that is to say, a country with a vital need of economic growth.

Finally, production in all sectors—with the possible exception of coffee and cocoa—is marginal as far as the world market is concerned and this is why we do not need a strategy of change. What we must do—and this is vital—is to encourage economic growth and ensure our development is on firm foundations. There are also structural changes that we must make in production. We are forced to do so at this stage in our development and we are able to do so largely because of the arrival of a large number of trained young people on the job market.

The government has tried to attack inflation from within and it has always done its best to hold back price increases as far as major consumer products are concerned, using subsidies if need be. This enabled us to contain large-scale inflation from outside, such as we experienced in 1974, because of our high volume of imports combined with runaway prices. Measures such as this are obviously intended to combat domestic inflation. However, in a liberal economy, open to the outside world, it is impossible to completely avoid the effects of external inflation and so we are attempting to limit them by embarking upon a major hydroelectric dam construction programme which will make us less dependent on outside sources of energy. We are also counting on our industrial policy—which is now geared to conditions in the world market and should make our products more competitive and, more particularly, reduce our costs. Finally, we are making an enormous effort in the public transport sector and this should keep down individual transport and prevent a rise in fuel consumption.

► *How does ivorianization fit into the plan?*

— This is one of the prime means of getting nationals involved in building a really Ivorian society. It is also an economic necessity, since our economy cannot afford the luxury of employing large numbers of foreigners when competent nationals are available. Ivorianization must therefore soon reach the point of

no return and become a permanent, coherent foundation for the economic system and society in general. We shall do this by introducing ivorianization employment programmes at all levels and in all sectors of the economy. We shall ivorianize industrial and commercial concerns, particularly small and medium-sized firms, where foreigners are a clear anachronism now that we have a large number of qualified youngsters who will soon be able to take over. This is by no means incompatible with our policy of opening up the country to the outside world. It is a logical extension of, and I would even go so far as to say the fundamental condition for, such a policy.

Briefly, then, if ivorianization is to be a credible and viable undertaking, it must be achieved through cooperation and in an outgoing and efficient manner.



Coconut palm nursery

Liberal planning

► Some experts thought your previous development plans were too ambitious, but you have, in fact, always exceeded your targets. How do you think you have managed this?

— I think there are two sets of reasons. First, those connected with the country's political stability, and the extent to which the Ivory Coast is open to the outside world. There is also the state's degree of commitment to supervising, implementing, financing and guiding in all fields where there is a need to provide an overall strategy for development or to inspire confidence and provide support for our partners. I would include here the state's willingness to save—which has enabled enormous investment programmes to be carried out.

The second set of reasons involve what might be called "the development impetus" which has inspired the whole country. It began with the peasants, whom the experts fairly systematically underestimated. So far, and unlike many other countries, we have never been at a loss for projects and we have always been able to find—at home or abroad—the men we needed to complete them. Our society has welcomed progress and innovation and these men have shown enthusiasm and been encouraged to double their efforts. But it is up to the young people to see that this

IVORY COAST: THE 1976-1980 PLAN

GROWTH IN THE KEY SECTORS

CFAF '000 million (1975)	1975 %		1980 %		Average ann. growth rate. 1976/1980
PRIMARY	285.2	37.0	382.2	32.7	6.0
— food production	116.4	15.1	162.6	13.9	6.9
— industrial and exportable agricultural production (1)	168.8	21.9	219.6	18.8	5.4
SECONDARY	184.5	23.9	322.3	27.5	11.8
— construction, public works	54.9	7.1	85.8	7.3	9.3
— energy and water	30.2	3.9	44.0	3.8	7.8
— industrial products for the home market	69.0	9.0	129.0	11.0	13.3
— industrial products for the foreign market	30.4	3.9	63.5	5.4	15.9
TERTIARY	301.3	39.1	466.6	39.8	9.1
TOTAL	771.0	100.0	1 171.1	100.0	8.7

(1) Including export dues and levies for the agricultural products' stabilization and support fund.

PUBLIC AND PRIVATE INVESTMENT

STATE

Total 1 020 CFAF '000 million 1975
 — administration 588 CFAF '000 million 1975
 — public firms 432 CFAF '000 million 1975

PRIVATE

(including 34 000 million state participation) 765 CFAF '000 million 1975

OTHER ADMINISTRATION

12 CFAF '000 million 1975

GRAND TOTAL (including double accounts)

591 CFAF '000 million 1975

dynamic trend continues, our young nationals, who must become involved in all aspects of the economy, and our young managers who are already in posts of responsibility in the civil service and in private and public firms. Their dynamic approach leads me to believe that our society will retain its creative imagination, undogmatic open-mindedness, common sense and desire to succeed which has created its impetus for development.

Finally, I should like to mention what I feel is an important component of success—planning. This is a delicate matter in a liberal economy, but we have been able to introduce and sometimes implement a number of new ideas and steer the general and occasionally anarchic dynamism of our economy towards the realization of common aims. I sincerely

believe that liberal planning of this kind, although often accused of being ineffectual, has achieved the difficult compromise between vital collective discipline and no less important individual initiative. This has been possible because we have clearly defined the targets and brought them home to the people. We decided that this was the strategy which the state had to follow if it was both to launch and sustain the development process.

Europe — an example for the whole industrialized world

► *What role do you feel the EEC should play in the Ivory Coast's development over the next few years?*

— It can do three things. First, in connection with the Lomé Convention, the Ivory Coast has already benefited from the Stabex and is now submitting financing proposals as part of financial cooperation. It intends making full use of European help with commercial cooperation (the SITHA (*) is a recent example) and industrial cooperation via the Centre for Industrial Development and the EIB. You know how much importance we attach to developing our export industry, and Europe can help us here with financing, the transfer of technology and outlets for our products.

The second thing we hope Europe will do is go on helping us after 1980, under a new EEC-ACP agreement. We would hope to see the Stabex system consolidated and extended and a solution found to the problem of excess project expenditure.

Finally—and this is where we feel Europe can make its most fundamental contribution to the development of our country—we hope to see the Community play a decisive part in the North-South dialogue. The Lomé Convention was greeted the world over as an important event and the first step towards a new international economic order. The Stabex scheme stabilizes our export earnings but it is powerless against the deterioration of the terms of trade. It is vital for Europe, which can and must show the developing countries the way, to build on the Lomé foundations and go beyond the stabilization of export earnings by product at existing rates, so that the industrialized world provides a global guarantee at real rates for the export earnings of developing countries.

Confrontation must give way to cooperation

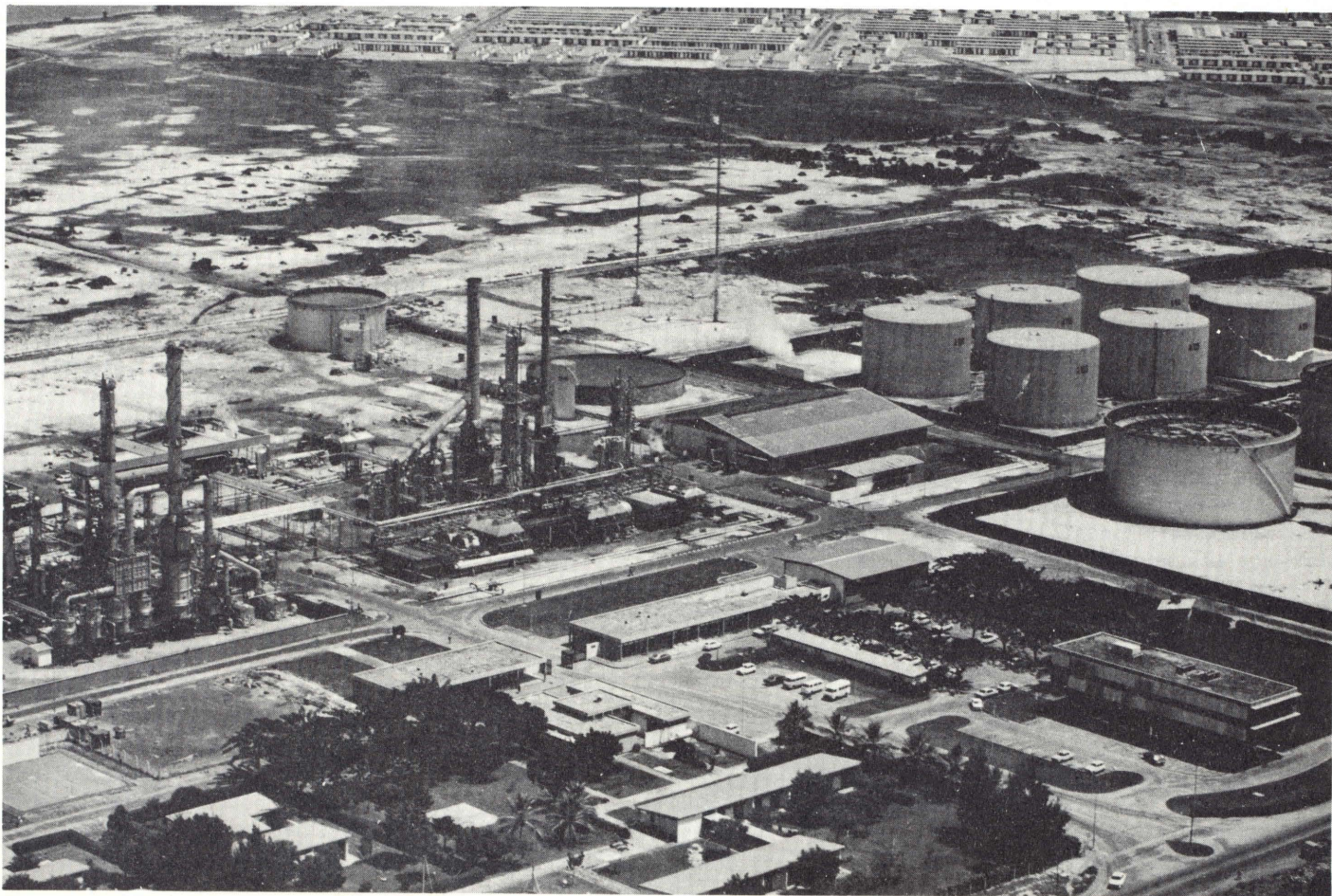
► *As chairman of the Club of Dakar, how do you feel about the current state of play between developed and developing countries and how would you like to see the situation develop?*

— It is because we think that all is not as it should be and that developed/developing country relations leave much to be desired that we have

BREAKDOWN OF INVESTMENTS IN THE PUBLIC SECTOR

CFAF '000 million (1975)	State		Total	%
1 — agriculture	75.4	140.7	216.1	21.2
2 — stock farming	20.0	6.1	26.1	2.5
3 — fisheries	5.7	10.7	16.4	1.6
4 — forestry	15.0	1.2	16.2	1.6
5 — industry	72.5	42.0	114.5	11.2
6 — cottage industries	3.0	—	3.0	0.3
7 — trade	2.9	3.0	5.9	0.6
8 — tourist trade	2.1	—	2.1	0.2
A — Economic activity	196.6	203.7	400.3	39.2
9 — scientific research	5.5	—	5.5	0.5
10 — energy	9.3	140.0	149.3	14.7
11 — transports & telecommunications	149.4	77.8	227.2	22.3
B — General support for development	164.2	217.8	382.0	37.5
12 — population	—	—	—	—
13 — health	20.6	—	20.6	2.0
14 — solidarity	2.6	—	2.6	0.3
15 — environment & standard of living	78.0	10.0	88.0	8.6
16 — culture	3.0	—	3.0	0.3
17 — information	19.0	—	19.0	1.9
C — Way of life and standard of living	123.2	10.0	133.2	13.1
18 — education	48.3	—	48.3	4.7
19 — employment	2.1	—	2.1	0.2
20 — ivorianization	4.0	—	4.0	0.4
D — Human welfare	54.4	—	54.4	5.3
E (21) Town and country planning	30.0	—	30.0	2.9
F (22) Administration	20.0	—	20.0	2.0
TOTAL	588.4	431.5	1 019.9	100.0

(*) Abidjan International Textile and Clothing Fair on 2-5 May. See News Round-up.



Oil refinery in the Ivory Coast

formed this non-governmental body. It is extremely flexible and anyone, whether head of a firm, teacher or political figure, from an industrialized or a developed country, can state his opinions.

We are convinced that the salient feature of the present world situation is the fact that countries at different stages of development do complement each other. Human resources and material goods complement each other, as do the two types of economy. On the one side there are countries with enormous potential which is underdeveloped, and on the other advanced technology countries with highly-qualified élites, which are nevertheless in a growing state of crisis. How can we really expect the one to get back on the road to expansion and the other to overcome its poverty, misery and ignorance unless we pool our resources?

We, in the Club of Dakar, are doing our utmost to ensure that confrontation gives way to cooperation, and not just

by simply analysing the situation. We are making highly practical proposals of which I should like to mention three. First, we are suggesting that a lot more money should be transferred to the Third World—since if it isn't, the economies of dozens of countries will never get off the ground. We propose that, within five years, the industrialized countries increase their free official aid to 1% of GNP and that any countries with surplus financial resources give 5% of their export earnings.

Next, we suggest that the developing countries' export earnings should be guaranteed. This is inspired by the EEC-ACP Stabex system, although we are going further because we think the guarantee should be a global one. In other words, it should cover all products and should be calculated in real terms so as to account for inflation.

Finally, we suggest that the redistribution of industrial activity should not be left to fortune, but should be organized

and regulated so that everyone concerned can contribute to minimizing costs by maximizing advantages. This is why we have proposed an Industrial Cooperation Charter and a list of 10 industrial activities which should have preferential treatment and be specifically encouraged in developing countries. These activities and the problems arising from their development were discussed at the Club of Dakar's meeting at Roy-aumont on 2-3 June.

As you can see, the Club of Dakar puts forward sensible solutions which can be put into practice at once.

Over the next few months, we will be making further proposals, in the conviction that ultimately, international public opinion will carry forward the banner of Third World development, the great cause of this quarter-century, and that world leaders will take it into their minds and their hearts. □

Interview by
ROGER DE BACKER

The CIEC and the North-South dialogue

The conference is over but the dialogue goes on

Started in December 1975 after an initiative by the French President, the Conference on International Economic Cooperation (CIEC) ended in Paris in the early hours of 3 June after an often tense ministerial meeting. The joint communiqué published at the end of the session listed numerous points of agreement and disagreement between the developing and industrialized countries. (The main parts of the communiqué are published below).

While we are still so close to the event, it is difficult to make a balanced and definitive judgement on the outcome of the conference which was unusual because of its length (16 months), the range of contentious subjects discussed between the two sides and because of the limited yet representative nature of the participants from 19 developing countries and 8 industrialized countries, with the EEC being represented as one.

All the negotiators and politicians who took part described as misleading the view of some journalists that the joint communiqué was no more than diplomatic camouflage to hide the failure of the conference.

As Roy Jenkins, President of the European Commission, put it to the press on 5 June, the conference was not a setback since the North-South dialogue, of which the CIEC was only a stage, will continue in various international forums, a point which he thought it was particularly important to realise, and the conference had also come to a number of positive conclusions which would certainly not have been reached had the conference not taken place.

Claude Cheysson, the EEC's development commissioner, gave a preliminary outline of the results of the conference to the ACP-EEC Consultative Assembly on 6 June and did not hide the fact that the conference had brought some disappointments on all sides. "Certainly", Mr

Cheysson said, "Third World countries regret that the question of indexation and the problem of debt were not resolved. The European countries, and the industrialized world in general, deplore the fact that certain points to which they attach particular importance, such as considering the problems of energy along with other world economic problems, had not been accepted. But we all unanimously recognised, in paragraph 10 of the communiqué, that the dialogue had produced worthwhile and positive results. There was general agreement that the most urgent problems had been treated. On the other hand we noted that structural problems had only just been touched on, and paragraph 8 of the communiqué expresses the view of the developing countries on this point. But should one be surprised that structural problems were not treated at the conference? I myself am not. The problem is to change structures which are very old and very fundamental to the in-

ternational economic order. Certainly the old order is outdated, but it is not during a conference that a new economic order can be defined. Perhaps we could have done more, I do not know. But I am sure that results have been achieved which would not have been without the conference. Some very searching analyses were made jointly during the first part of the conference which both simulated and furthered the debate. Finally there is the point, which became so evident during the dramatic end of the dialogue in Paris, that all the delegates, even those who never think of the South when they are in the North, or of the problems of the North when they are in the South, that all of them are now more aware of their interdependence.

"There were some who warned of the risk that was being taken with this conference when set against the possible outcome. I shall pass no judgement on that. But I repeat that this conference achieved results which would have been impossible without it. Now we must carry on. The Paris dialogue was not an end in itself. It is now up to us in international forums, at the world, regional and bilateral levels, I would even say in our own daily lives when conflicts occur, to make use of what was said, discussed and decided during the dialogue."



The last phase of the Paris conference. From left to right Messrs Waldheim (UN Sec.-Gen.), Perez Guerrero (Venezuelan co-chairman), De Guiringaud (Fr. foreign minister), MacEachen (Canadian co-chairman) and Guiton (Sec.-Gen. of the Conference)

Report of the Conference on International Economic Cooperation

1. The Conference on International Economic Cooperation held its final meeting in Paris, at ministerial level, from May 30 to June 2, 1977. Representatives of the following 27 members of the Conference took part: Algeria, Argentina, Australia, Brazil, Cameroon, Canada, Arab Republic of Egypt, European Economic Community, India, Indonesia, Iran, Irak, Jamaica, Japan, Mexico, Nigeria, Pakistan, Peru, Saudi Arabia, Spain, Sweden, Switzerland, United States, Venezuela, Yugoslavia, Zaire and Zambia. The Secretary-General of the United Nations and the following observers also attended the conference: OPEC, IEA, UNCTAD, OECD, FAO, GATT, UNDP, UNIDO, IMF, IBRD and SELA.

2. The Honourable Allan J. MacEachen, PC, MP, President of the Privy Council of Canada, and His Excellency Dr. Manuel Pérez-Guerrero, Minister of State for International Economic Affairs of Venezuela, Co-Chairmen of the Conference, presided over the Ministerial Meeting. Mr. Bernard Guitton served in his capacity of Executive Secretary of the Conference.

3. The Ministerial representatives at the meeting recognized that during the course of its work, and within the framework established at the Ministerial Meeting with which the Conference was initiated in December 1975, the Conference had examined a wide variety of economic issues in the areas of Energy, Raw Materials, Development and Finance. There was recognition that the issues in each of these areas are closely interrelated and that particular attention should be given to the problems of the developing countries, especially the most seriously affected among them.

4. The Co-Chairmen of the Commissions on Energy, Mr. Stephen Bosworth and H.E. Abdul-Hadi Taher; on Raw Materials, Their Excellences Alfonso Arias Schreiber and Hiromichi Miyazaki; on Development H.E. Messaoud Ait-Chaalal and Mr. Edmund Wellenstein; and on Financial Affairs, Mr. Stanley Payton and H. E. Mohammed Yeganeh presented on May 14 the final reports of the work of the four Commissions, which were considered at a meeting of Senior Officials of the Conference on May 26-28, and subsequently submitted to the Ministerial Meeting.

5. The participants recalled their

agreement that the Conference should lead to concrete proposals for an equitable and comprehensive programme for international economic cooperation including agreements, decisions, commitments and recommendations. They also recalled their agreement that action by the Conference should constitute a significant advance in international economic co-operation and make a substantial contribution to the economic development of the developing countries.

Agreement

6. The participants were able to agree on a number of issues and measures relating to:

Energy

— Conclusion and recommendation on availability and supply in a commercial sense, except for purchasing power constraint. (1)

— Recognition of depletable nature of oil and gas. Transition from oil-based energy mix to more permanent and renewable sources of energy.

— Conservation and increased efficiency of energy utilization.

— Need to develop all forms of energy.

— General conclusions and recommendations for national action and international cooperation in the energy field.

Raw Materials and Trade

— Establishment of a Common Fund with purposes, objectives and other constituent elements to be further negotiated in UNCTAD.

— Research and development and some other measures for natural products competing with synthetics.

— Measures for international cooperation in the field of marketing and distribution of raw materials.

— Measures to assist importing deve-

(1) The Group of 19 consider that this item should be viewed in the context of the report of the co-chairmen of the energy commission to the ministerial meeting and the proposal presented to the energy commission by the delegates of Egypt, Iran, Irak and Venezuela.

loping countries to develop and diversify their indigenous natural resources.

— Agreement for improving generalized system of preferences schemes; identification of areas for special and more favourable treatment for developing countries in the Multilateral Trade Negotiations, and certain other trade questions.

Development

— Volume and quality of official development assistance.

— Provision by developed countries of \$1 billion in a Special Action Programme for individual low-income countries facing general problems of transfer of resources.

— Food and agriculture.

— Assistance to infrastructure development in developing countries with particular reference to Africa.

— Several aspects of the industrialization of developing countries.

— Industrial property, implementation of relevant UNCTAD resolutions on transfer of technology and on UN Conference on science and technology.

Finance

— Private foreign direct investment, except criteria for compensation, transferability of income and capital and jurisdiction and standards for settlement of disputes.

— Developing country access to capital markets.

— Other financial flows (monetary issues).

— Cooperation among developing countries.

Disagreement

7. The participants were not able to agree on other issues and measures relating to:

Energy

— Price of energy and purchasing power of energy export earnings.

— Accumulated revenues from oil exports.

— Financial assistance to bridge external payments problems of oil importing countries or oil importing developing countries.

— Recommendations on resources within the Law of the Sea Conference.

— Continuing consultations on energy.

Raw Materials and Trade

- Purchasing power of developing countries.
- Measures related to compensatory financing.
- Aspects of local processing and diversification.
- Measures relating to interests of developing countries in: world shipping tonnage and trade; representation on Commodity Exchanges; a Code of Conduct for Liner Conferences, and other matters.
- Production control and other measures concerning synthetics.
- Investment in the field of Raw Materials.
- Means for protecting the interests of developing countries which might be adversely affected by the implementation of the Integrated Program.
- Relationship of Integrated Program to New International Economic Order.
- Measures related to trade policies, to the institutional framework of trade, to aspects of the GSP, to the MTN, and to conditions of supply.

Development

- Indebtedness of developing countries.
- Adjustment assistance measures.
- Access to markets for manufactured and semi-manufactured products.
- Transnational corporations.

Finance

- Criteria for compensation, transferability of income and capital and jurisdiction and standards for settlement of disputes.
 - Measures against inflation.
 - Financial assets of oil exporting developing countries.
8. The participants from developing countries in CIEC, while recognizing that progress has been made in CIEC to meet certain proposals of developing countries, noted with regret that most of the proposals for structural changes in the international economic system and certain of the proposals for structural changes in the international economic system and certain of the the proposals for urgent actions on pressing problems have not been agreed upon.
- Therefore, the Group of 19 feels that the conclusions of CIEC fall short of the objectives envisaged for a comprehensive and equitable programme of action designed to establish the New International Economic Order.

9. The participants from developed countries in CIEC welcomed the spirit of cooperation in which on the whole the Conference took place and expressed their determination to maintain that spirit as the dialogue between developing and developed countries continues in other places. They regretted that it had not proved possible to reach agreement on some important areas of the dialogue such as certain aspects of energy cooperation.

10. The participants in the Conference think that it has contributed to a broader understanding of the international economic situation and that its intensive discussions have been useful to all participants. They agreed that CIEC was only one phase in the ongoing dialogue between developed and developing countries which should continue to be pursued actively in the UN system and other existing, appropriate bodies.

11. The members of the Conference agreed to transmit the results of the

Conference to the United Nations General Assembly at its resumed 31st Session and to all other relevant international bodies for their consideration and appropriate action. They further agreed to recommend that intensive consideration of outstanding problems be continued within the United Nations system and other existing, appropriate bodies.

12. The participants in the Conference pledged themselves to carry out in a timely and effective manner the measures for international cooperation agreed to herein. They invite the countries which did not participate in the Conference to join in this cooperative effort.

13. Finally, the ministerial representatives at the Conference reiterated their appreciation to the President of the French Republic and to the Government of France for their hospitality and for their cooperation in facilitating the work of the Conference on International Economic Cooperation. □

THE CONVENTION AT WORK

EEC-ACP Consultative Assembly

The second annual meeting of the Lomé Convention's Consultative Assembly was held in Luxembourg on 8-10 June 1977. It was attended by 88 delegates from the 49 present ACP Convention members, the representatives of the three new members (Cape Verde, Papua-New Guinea and Sao Tome-Principe), plus 18 representatives (2 per Member State) from the Community. The joint-presidents, Emilio Colombo (Christian Democrat, Italy) and Philippe Yacé (Ivory Coast), were re-elected at the end of the meeting.

During the session, ACP and European MPs discussed problems connected with running the Lomé Convention. They dealt with the annual report on cooperation adopted by the EEC-ACP Council of Ministers in Fiji and the difficulties facing the ACP countries in trade with the EEC, particularly as regards products like bananas and sugar. The outcome of the North-South dialogue, the situation in southern Africa and the problem of human rights were also discussed. When southern Africa was dealt with,

the Assembly invited the 61 European and ACP countries which had signed the Convention to be watchful in respecting "the resolutions adopted by the UN, the OAU and the Maputo Conference (see page 18) on Zimbabwe, Namibia and the people of South Africa" in their struggle for self-determination and independence.

As far as cooperation and the probable outcome of the North-South dialogue were concerned, Mr Yacé said that, regardless of the meagre immediate results of the Paris conference, "the whole of the West" had had "a change of heart" and this had led to increasing awareness in the rich countries of "the need for a minimum of justice in the distribution of the fruits of growth" and involved a profound and irreversible change in psychological outlook. Mr Yacé went on to call for the Community to revise its GSP in the light of the varying stages of development of the recipient countries.

Mr Colombo replied that the Lomé Convention was a "model" of cooperation between the developing and the industrialized countries and launched an urgent appeal for the next Lomé Convention to be negotiated and drafted without delay so that it could come into effect on 1 April 1980, the day after the

present Convention expired. "A better-structured policy towards the countries in the throes of economic development would itself be a means of overcoming the crisis", he said. However, Mr Colombo felt that quantitative and qualitative improvements to the Convention should not interfere with what Europe was doing for developing countries which do not belong to the Convention.

Mr Matoka, the Zambian cooperation minister and President of the ACP Council of Ministers, confirmed that the Lomé Convention was internationally applauded and the international community was anxious to see how it could devise an international or world Stabex system. Most agreements between developed and developing countries now sought to include specific provisions on industrial cooperation. This placed on the members of the Convention a very serious responsibility, which made it all the more important for them to ensure effective implementation of that Convention.

For this reason, the ACP states had recently been concerned at the apparent growing indifference of the Community to the broader objectives of the Lomé Convention. However, the second ACP-EEC Council meeting in Fiji in April had served to revive interest. The achievements of this meeting were deeply appreciated.

Mutual regard was all-important, since it engendered an appreciation of the positions of the partners on various important issues. The problems facing the ACP states were of very different dimensions and it was essential to ensure full implementation of the Convention if any contribution were to be made to the solution of these problems.

More specifically, Mr Matoka drew attention to the fact that ACP beef exporters were anxiously awaiting the discussions on the conditions to govern their exports to the Community after 1 January 1978. They would not, he said, be able to face the full competition of the world's major beef exporters, who now had renewed access to the Community's markets. It was to be hoped that the special measures applied under the Lomé Convention would be maintained.

He expressed satisfaction at the progress made in Fiji as regards the Stabex system. However, it had to be recognized that the gravity of the ACP countries' problems required further progress as a matter of urgency. The ACP group looked to the Assembly for support in bringing such products as phosphates, manganese and rubber under the Stabex system.



The Assembly's co-chairman, Philippe Yacé, speaking in Luxembourg

Recognizing the importance, but also the inadequacies, of certain institutions, the ACP countries asked the Community to lend its support to the creation of a centre for the promotion of agricultural products.

The banana exporting states hoped that protocol 6 would now be fully implemented. Prompt action would be needed if the conditions of the countries concerned were to be improved.

The most difficult area of the Convention was still the sugar protocol. The sugar sector continued to face serious difficulties within the Community and bitterness had arisen between the ACP states and the Community on such matters as price negotiations and quotas. For the sake of the effective implementation of the Convention, these problems had to be solved without delay, he said.

Cooperation is not an isolated act

Mr Matoka felt that cooperation with Europe should not be in isolation, but that the future of all the peoples of Africa should be borne in mind. He said that Africa's contribution to the ACP-EEC effort would always fall short of the mark until the situation in southern Africa improved. The major obstacles to the unity of the African continent were, he said, the regimes in Rhodesia, South Africa and Namibia.

The ACP states had made great sacrifices in the cause of peace in southern

Africa. He hoped that Europe would also make a contribution. Paradoxically, Europeans had been the most decisive motive force behind the perpetuation of racism in southern Africa. Europe had the capacity to end the liberation war in southern Africa but was not using it. With Western supplies of arms and oil, Rhodesian forces had invaded and occupied part of Mozambique. This action the ACP states condemned in the strongest terms, Mr Matoka said.

Unity and cooperation between all men of good will was required to build a non-racial society in southern Africa. Action should be taken without delay.

In conclusion, Mr Matoka said that the delicate issues at hand had to be carefully attended to so that the Convention could make "a historic contribution to the development of mankind".

Mr Cheysson replies

Mr Cheysson said the CIEC meeting in Paris had not been entirely unsuccessful; the results achieved at this meeting, although incomplete, would never have been achieved without the North-South dialogue.

It was true that, in Paris, agreement had been reached on a common fund for raw materials, but the Lomé Convention members had made even greater progress in certain fields. He drew attention particularly to the Stabex system under which the arrangements were geared to each individual product. This

Resolution of the ACP-EEC Consultative Assembly, 8-10 June 1977

The Assembly:

— Stressed the generally satisfactory application of the provisions of the Lomé Convention (exemption from customs duties, the smooth functioning of technical and financial cooperation).

— Noted the positive results already achieved with respect to the application of the provisions of the Convention relating to the system for stabilizing export earnings, while drawing attention to the need to extend this system further and to strengthen and improve it as a contribution of the ACP-EEC group to the search for and establishment of a new international economic order, which is essential and urgent.

— Welcomed the fact that it had been possible in Fiji to clarify a number of problems that had arisen in the trade sector.

— Commended the Community on its declared willingness to examine practical proposals for facilitating the export at preferential prices of surplus agricultural products from the Community to the ACP states and urges the Community to devise a method of payment for those exports to these ACP states such as would place the least possible foreign exchange burden on those states.

— Noted with satisfaction that all the necessary steps had been taken to set up the institutional framework relating to industrial cooperation.

— Believed that the provisions of the Convention relating to microprojects were of great importance and hoped that the method of implementing these projects could be simplified and speeded up.

— Welcomed the Community's decision to reinstate the quotas of certain countries which had not delivered their

agreed quantities of sugar in the campaign-year 1975/76.

— Noted with satisfaction that the positions of the ACP and the EEC have moved closer in respect of the protocol on sugar, but having regard to the unsatisfactory results of the latest negotiations on the guaranteed price, called upon them to explore fully all possible avenues of consultation in order that a common understanding be reached on the interpretation of the protocol on sugar.

— Considered that the special treatment accorded to those ACP states that are exporters of beef and veal products must be maintained after 1977.

— Urged the Community to make a rapid and constructive response to the proposals put forward by the ACP states in connection with the implementation of the protocol on bananas and expressed the hope that the Community's response would give priority to the interests of the ACP states.

— Stressed the importance of regional and interregional cooperation and called for the drafting at the earliest opportunity of a second indicative programme for the regional and interregional development of the least developed countries.

— Considered that the setting-up of an ACP-EEC sub-committee on the specific problems facing the least-developed, landlocked or island countries was entirely consistent with the spirit of the Lomé Convention.

— Expressed the hope that the Community GSP for 1978 would take account of the legitimate concern of the ACP countries.

— Called on the ACP states and the EEC countries, in the light of the disappointing results of the work of the latest major international meetings, for exam-

ple the UNCTAD conferences in Nairobi and Geneva and the North-South dialogue, to ensure that the spirit of solidarity of the Lomé Convention which has prevailed over recent difficulties governs forthcoming meetings of the international community.

— Stressed that the economic situation of the countries of the Lomé Convention engaged in southern Africa in the joint struggle of the African peoples for independence and against racialism was part of a political crisis in which the EEC must concern itself, necessitating the use of special measures with the framework of the Convention and welcomed the use made of the provisions of the Convention relating to exceptional aid.

— Urged the need for careful consideration of the economic activities of investors from the EEC countries in the region.

— Requested all signatory states of the Convention to observe with the utmost strictness the resolutions adopted by the UN, the OAU and the recent Maputo Conference in support of the people of Zimbabwe, Namibia and the Republic of South Africa.

— Urged the Council of Ministers to pursue appropriate action at the level of the ACP-EEC ambassadors, to ensure consultation and cooperation in the economic and social sectors.

— Considered that cooperation in the agricultural sector was of major importance and that it was necessary to provide in this field institutions and instruments similar to those provided for industrial cooperation, and felt, therefore, that provisions should be made for representative organizations of the economic and social sectors to be effectively consulted.

— Noted the resolution adopted by the ACP-EEC Council of Ministers in Fiji recommending a feasibility study for a joint centre to promote agriculture in the ACP countries. □

system was at the moment the only one of its kind in the world.

In Paris, it had been decided to take further steps in opening up the markets. There was no further scope for preferential agreements under the Convention at the moment. However, it was appreciated that the extension of the generalized preferences system would have the effect of eroding the advantages enjoyed by the ACP states. The Lomé Convention's policy was original in that it represented a first step towards con-

tractual agreements in the commercial field, Mr Cheysson said.

The major countries had committed themselves in Paris to stepping up their development aid, but when the Lomé Convention was concluded, the Community had quadrupled its development and "without shouting it from the rooftops".

In Paris, a recommendation on food and agriculture was adopted. The EEC and ACP countries were already at the stage of practical measures in this field, Mr Cheysson said.

The Paris meeting had declared the intention of developing infrastructure, particularly in Africa. "We are already well on the way to achieving this objective."

In Paris, a certain amount of progress was made as regards the conditions for the promotion of foreign investment in developing countries. "We are already taking practical steps in this direction", Mr Cheysson continued.

No agreement was reached in Paris on structural problems, in particular the problem of the international distribution



The participants in the Consultative Assembly were received by the Grand Duke and Grand Duchess of Luxembourg

of labour. "We, for our part, are already taking action on this and the Joint Committee will be holding a meeting with representatives of economic and social groups."

Mr Cheysson said these comparisons with the Paris meeting were intended to show that cooperation with Europe was valuable because it was practical and restricted to certain specific areas. The new economic order was not a theme that could be dealt with in one particular forum. There were some topics which called for world-wide discussion and progress would inevitably be slow. In the relationship between the EEC and the ACP, there was clearly a community of interests. With the ACP states forming a single bloc, it was possible to discuss on an equal footing. It was a fundamental characteristic of the relationship that the identity, the independence and the stage of development of each country were respected. Because of the specific areas dealt with, it was possible to ensure continuity of action. Although, unfortunately, the Convention was of limited duration, it still made it possible to progress from a system of unilateral decision-making to a contractual system. The Stabex, for example, was important because it provided for compensatory payments.

However, the mutual respect of the partners concerned must be given practical expression and called for a common position when one of the partners was faced with fundamental problems. Re-

ferring to comments by Mr Matoka on the situation in southern Africa, he reaffirmed the commitment of the Lomé signatories to the common struggle of the African peoples for their independence, deplored all forms of racialism and asserted the right of all nations to self-determination.

The achievements of the past and the prospects for the future all depended on a community of interests and mutual sympathy, Mr Cheysson concluded.

Collaboration with the "social partners"

At the end of the Consultative Assembly, a resolution was adopted (see box).

The resolution adopted by the Assembly, acting on a proposal from Mr Bersani (Christian Democrat, Italy) and Mr Kasongo (Zaire), asked the Joint Committee to continue looking into the ways and means of bringing about closer cooperation between the representatives of economic and social circles in the ACP and the EEC. The first meeting of this type took place with the Economic and Social Committee on 9 June 1977.

Another first was the conference at Evian-les-Bains in France, where 50 or so ACP trade union representatives met a delegation from the CGT, France's biggest confederation of trade unions, led by its secretary-general, Georges Ségué. The ACP team was led by Dennis Aku-

mu, Secretary-General of the OATUU (Organization of African Trade Union Unity).

Final press conference

Finally, a press conference was held by ACP and EEC MPs, when Miss Flesch (Luxembourg), Mrs Mathé (Botswana), Mr Kasongo (Zaire), Mr Barnado (Togo) and Lord Reay (UK) outlined the results of the Assembly. They stressed a number of points.

— Duration of the Convention

Mr Yacé (Ivory Coast) said that they had asked for Lomé II to last for seven or even 10 years, rather than five, as at present. He also announced that he would not be standing again as president of the ACP Assembly, to give other countries a chance to take the chair (1).

— Europe and Africa

Mr Yacé said that inter-European cooperation on Africa was more or less non-existent.

— Human rights

Although Lomé was essentially an economic and social agreement, they should not try to shirk their political responsibilities and should be talking about political problems that concerned the whole world.

— Collaboration with social partners

Mr Bersani emphasized that at the first meeting on this subject (which lasted nearly four hours and covered industrial cooperation, foreign investments, the international division of labour and the transfer of technology), many delegates had expressed their opinions but it had emerged that the ACP group needed time to consolidate their representation. Some observers had been struck by the diversity of this representation. Mr Kasongo confirmed that there was no question of the unions being invited to negotiations for Lomé II, although he emphasized that they should participate "via the states". Mr Barnado (Togo, vice-chairman of the OATUU) said that African unions would have to

(1) The vice-presidents of the EEC-ACP Consultative Assembly are Mrs Mathé (Botswana), Miss Flesch (Luxembourg) and Messrs Tandeng Muna (Cameroon), Wintjuin (Surinam), Philipps (Western Samoa), Spénale (France), de la Malène (France), Adriko (Uganda) and Sandri (Italy).

change. They were currently moving over from contestation to cooperation and the Lomé Convention could not ignore them

— Generalized preferences

Lord Reay admitted that the GSP was a problem for the ACP group (as Mr Yacé said, "everyone's friend is no-one's friend") and that they had to make a clear assessment of the implications of the Stabex on the ACP countries.

— Extending the Stabex

Lord Reay considered it would be premature to include a list of new products in the text of the resolution. The problem of copper and other minerals would be better dealt with at world level.

— EEC countries' purchases in the ACP (synthetic products, etc.)

Miss Flesh (Lib. Lux.) supported the idea of setting up a working party in the European Parliament to deal with trends in these purchases and any ACP problems in this respect.

— Landlocked countries

Botswana's Mrs Mathé felt that the Lomé Convention would be making a major step forward if it could find an answer to the problem of transport in these countries. □

EDF

Signature of 17 financing and training agreements (72 615 000 EUA)

Continuing a practice which has received fresh impetus with the start of the projects financed under the fourth Fund, Claude Cheysson, member of the Commission responsible for development policy, signed, in a ceremony taking place on 3 June 1977, a new group of 14 financing agreements and 3 training agreements with the ambassadors of the 13 beneficiary ACP states.

These new agreements represent a total amount of **72 615 000 EUA** of fourth EDF credits.

The financing agreements amount to **68 285 000 EUA**. They concern 12 ACP States, of which 5 are former AASM (Central African Empire, People's Republic of Congo, Gabon, Upper Volta, Senegal) and 7 new ACP States (Gambia, Grenada, Guinea-Bissau, Kenya beneficiary of 2 projects, Lesotho, Liberia, Malawi beneficiary of 2 projects). In fact, 80% of the total amount of these projects (54 095 000 EUA) fall to **new ACP States**: this trend is somewhat marked, but it is indicative of the diversification of Community aid resulting from implementation of the Lomé Convention.

Another noteworthy trend of this new group of agreements is the **clear preponderance of the share of loans** (41 240 000 EUA, or 60% of the total) over that of the non-reimbursable aid (27 045 000 EUA, or 40% of the total). This feature may seem over-large in view of the lines laid down in the Lomé Convention; it shows in fact how the various means provided by the Community are used—and all the more so if it is recalled that, at the time of the last signing ceremony of financing agreements (29 March 1977), grants represented 90% and loans only 10%.

Moreover, the new group of financing agreements is characterized by the predominance of 2 projects in the energy sector: 34 840 000 EUA, or 51% of the total amount of the new commitments and 84% of the total amount of loans. The other financings are distributed more or less equally among three sectors: social investments (11 460 000 EUA, or 17% of the total for 4 projects), agriculture (11 420 000 EUA for 5 projects of which 2 concern microprojects) and roads (10 565 000 EUA, or 15% of the total for 3 projects).

After the Commission had approved on 11 May 1977 **three multiannual training programmes** for an amount of **4 330 000 EUA** concerning Guinea-Bissau, (980 000 EUA), Liberia (1 100 000 EUA) and Ghana (2 250 000 EUA) the agreements relating to these programmes were signed during the same ceremony.

These programmes are multiannual, covering the period 1976-80, and concern different aspects of training, particularly vocational training. The programmes provide for study and training awards, the provision of instructors/trainees, the training of staff to take over after the European technical assistance,

short and medium-term training sessions (particularly for public officials), and the purchase of pedagogical and demonstration equipment.

The training foreseen covers especially the agricultural, technical, administrative, educational and health sectors.

At present, some 4 000 award holders from the ACP States are recipients of training financed by the EDF.

Special attention is paid to **training linked with EDF investments** to ensure efficient management and optimal utilization of the investments made, in line with the orientations laid down by the EEC/ACP Council of Ministers at Fiji on 13 and 14 April last.

With the three countries above, there are now 13 ACP States who have received a multiannual training programme (of which four are ex-AASM: Benin, Burundi, Rwanda, Upper Volta and nine new ACP States: Barbados, Guyana, Jamaica, Malawi, Sierra Leone, Trinidad and Tobago, Guinea-Bissau, Ghana and Liberia).

Following the favourable opinions expressed by the EDF Committee at its 116th+117th meetings held in May 1977, the Commission of the European Communities took 20 new financing decisions from the resources of the 4th EDF.

These new decisions raised to 691 944 000 EUA the total commitments entered into under the 4th EDF.

The following are the projects:

Kenya — Kawangware Improvement Scheme (fourth EDF). Grant: 2 410 000 EUA, equivalent at present rates to approximately K Sh 22 499 760.

Kawangware is a former village which has now become a western suburb of Nairobi, with about 20 000 inhabitants. Population density is high (about 500 to 600 per hectare). Shelter is usually made of either timber or dried mud, and a typical unit of 12 m² houses 4 people on average. About 80% of the population may be classified as of the "low income" group.

The major deficiency is in the field of hygiene, and diseases are reported to be widespread. Only a few compounds are connected to standpipe water supply. There is no organized sewerage system, no regular garbage disposal and a very precarious situation of storm water runoff. Vehicular and pedestrian access to the village is difficult.

The purpose of the project—to be carried out by the Nairobi City Council—is to upgrade the hygiene conditions of the village, through road and footpath access, storm water drainage, water-supply, water borne sewerage, refuse collection and security street lighting.

The project does not comprise improvement of housing as such. It stops short of the individual plot, merely offering to plot-owners the possibilities of connecting up to the water supply and sewerage reticulations. To facilitate this, a loans scheme for financing the cost of ablation blocks will be provided within the project.

Malawi — Upgrading of the Karonga-Chiweta road pavement (88 km) (fourth EDF). Grant: 2 475 000 EUA, equivalent at present rates to approximately MK 2 524 500.

This project involves upgrading and bituminizing of an 88 km long section of the Chiweta-Karonga road in the north of Malawi and the purchase of complementary equipment for the Ministry of Public Works which will carry out the works by direct labour. The equipment will later be used for similar projects within the framework of the ongoing programme for the upgrading of road pavements in Malawi.

The general objective of the project is: — to improve the existing road link between Karonga and Chiweta, which was constructed in 1967/68 as a laterite road protected by a single sandbitumen seal. As a result of the substantial traffic growth since that time the pavement has deteriorated seriously, thus hampering the traffic flow from Chiweta to Karonga;

— to complete the equipment of the Ministry of Public Works for road maintenance. Although the Government has expanded the plant and vehicle fleet considerably in recent years, this appears not sufficient to cope with the growing needs for construction and maintenance works;

— to build a part of the future bituminized trunk road traversing the country from the north to the south. In the south of the country a major part of this communication already exists or is under construction.

Upper Volta — Improvement of sanitation in the town of Ouagadougou: development of the Moro-Naba backwater (fourth EDF). Grant: 5 200 000 EUA, equivalent at present rates to approximately CFAF 1 456 000 000.

This project—designed to improve sanitary conditions of Ouagadougou, the

capital of Upper Volta—involves the canalization of the Moro-Naba backwater over a distance of some 3 500 m. It also covers:

— the building of related structures;

— the building of structures such as bridges, etc. in order to establish communications between the west and central areas, which are separated by the backwater;

— the purchase of maintenance equipment and the operating expenses involved in launching the project.

The project forms an integral part of the master plan for Ouagadougou, which will affect approximately 30 000 people.

The EDF has contributed in the past to improving urban infrastructure in Upper Volta, notably by financing water supply systems. The estimated cost of the project is 5 200 000 EUA, to be provided in the form of a grant.

Ghana — Multiannual training programme for the period 1976-80 (fourth EDF). Grant: 2 250 000 EUA, equivalent at present rates to approximately C2 900 250.

In the indicative programme for Ghana training has been allocated 4.5 % of total Community aid.

In accordance with the objectives of the national development plan, the needs expressed relate above all to training in agriculture. The project will provide facilities for the specialized training of staff in various areas of farm management. The originality of the programme in Ghana is that it relates above all to the training of middle management, which can be carried out in the ACP countries. In order to attain the second objective of the plan, namely the improvement of exports, scholarships are to be given in the area of trade development. Emphasis is being placed on trade promotion and on the training of senior managerial staff, to be carried out in Europe.

In agriculture:

As regard middle management, training is to be carried out in Africa as follows:

— for the agriculture department (mainly the training of specialists in horticulture, farm management, fruit and vegetable production, and so on), veterinary science, stock-farming and, lastly, irrigation techniques.

— As regards senior managerial staff, specialized training is to be provided in Europe, the areas of study being the same as those covered by the middle-management training schemes.

— Trade promotion:

— Specialized training is to be given in international trade, management, promotion of tourism, hotel management and export promotion and development.

— Technical assistance:

— EDF aid for on-the-spot retraining and advanced training of middle management in agriculture is planned to complement aid from other sources. The facilities to be provided will take the form of short training courses and possibly the provision of experts on the spot. It is also planned to arrange advanced training sessions for senior Ghanaian officials.

Senegal — First annual microproject programme (fourth EDF). Grant: 340 000 EUA, equivalent at present rates to approximately CFAF 95 200 000.

This project consists of a programme of microprojects put forward by the Senegalese authorities.

The first scheme involves mainly:

— rural water engineering (wells, water supply systems);

— rural tracks;

— social infrastructure;

— development of cooperative and livestock production;

— improvement of marketing (stock-farming and fishery products).

The 340 000 EUA grant from the EDF represents 50 % of the total cost of the schemes.

Malawi — Nkula Falls II hydroelectric project (fourth EDF). Loan on special terms: 8 500 000 EUA, equivalent at present rates to approximately MK 8 670 000.

This new project is aimed at satisfying the growing demand for electricity in Malawi by developing the country's hydroelectric potential. The development of a hydroelectric site on the Shire river at Nkula Falls is part of Malawi's development policy, which has already involved three large-scale water-engineering projects: this is the fourth.

The scheme involves the construction of a dam and the backup infrastructure. It should be noted that this scheme was chosen from a possible eighty variations and is the cheapest.

The development of the country's energy sector will provide a basis for industrialization, the processing of agricultural produce and the production of consumer goods. The management of the project is in the hands of a Malawian State company, ESCOM, which has already had considerable experience in this field.

The total cost of the project is 65.15 million EUA and, in addition to the spe-

cial loan from the EDF, the financing for it is to come from several providers of aid, notably the World Bank, the United Kingdom, the Federal Republic of Germany, and the African Development Bank; Malawi's share will amount to 20%.

Guinea-Bissau — Development of cotton production (fourth EDF). Grant: 6 000 000 EUA, equivalent at present rates to approximately GP 220 740 000.

The aim of this project is to increase cotton production in Guinea-Bissau. Over a period of three years 6,000 ha of cotton plantation are to be established and cultivated intensively and this area is to be expanded to 10 000 ha. the following year. The project will affect a population of 380 000.

The main schemes involve more especially:

- the introduction of the use of draught animals;
- pest control;
- the intensification of the other crops rotated with the cotton (rice, ground-nuts).

Community aid will finance in particular the construction of housing, office accommodation, sheds and the purchase of equipment.

This project will benefit the farmers, whose annual income will increase from GP 12 000 to nearly GP 20 000, it will also benefit the national economy and currency flows.

Guinea-Bissau — Training — general technical cooperation (fourth EDF). Grant: 980 000 EUA, equivalent at present rates to approximately GP 36 054 200.

This grant will be used to finance a scholarship and training grant programme, and will be backed up by the provision of instructors for certain special sectors.

The project is designed to train teachers in particular; over 50% of the funds are allocated to training courses for 100 teachers (a total of 440 scholarship years).

It should be noted that this project is trying to remedy the shortage of teachers in the young Republic of Guinea-Bissau.

There are also to be scholarships for training agriculture and administration and instructors are to be sent on short missions to give training on the spot.

The programme will be flexible to take account of the country's new requirements and care will be taken to coordinate Community aid with the other sources of external aid.

Lesotho — Basic Agricultural Services Programmes (BASP) (fourth EDF). Grant: 3 000 000 EUA, equivalent at present rates to approximately R 2 939 100.

This rural development project is designed to increase agricultural production in eight of Lesotho's nineteen regions; it is to help provide the country's food requirements, to increase the earnings of the population and develop exports of agricultural produce.

The main crop involved is beans, the only cash crop for which there is an organized marketing circuit.

The project will affect 325 000 people, distributed over 65 000 farms covering a total of 145 000 hectares.

Community aid will serve to pay for the backup infrastructure for the project, equipment of various sheds, offices and workshops and the provision of tractors and transport vehicles.

Liberia — General technical cooperation—1976-80—training programme (fourth EDF). Grant: 1 100 000 EUA, equivalent at present rates to approximately \$1 240 800.

This project is for a training programme that the Liberian Government considers essential. It is intended for the rural technicians needed for Liberia's agriculture and it will improve the qualifications of technical school teachers.

Community aid will also provide scholarships for civil servants to attend post-graduate specialized courses in Liberia, the ACP countries or Europe. An institute of further education is to be established at Harper and there are to be two annexes to the secondary schools at Cape Palmas and Gboveh.

Liberia has one central hospital for each of the nine countries and needs maintenance teams to keep the medical apparatus running properly. Training will be provided on the spot and in Europe for a team of technicians, which will consist of a leader (with university training), two men with skills in electricity and electronics and two men with mechanical engineering and plumbing qualifications.

Kenya — Upper Tana reservoir scheme (fourth EDF). Loan on special terms: 26 340 000 EUA, equivalent at present rates to approximately K Sh 245 910 240.

This project involves the construction of a dam and reservoir on the Upper Tana river and is part of Kenya's policy for the development of energy resources.

The new capacity to produce hydro-electric power will mean that imports of

oil can be reduced thus lightening the burden on the balance of trade.

Security of energy supply will also have a salutary effect on economic growth, particularly in industry and agriculture.

The Upper Tana reservoir will have a production capacity of 40 MW (bringing the total electric energy supply in the country up to 256 MW) and the water in storage will be used during the dry season to irrigate the lower Tana valley. It is estimated that energy consumption will increase at an annual average rate of 8.5% and so new production sources will have to be created before 1980.

The project will cost 115.63 million EUA and will be financed by the Kenyan Government, the Federal Republic of Germany and the United Kingdom. The EDF will grant a loan on special terms amounting to 26.34 million EUA, of which 340 000 EUA is for technical assistance.

Grenada — Extensions to St. George's General Hospital (fourth EDF). Grant: 200 000 EUA, equivalent at present rates to approximately EC\$609 000.

This grant will enable the medical facilities at St. George's General Hospital to be improved by the extension of the obstetrics department, the casualty department and the pathology laboratory and by the supply of the relevant equipment.

This extension of the infrastructure and equipment of an important hospital will help the country to cope better with the growing needs of the population.

Liberia — Construction of the Tartuke-Karloke road (61 km) (fourth EDF). Loan on special terms: 4 800 000 EUA—at present about Liberian \$5 376 000.

The purpose of the project is to create an economic infrastructure in the south-east of Liberia, with the construction of a road between Tartuke and Karloke. The existing road (91 km) is of a very low standard and the new road will increase traffic safety, improve the standard of the network and reduce the road distance between the two towns by 30 km.

The total cost of the project is estimated at 5 250 000 EUA (net of taxes), of which 450 000 EUA will be financed by Liberia. The EDF special loan will be for forty years, with a ten-year grace period and an interest rate of 1%. The number of people involved is put at 136 000.

This project will facilitate the development of the Tartuke-Karloke zone, particularly in the agricultural and agro-

industrial fields (coffee, cocoa, rubber and oil-palm products).

Central African Empire — *Repairing the Bangui-Damara road* (fourth EDF). Grant: 3 290 000 EUA — at present about CFAF 919 555 000.

By means of a grant of 3 290 000 EUA, Community aid will cover repairs to 65 km of the asphalted road linking Bangui, the capital, with the Damara area to the north.

The aims of the project are as follows:

- improvement of the surfacing;
- repairs to the embankments and drainage structures;
- application of a new wearing course.

The economic importance of this project is vital since the Bangui-Damara link carries approximately two thirds of the volume of transport carried by the country's network.

This section of the road network carries all the traffic from Chad and the northern and eastern regions of the country bound for the port of Bangui to be shipped to the Atlantic port of Pointe Noire. It is therefore essential, both for the export of the bulk of the cotton (about 30 000 t) and coffee (11 000 t) produced in these regions and for transporting inputs (such as fertilizers and insecticides), consumer and capital goods in the opposite direction.

In addition, on a more local scale, this road serves a number of agricultural projects to the north of Bangui where various interesting intensive cultivation activities are being carried out.

It should be noted that the first improvements to this road were financed by a sum of 1 481 000 EUA under the first EDF.

Gambia — *First annual microproject programme* (fourth EDF). Grant: 370 000 EUA — at present about D 964 220.

This microproject programme, which is directly geared to rural development, covers in particular:

- rural water-engineering works;
- crop handling points;
- poultry feed production.

As laid down in the Lomé Convention, this first microproject programme in the Republic of the Gambia, which involves an overall sum of 1 710 000 EUA, will be cofinanced by the EDF (370 000 EUA, 22%), the state budget (930 000 EUA, 54%) and local communities (410 000 EUA, 24%).

Botswana — *Ranch management centre* (fourth EDF). Grant: 1 045 000 EUA — at present about P 1 016 680.

This project is part of the national pol-

icy of preserving tribal grazing land, which aims at rationalizing traditional stock farming by improving land use patterns.

The main task of the Ranch Management Centre will be to train the people responsible for implementing this policy; service company managers and finance officers. A one-year training course is planned for future ranch managers (150 in five years).

The courses will be very practical and the entrance requirements will be based on the experience and attainments of candidates in the field of stock farming.

The training of service company managers and finance officers will last three months (about fifteen courses in five years). The Ranch Management Centre located in Ramatlabama, in the extreme south-east of Botswana, will make use of the existing buildings of a veterinary college and laboratory.

Renovation of the existing facilities will be paid for by the EDF, which will also cover the costs of classroom equipment, vehicles and agricultural equipment for the training side of the project. The staff at the Centre will be paid by the Botswana Government and the Centre Principal will be under the supervision of the country's agricultural department.

The effects of the project are difficult to estimate since they are an integral part of the overall policy for improving traditional stock farming. Its success and consequently the modernization of an important sector of the Botswana economy, hinges partly on the training of qualified officers.

The Community will contribute 1 045 000 EUA to the project and the Botswana government's contribution will come to 486 330 EUA.

Gabon — *Food and fruit-growing project at Lambaréné and Franceville*. (fourth EDF). Commitment proposed as a grant: 110 000 EUA, as a loan on special terms: 1 600 000 EUA, at present about 30 745 000 CFAF and 447 200 000 CFAF.

The purpose of the project is to set up two food and fruit-growing estates within a period of five years in the Lambaréné and Franceville region.

This project will help to provide food supplies for the towns of Port Gentil and Lambaréné on the one hand, and Franceville on the other.

The Community contribution will cover the financing of two banana plantations, one of 200 hectares at Lambaréné and one of 50 hectares at Franceville and two 50 hectare orchards.

Moreover, a 30 hectare pineapple plantation will be set up, along with a 20 hectare experimental and improvement unit at Franceville.

Normal annual production is estimated at 500 tonnes of pineapple (from the third year), 7 000 tonnes of bananas (from the fifth year) and 2 000 tonnes of orchard fruit (from the eleventh year).

This project will require the setting up of agricultural infrastructure, new housing and a marketing centre at Port Gentil.

In addition to improving food security, the project should bring about a marked improvement in the Gabonese trade balance and generate customs revenue. The French Aid and Cooperation Fund will provide the equivalent of 538 000 EUA to cover the cost over the two first years of the engineering surveys and technical assistance.

Congo — *Water supply for the towns of Nkayi and Impfondo* (fourth EDF). Economic and social infrastructure investment. Grant: 3 650 000 EUA — at present about CFAF 1 020 175 000.

The aim of the project is to provide drinking water supply systems for the towns of Nkayi (population 30 000) in the south of the People's Republic of the Congo and Impfondo (population 4 000) on the river Oubangui in the north-east of the country.

This project forms part of the Congo's three-year development programme (1975-77) and involves in particular:

- (a) for Nkayi: an intake structure on the river Niari
- a reservoir
- a distribution network (total length approximately 15 000 m)
- (b) for Impfondo: the construction of a well

- a water sterilization unit
- a delivery pipe
- a reservoir (400 m³)
- a distribution network (approximately 5 400 m long).

The SNDE will manage the installations at Nkayi and will assist the local authorities in running the Impfondo system.

The Nkayi supply system will be managed by the SNDE and the Impfondo system will be run by the local authorities.

This project will help improve health in the two towns and thus reduce the number of work days lost.

This project will receive Community aid in the form of a grant of 3 650 000 EUA, of which 3 300 000 EUA for Nkayi and 350 000 EUA for Impfondo.

Ethiopia — Rural water supply network (fourth EDF). Grant: 12 800 000 EUA — at present about Birr 29 913 600.

The drought which hit several regions of Ethiopia between 1974 and 1975 illustrated the backwardness of rural areas in the sphere of water supply and led the new regime to lay down particular emphasis on development in this field, first in disaster areas and then all over the country.

The project financed by the EEC is part of these aims. The purpose of the project is to establish regional offices of the Ethiopian Water Resources Authority (EWRA) in Bahr Dar and Jimma respectively in the north-central and south-western areas of these regions and to improve the existing hydrometeorological network, the latter laying the basis for an accurate assessment of regional water potential. In addition, the project will contribute to the establishment of the EWRA Training Centre for water supply personnel, to be situated in the town of Awassa.

The total cost of the project is estimated at 19 900 000 EUA. EDF financing, in the form of a grant under the fourth EDF, will cover, up to a total amount of 12 800 000 EUA, construction and equipment of workshops and offices, supply of equipment, building materials and vehicles for construction and maintenance of water supply facilities, as well as for extension of the hydro-meteorological network, operation of the equipment engaged in waterpoint construction and construction of the EWRA Training Centre. The cost of technical assistance for both regional offices will be also taken over by the EDF.

The Ethiopian government will finance, from its own resources, up to an amount of 7.1 million EUA, the salaries of local staff and part of the costs for construction of the water supply systems.

Comoros — Loan on special terms (fourth EDF). Grant: 1 297 000 EUA — at present about CFAF 363 160 000.

This aid comes as a supplement to that already granted by the Community on 23 March to contribute to the costs to repatriating and resettling Comorian refugees from Madagascar directly or indirectly affected by the events in Majunga. The Community's total financial contribution thus amounts to 2 497 000 EUA.

Nearly 20 000 people have already been repatriated, but it should be noted that nearly 60 000 people are affected, that is the total Comorian population of Madagascar. The Community's excep-

tional aid will help right a difficult economic and financial situation which could, in time, hinder efforts to develop the Republic of the Comores.

The repatriation of these Comorian refugees might also bring with it considerable social problems for the future and so the plan drawn up by the state provides for the construction of housing and classrooms by the refugees themselves.

Some of the workforce they provide will be used to implement schemes to open up agricultural areas, thus giving work to some 1 300 people and facilitating their integration into the country.

The cost of the equipment supplied for these schemes is estimated at 647 000 EUA for all six regions.

This project is being financed jointly by international organizations and by Belgium, Libya and Sweden.

The exceptional aid from the Community amounts to 1 297 000 EUA. □

EIB

Loan for Malawi sugar project

Under the terms of the Lomé Convention, the European Investment Bank has agreed to provide finance totalling about 7.48 million EUA towards the cost of developing a sugar plantation and the construction of a sugar mill in the area of the Dwangwa river delta in Malawi.

The major part of this sum will be in the form of a loan of 6.5 million EUA granted to Dwangwa Sugar Corporation for 12 years at an interest rate of 5⁷/₈%, after allowing for a rebate of 3% drawn from the resources of the European Development Fund as provided for by the Lomé Convention; it will be guaranteed by the government of Malawi and the Commercial Bank of Malawi. In addition, the Bank, acting as agent for the EEC has agreed to contribute Kwacha 1.0 million (equivalent to about 980 000 EUA (1)) to the ordinary share capital of the Corporation using risk capital resources set aside for this purpose under the Lomé Convention.

The Dwangwa Sugar Corporation was set up in April 1976 as a private company to carry out the project which consists of the cultivation of some 6 000 hectares of sugar cane and the construction of a new sugar mill with an initial capacity at full production of 150

tonnes per hour. The total cost of the project is estimated at about 60 million EUA. Long term finance is also being provided by Agricultural Development and Marketing Corporation and Press Holdings Limited (both registered in Malawi), the Lonrho Sugar Corporation Limited, the International Finance Corporation, the German Development Company and the Investment and Development Bank of Malawi.

Malawi's balance of payments will benefit substantially from this scheme as part of the sugar production is initially scheduled for export; in the longer term it will help to cover rising domestic demand and so avoid dependence upon imports. Additional benefits include the generation of about 3 000 new job opportunities and economic growth in the northern Central Province of Malawi which is one of the Malawi Government's priority areas for development. It is also envisaged that a smallholder scheme would eventually be associated with the project.

Loan for cementworks in Kenya

Under the terms of the Lomé Convention, the European Investment Bank has also provided a loan of 3 million units of account (equivalent to about 28 million Kenya shillings) to help to finance expansion of a cementworks near Nairobi.

The loan has been made to the East African Portland Cement Company Ltd. (EAPC) for a term of eight years at an interest rate of 5¹/₄%, after deduction of a 3% interest rebate drawn from the resources of the European Development Fund, as provided for under the Convention.

Production capacity of the company's works at Athi River is to be stepped up by 50% from 250 000 to 375 000 tonnes per year.

EAPC shares are quoted on the Nairobi stock exchange; the Kenya Government holds over 50%, the Kenya public about 20% and the remainder is held by the British group Associated Portland Cement Manufacturers and a Swiss concern, Cementia Holding AG.

These last two are together shareholders in another producer, the Bamburi Portland Cement Company near Mombasa, in which the Kenya Government also has a stake.

The operations of the two Kenya companies dovetail in that EAPC concentrates principally on the home market; the other makes up any shortfall but exports much of its output.

(1) 1 EUA = 1.02 Kwacha = 1.12 US \$

The expansion scheme will boost EAPC's capacity to meet rising home demand and at the same time free Bam-buri to further develop its export sales.

Apart from helping Kenya's balance of payments, another benefit of the project will be 100 new jobs.

This is the European Investment Bank's second operation in Kenya. In October last year it provided a global loan of 2 million units of account (about 18.5 million Kenya shillings) to the Development Finance Company of Kenya Ltd. to support the development of various industrial ventures throughout the country. □

NIGERIA

Indicative programme

On 3 May Nigeria finally signed its indicative cooperation programme with the EEC after a long delay. Alhaji Abubakar Alhaji, the Permanent Secretary in the Nigerian Federal Ministry of Trade who signed the programme on behalf of Nigeria, said he thought this delay was due to the complexities of Nigeria's economy and rate of development com-

pared with other ACP countries. "We needed more time", he said, "to identify areas which might need aid from the EEC". The programme was signed for the EEC by Maurice Foley, Deputy Director-General for Development.

The Nigerians are particularly interested in training and the transfer of technology as they develop a modern economy, and this appears in the programme. A comprehensive list of industries has been drawn up which could benefit under the agreement, particularly in the manufacturing sector and Alhaji Abubakar Alhaji mentioned the pulp, paper and sugar industries. The oil industry however, is excluded from EEC aid and if any assistance is provided through technical assistance or training the Nigerians themselves will bear the cost.

The role of the Centre of Industrial Development and the European Investment Bank are also important to the Nigerians, and they hope too that the modest sums which have been spoken of so far will increase with time. "We deserve more", said Alhaji Abubakar Alhaji, "as the per capita income of Nigeria is one of the lowest in the world and therefore Nigeria is obviously one of the most deserving. There is low infrastructure, and although we have high revenue we also have high expenditure",

A future for Lomé

The Secretary also said he wanted Nigeria to receive meaningful aid and believed the Lomé partnership was of value as it brought together the EEC which "was probably the most powerful group in the world with the ACP who were probably the poorest". He hoped that in a Lomé II the provisions and benefits would be extended both for the ACP group in general and Nigeria in particular. With the signing of the indicative programme, the EEC will now be represented in Lagos by Tom Garvey, the Commission's first delegate there. □

ETHIOPIA

Financing agreement signed in Addis Ababa on 20 May 1977 by Claude Cheysson and the Ethiopian government

The drought which hit several regions of Ethiopia between 1974 and 1975 illustrated the backwardness of rural areas in the sphere of water supply and led the new regime to lay particular emphasis on development in this field, first in disaster areas and then all over the country.

The project financed by the EEC is part of these aims. The purpose of the project is to establish regional offices of the Ethiopian Water Resources Authority (EWRA) in Bahr Dar and Jimma respectively in the North-Central and South-Western areas of these regions and to improve the existing hydro-meteorological network, the latter laying the basis for an accurate assessment of regional water potential. In addition, the project will contribute to the establishment of the EWRA Training Centre for water supply personnel, to be situated in the town of Awassa.

The total cost of the project is estimated at 19 900 000 EUA (1). EDF financing, in the form of a grant under the fourth EDF, will cover, up to a total amount of 12 800 000 EUA, construc-

Signing the indicative programme. Right, Alhaji Abubakar Alhaji and left, Maurice Foley, deputy director-general for development. Behind them, Gab Ijewere, Nigerian ambassador in Brussels and Tom Garvey, the Commission's delegate in Nigeria



(1) One European unit of account (EUA)=about 2.33 Birr.

tion and equipment of workshops and offices, supply of equipment, building materials and vehicles for construction and maintenance of water supply facilities, as well as for extension of the hydro-meteorological network, operation of the equipment used in water-point construction and construction of the EWRA Training Centre. The cost of technical assistance for both regional offices will be also taken over by the EDF.

The Ethiopian Government will finance, from its own resources, up to an amount of 7.1 m EUA, the salaries of local staff and part of the costs for construction of the water supply systems.

The equipment to be supplied will for the most part be subject to international tender in several lots. The buildings planned for the regional offices and the Training Centre in Awassa will be built by EWRA by direct Labour. Experts and consultancy services will be provided by consultants to be selected by the Ethiopian Government on the basis of a short list proposed by the Commission of the European Communities.

This new financing brings the total amount of the investments already financed by the EEC in Ethiopia under the Lomé Convention to about 25 million EUA. □

SEYCHELLES

Indicative programme

The indicative programme for the development of the Seychelles' economy under the Lomé Convention was signed by the EEC Commission and the Seychelles government on 25 May 1977.

The country, which has some 60 000 inhabitants, will be receiving EDF aid of 2.5 million EUA. More than 50% of this amount will go on low-cost housing, since a massive, uncontrolled influx of tour promoters has sent land prices soaring far beyond the reach of the majority of people and the country, which has been independent since June 1976, is faced with a real housing crisis.

The other 50% will go to finance small rural infrastructure projects to improve and maintain the main airport at Victoria the capital and to a project to promote the country's small and medium-sized firms. □

ACP COUNCIL OF MINISTERS

Mr Matoka (Zambia): new president

The ACP Council of Ministers met in Fiji in April. Both it and the ACP Committee of Ambassadors have new presidents, the change taking place every six months. The new officers are:

ACP Council of Ministers

President: Mr Matoka, Zambian Minister of Economic and Technical Cooperation; Vice-Presidents: Mr Patterson, Jamaican Minister for Foreign Affairs; Mr Rulegura, Tanzanian Minister of Trade; Mr Vasco-Cabral, Vice-President of Guinea-Bissau; Mr Nduhungirehe, Rwandan Minister of Planning; Mr Phillips, Western Samoan Minister of Finance.

Committee of Ambassadors

President: Mr Nandan (Fiji). Bureau: Mr Coleman (Liberia), Mr Ilamoko-Deil (Chad), Mrs Mathe (Botswana), Mr Cna-sle (Mauritius), Mr Rainford (Jamaica).

See the report of the EEC/ACP Consultative Assembly. □

EEC COUNCIL

The 456th meeting of the Council of EEC development ministers was held on 16 June 1977 at the Kirchberg European Centre, Luxembourg, with Mrs Judith Hart, Minister for Overseas Development of the United Kingdom, in the chair.

The following points were dealt with: — financial and technical aid to non-associated developing countries;

— general discussion on the prospects for development cooperation: rural development, agriculture and food production in the developing world;

— food aid;

- the current and prospective food situation in the developing countries;
- improvement of the Community strategy;
- food aid in the form of milk products.

Rural development

The EEC Council held a general discussion on an important topic in the field of development cooperation, namely: "Rural development, agriculture and food production in the developing world".

This debate was the first application of the Council's Decision of 22 March last to hold a general discussion once or twice a year on certain fundamental problems in the field of relations with developing countries with a view to achieving greater coherence in the development cooperation policy of the Community and of the Member States.

The debate took place on the basis of views submitted by the Commission, and it enabled the delegations to reveal their respective national experiences in this field. The need for intensive rural development was mentioned as one of the major challenges facing the developing countries today, to the urgent nature of which the international Community is growing increasingly sensitive.

Aid to non-associated developing countries

After studying the opinion delivered by the European Parliament, the Council agreed to continue its discussions, at its next meeting, on the Commission proposal for an outline regulation for the implementation of the principle of financial aid and technical aid to non-associated developing countries.

Furthermore, the Council felt it necessary that the procedure be set in motion for the use of the estimated appropriation of 45 MUA entered in the 1977 budget. It accordingly held a detailed exchange of views on the general guidelines for the use of that appropriation. The Commission is to submit concrete financing proposals on the basis of the exchange of views.

The Council will contact the European Parliament for the unfreezing of the estimated appropriation for 1977. □

SUGAR

1977/78 prices fixed

On May 13 the European Commission and the ACP sugar negotiators reached agreement on new sugar prices for the 1977-78 season. Finn Olav Gundelach, the commissioner responsible for agriculture and George King, who led the ACP negotiating team both signed a

proposal on sugar prices. Five days later the deal was approved by the European agriculture ministers meeting in Council. The new prices are 27.25 EUA per 100 kg for raw sugar (26.70 EUA last year) and 33.83 EUA per 100 kg for white sugar (34.14 EUA), but it is the raw sugar price which is the main interest of the 14 ACP states and three non-ACP states which are affected by the agreement. The Community now expects that the sugar producers will get not less than 28.20 EUA per 100 kg for raw sugar on the European market.

The sugar protocol

The sale of ACP sugar on the European market is covered by a protocol attached to the Lomé Convention. It imposes obligations and benefits on both sides. The ACP sugar producing countries are committed to sell and the EEC committed to buy an agreed amount, which at the beginning of the agreement was 1 225 000 tonnes a year. It is also agreed each year what minimum prices should be set for ACP sugar. This guaranteed price acts as a sort of safeguard since ACP sugar is sold freely on the EEC market and the price negotiated by sellers and buyers. It is only when prices drop below the guaranteed level that the Community is obliged to buy ACP sugar at the agreed price. This system of guaranteed prices and fixed quotas means that when the world price is low, the ACP states are guaranteed a higher price for roughly two thirds of their sugar. This happened last season when the world price for sugar was almost 10 EUA per 100 kg lower than the EEC's guaranteed price. In years of high world prices the EEC is guaranteed a certain amount of ACP at a lower or agreed price. In the two full years of the sugar protocol the comparison between the ACP guaranteed price and the world price has been, in EUA per 100 kg:

Year	World price (1)	Guaranteed price
1975-76	27.39	25.53
1976-77	16.97	26.70

Sugar beet and sugar cane

Sugar is a sensitive question between the EEC and the ACP countries because both sides produce significant amounts,

(1) Average price on the London exchange for unpacked raw sugar.

and are competitors in the world market. It is therefore significant that the two sides do manage to work together under the sugar protocol and arrive at agreement. The EEC is the world's largest sugar producer and in 1977-78 it is estimated that the Community will produce from beet more than 11 million tonnes and export almost 3 million tonnes. EEC production represents some 11% of world production, that of the ACP 4% (2).

Teething troubles

The application of the sugar protocol has not been without its difficulties. Apart from the question of price and storage costs, some ACP countries have failed to meet their agreed quotas. Under the protocol a shortfall of more than 5% results in a cut in a country's quota for the next year by the same amount unless it is due to circumstances beyond the control of the ACP country in question. Such circumstances occurred in the case of Mauritius which had the period of delivery extended by the EEC as a result, and to Fiji, which had its quota

(2) Figures for the 43 ACP countries for which statistics are available.

maintained at the previous level. But quotas were actually cut for the Congo, Kenya, Surinam and Uganda, and were only restored by special decision at the ACP-EEC Council of Ministers meeting in Fiji in April. The EEC agreed to restore them in view of the initial problems in working the protocol but on the understanding that it would not be used as a precedent in future years.

Rising demand

One encouraging aspect for the ACP sugar producers, and indeed for European producers, is the rising world demand for sugar, particularly in the oil exporting countries and the Third World in general. World production last year was about 90 million tonnes, of which approximately 40% came from sugar beet and 60% from sugar cane. It is estimated that by 1985 world demand will be at some 110 million tonnes. There is therefore room for expansion, and the European Community along with other aid bodies is providing funds for the expansion of the sugar industry in developing countries. In the indicative programmes for the 4th EDF seven countries included sugar projects. □

RUM

Import quotas for the overseas countries and territories

The EEC Commission sent the Council a proposal in May on the breakdown and management of import quotas for rum, arak and tafia from the OCT. The tariff quotas were calculated on the ba-

sis of the best year for exports in recent times and goods within these quotas will enter the Community market free of duty. The quotas cover the period from 1 July 1977 to 30 June 1978.

The following table gives the figures for Community imports of rum from the Overseas Countries and Territories (OCT) in the period 1974-76 in hectolitres of pure alcohol.

	In hectolitres of pure alcohol		
	1974	1975	1976
BENELUX	4	100	3 903
DENMARK	152	137	2
GERMANY	14 932	63 088	48 187
FRANCE	—	—	—
IRELAND	13	7	37
ITALY	6	5	5
UNITED KINGDOM	—	—	1
	15 107	63 337	52 135

TRAINING

Multiannual training programme for ACP students

Something like 1600 ACP cadres are currently studying on 4th EDF-financed grants and training courses. This, together with the young people already training on 3rd EDF grants, means that about 4 000 ACP nationals are following technical courses, graduate and post-graduate courses and vocational training programmes as part of the training schemes organized by the Community and the recipient states.

Some 15 multiannual training programmes in the ACPs have already received Commission approval this year and will be funded by the EDF.

Commissioner Cheysson told ACP ambassadors that the programmes are multiannual because they cover the 1976/80 period (the Convention expires on 1 March 1980) and will mean that the ACP countries can draw up year-by-year programmes for their scholarship holders and gear training to prospects in those sectors of activity that are considered to be expanding or due to expand. The aim is to help provide vocational training for ACP nationals so that they can play a proper part in the economic and social development of their countries.

The training of cadres and executives should also make it easier for the ACP

countries to take over the jobs of foreign technical assistance officers and ensure the proper management of investments. The problem is mentioned in the resolution on financial and technical cooperation which the ACP-EEC Council of Ministers approved in Fiji in April 1977.

At the moment, some 15 countries are concerned with the multiannual programmes. On 29 March, the Commission approved programmes for the following: Barbados (200 000 EUA), Benin (1 809 000 EUA), Burundi (3 300 000 EUA), Guyana (545 000 EUA), Jamaica (2 790 000 EUA), Malawi (3 200 000 EUA), Rwanda (1 300 000 EUA), Sierre Leone (1 800 000 EUA), Trinidad and Tobago (2 082 000 EUA) and Upper Volta (2 532 000 EUA).

On 11 May 1977, the Commission approved three programmes, for Liberia (1 000 000 EUA), Ghana (2 250 000 EUA) and Guinea-Bissau (980 000 EUA) and, on 29 June 1977, three more for Kenya (2 000 000 EUA), Botswana (1 200 000 EUA) and the Ivory Coast (3 000 000 EUA).

The programmes for a further 10 or more ACP countries will be approved in the coming months. They are the result of close collaboration between the authorities of the countries concerned and the local Commission delegates. Generally speaking, programmes provide a certain number of study grants and training courses linked to the country's priority needs and/or to firm EDF projects. The constant aim is to guarantee optimum utilization of EDF-financed infrastructure or of other projects by providing trained staff at all levels. □

population belongs. In 1946 there were five Commonwealth countries; next year there will probably be 40, and for half of them the Commonwealth's financial, technical and cultural aid will be more than they receive from any other source.

The Commonwealth's most striking feature is its diversity; covering the five continents and including countries whose average annual incomes per head range from around \$6 000 (Canada) to \$100 (Bangladesh), the conference was a natural forum for discussing rich-poor relations. These, and the situation in southern Africa, were the familiar main items on an agenda divided into 11 working groups and interrupted by a weekend's relaxation in Scotland, where delegates enjoyed the informality and privacy that is the Commonwealth Conference's particular contribution to high-level international cooperation.

North-South

The interval between this conference and the last, in Jamaica, has been marked by the intensity of the "dialogue" between rich and poor countries. In Jamaica a group of Commonwealth experts was commissioned to prepare a report, "Towards a New International Economic Order", which served as a basis for the discussions in London.

The report, updated to take account of such meetings as UNCTAD IV and the North-South dialogue, concluded that little progress has been made towards a new order. It recommended a varied and pragmatic approach and urged that the changes proposed in the various international talks be put into effect.

Commodities

The Commonwealth experts supported the idea of a Common Fund, agreed in principle at the North-South dialogue, suggesting that it might act as a referee between producers and consumers. On stabilizing export earnings, the report said: "a regrettable feature of the current international discussions on commodities is the inadequate attention given to the possibility of commodity stabilization policies as part of a package of measures required to improve international economic stability". Indexation is required "not to raise prices in real terms but to maintain their purchasing power". The report called for more local processing, better export quality and marketing, and special aid with product diversification for countries dependent on a particular product for which demand is falling. It defended the formation of producers' associations.

GENERAL INFORMATION

The Commonwealth Conference

Development, southern Africa, human rights

The 21st Commonwealth Conference was held in London during the week of 8-15 June, with 26 out of 35 countries represented by their presidents or prime ministers. Two seats were empty—those of the Seychelles, a new member of the Commonwealth, where a coup d'état left Mr Mancham's status in London uncertain, and of Uganda, President Amin not having been invited.

The conference, held every two years, was timed to coincide with the silver jubilee celebrations of Queen Elizabeth II, who is head of the Commonwealth and still head of state of 11 Commonwealth countries. Both institutions, the British monarchy and the Commonwealth, are regularly described as anachronisms, but the combined dignity of the jubilee and the conference provided special reassurance of the strength of traditional loyalties. The 400 delegates represented a club to which a quarter of the world's

Open markets

The report welcomed generalized preferences schemes but complained about the exclusion from such schemes of agricultural products, both raw and processed, the numbers of exceptions and safeguard clauses and the problems created by non-tariff barriers.

Industrial cooperation

The experts laid great emphasis on industrialization, recalling the UN Lima target of 25% of world industrial production from the developing countries by the year 2000. They recommended more local processing, a higher level of import substitution and a wider range of exports from the developing countries. As well as the need for more investment and technical transfers, the report stressed management training and research. There was praise for the Lomé Convention, which had "provided a framework for industrial cooperation".

Financing development

Foreign finance for development, the report said, should complement national self-reliance in the developing countries. It called for more funds to offset balance of payments difficulties in non-oil producing developing countries and for debt relief, and supported the reform of the international monetary system to give poor countries greater liquidity. The IMF could be expanded "to perform functions in the international sphere similar to those of a central bank in a national economy". Despite the poor official development aid record of the OECD Development Aid Committee countries (average of 0.36% of GNP), and the worse record of East Europe, the experts argued that a target of 1% by 1980 would not be an "intolerable burden" for the developed countries.

Human rights

The conference, preceded by some intensive diplomacy, above all gave the British premier Mr Callaghan a chance to see the leaders of the front line states involved in the Rhodesian question and to urge on them the Anglo-American proposal for an independent Zimbabwe next year. This he seems to have done with some success, although only Malawi among the African countries opposed armed conflict.

At the opening of the conference, Mr Callaghan had condemned the "short-sightedness" of the white minorities of

southern Africa and called "fervently" for a peaceful solution of the conflict. Singapore's Lee Kuan Yew predicted "a classic guerilla war" and said the real threat was that "Marxist guerillas" might take over South Africa, Rhodesia and Namibia.

The condemnation of South Africa has given fire to Commonwealth talks for some time, and indeed it was on this point that Mr Heath once had to make it clear that Britain no longer stands *in loco parentis* to the Commonwealth. The business of not playing games with South Africa continues to be important, and one of the more immediate concerns at the conference was to save next summer's Commonwealth Games; they should now go ahead, thanks largely to New Zealand's having stepped down from its position at the time of the Olympic boycott.

But what has made this conference particularly interesting is the Commonwealth's reaffirmation of human rights and condemnation of tyranny under black as well as white government. Feeling ran high at a secretive heads of government meeting on human rights towards the end of the conference. The integrity of the Commonwealth's 1971 declaration of principles, a basically human rights document which many felt had saved the modern Commonwealth from drifting apart, was felt to be at stake. □

FOOD AID

Milk products programme for 1977

On 4 May the Commission adopted a communication to the Council on the establishment of the programme for food aid in the form of milk products (skimmed milk powder and butteroil). That communication follows the cereal aid programme proposed in October last year and adopted by the Council on 8 February.

These programmes involve:

45 000 tonnes of butteroil worth 47 million u.a., i.e. the whole of the appropriation earmarked for this purpose in the 1977 budget;

150 000 tonnes of milk powder worth 55.5 million u.a. divided into a first instalment of 105 000 tonnes (41.5

million u.a.) and a second instalment of 45 000 tonnes. The allocation of this second instalment is subject to the release of the corresponding appropriation of 14 million u.a. (Chapter 100 of the budget).

Allocation of the above quantities:

The Commission proposes to allocate these quantities as follows:

Tonnes	Direct aid to the developing countries	Indirect aid	Reserve
Butteroil	19 900	22 000	3 010
Milk powder (first instalment)	44 310	41 000	14 690

Almost all of the direct aid (88% and 93% respectively) is allocated to the poorest countries (those with a per capita GNP of less than US \$300) or to those countries facing emergency situations in accordance with the guidelines laid down by the Commission in the "Fresco of Community action tomorrow" (presented to the Council on 5 November 1974).

A large proportion of this aid (42% of the butteroil and 46% of the milk) is intended for free distribution to the most vulnerable sections of the population. Since the commercial markets for milk products are generally speaking very small, this form of distribution provides a guarantee against the disruptive effects that food aid can have. Distribution is mainly carried out by the international organization, which justifies a large part of the Community aid being channelled through them.

The indirect aid channelled through international organizations (World Food Programme, Red Cross, UNICEF, etc.) accounts for 52% of the butteroil, as in 1976, and 45% of the milk powder, compared with 36.5% in 1976.

The reserves are intended for use in emergency situations. Together with the special reserves provided for under the indirect aid arrangements, they represent a contribution to the international reserve for emergency operations, the principle of which was decided on after the World Food Conference.

The requests for aid in the form of milk powder made to the Community come from 42 countries and involve a total of almost 190 000 tonnes. As regards butteroil, 41 countries have requested a total of 159 000 tonnes.

The criteria according to which the quantities proposed have been calculated are import requirements, per capita income and the applicant countries' external finances situation, that is their capacity to finance the imports themselves.

However, even concentrating the aid on the countries in the greatest need, the programmes dictated by the budget resources available can satisfy on average only 20% to 50% of requirements, except where the quantities requested are small (e.g. less than 1000 tonnes of milk powder). This applies to milk powder in particular, since the Community is practically the only supplier of this type of aid.

The requests made to the Community are:

- either requests for normal aid, involving the free distribution of the product to certain population sections or its sale (with or without processing), the proceeds being intended for the financing of development projects;
- or requests for emergency aid to feed the victims of natural disasters;
- or events having important repercussions on the situation in the countries concerned.

The food aid programmes for 1977 comprise

Cereals: 720 700 tonnes for Community operations (supplemented by national operations involving 566 700 tonnes, giving an EEC total of 1 287 400 tonnes); Cost: 81.2 million u.a.;

Butteroil: 45 000 tonnes = 47 million u.a.;

Milk powder: 105 000 tonnes = 41 million u.a. (first instalment proposed); 45 000 tonnes = 14 million u.a. (second instalment still to be released);

Total appropriations entered in the 1977 budget are 192.2 million u.a.

1976 programme

	Quantities (tonnes)	Value (million u.a.) (round figures)
Cereals		
- EEC	708 000	98
- National aid	579 000	80
TOTAL	1 287 000	178
Butteroil	45 000	69
Milk	150 000	77

LAW OF THE SEA

Sixth session of the law of the sea conference in New York

The sixth session of the third UN Conference on the Law of the Sea was held in New York from 23 May to 8 July.

The biggest item on the agenda this time was the exploitation of minerals (cobalt, nickel and manganese) from the international seabed. Private industry, particularly in the US, is impatiently waiting for the green light to start work, especially in the Hawai-US West Coast zone. The developing countries themselves lack the technology for such exploitation and are in no hurry to conclude their discussions on this issue.

Since the last session, which ended on 17 September, several states, including the EEC on 1 January last, have staked their claim to 200-mile limits, the conference having failed to reach international agreement on this point.

Last July, the Nine agreed that the Community as such should represent them at the Conference and submitted a request to this effect. The Commission laid down the outline of a Community proposal at the conference in April.

Waldheim: fair play

Ensuring that the developing countries have greater access to marine resources would make a major contribution to building a fairer and more effective world economic order, said UN Secretary-General Kurt Waldheim in his speech at the opening of the 6th session. He went on to say that without general agreement on a new law of the sea each state would want to put its own ideas into practice and would be making more and more demands on the area and resources of the ocean. Such a situation, which would reward power at the expense of justice, could not possibly be accepted, he said. □

EURO-ARAB DIALOGUE

The EEC/Arab League trade picture

Euro-Arab dialogue experts have produced an up-to-date assessment of EEC/Arab League trade. 1976 figures were included and an overall picture of the 70/76 period obtained. EEC exports to the Arab League countries went up by 385% over these seven years and imports by 246%. The EEC has thus been able to reduce its trade deficit vis-à-vis the League since 1975, although this is still considerable.

The main findings of the exports are as follows:

— In 1976, EEC exports to Arab League countries represented 13.5% of total exports (as against 12.6% in 1975). This was more than exports to the US and Japan combined.

— In 1976, EEC imports (mainly oil) from the Arab League represented about 20% of total imports, much the same as in 1975. Here again the figure is higher than that for imports from the US and Japan combined.

— The EEC is still by far the Arab League's biggest trade partner, in spite of the fact that its share of total League trade is less than it was in 1974.

— The EEC's trade balance with the Arab League over the seven years in question fluctuated considerably with the price of oil. Over the 1970/73 period, the Arabs had a trade surplus of 5 000 million EUA. This trend increased in 74 and 75, but has been partly reversed since. In 1976, the EEC had a 11 256 million EUA trade deficit, twice the figure for its trade with the rest of the world.

— The EEC deficit is with the oil-producing countries alone. It has a surplus as far as the Maghreb and the Mashreq are concerned, which amply justifies the preferential system and the financial aid which the agreements with these countries provide.

EEC exports in 1976 (million EUA)					
Whole world	Arab countries	US	Socialist bloc	Canada	Japan
124 247	16 745	14 296	11 026	2 442	2 394
EEC imports in 1976 (million EUA)					
Whole world	Arab countries	US	Socialist bloc	Canada	Japan
140 395	28 011	22 288	9 964	3 840	5 633

— EEC imports are mainly oil. In 1974, oil accounted for 90.8% and oil derivatives (refined oil and petrochemicals) for 1.8%. Overall, 94% of Arab goods imported into the EEC are admitted duty-free.

— Crude oil imports into the EEC in 1976 were as follows: 67.9% from the Arab countries, 18.8% from Iran, 6% from Nigeria, 3.6% from the USSR and 1.1% from Venezuela.

— The Community exports a wide variety of goods to the countries of the Arab League. In 1975, mechanical goods accounted for 50% (including almost 19% for vehicles). Other manufactured goods accounted for 20.2%, food products 8.5%, nearly half of this being cereals, and chemicals 7.7%. The principal buyers are Saudi Arabia (16.2% of the total), Algeria (14.5%), Lybia (11.2%), Iraq (10.9%) and Egypt (8%).

The Juba Valley project (Somalia)

The Community will be contributing \$120 000 to the financing of studies for the Juba Valley (Somalia) rural development project to build three dams over the river Juba. This amount will be set off against the \$3.5 million which the EEC Council of Ministers allocated from the Community budget for 1977 on 5 April for development schemes under the Euro-Arab dialogue. It is the first financing within the framework of the Euro-Arab dialogue.

The Commission will be drafting a financing agreement on the promotion and protection of investments made under the Euro-Arab dialogue. It is only intended to be a complementary, subsidiary agreement and will be used for matters not covered by bilateral agreements between countries of the EEC and the Arab League. □

LEBANON

Cooperation agreement

The cooperation agreement between the EEC and the Lebanon was signed in Brussels on 3 May 1977, by Mr Fouad Boutros, Vice-President of the Council and Minister for Foreign Affairs of Lebanon, David Owen, British Foreign Secretary and President-in-office of the Council of the EEC, and Claude Cheysson.

In their speeches, all emphasized the importance of the agreement which will strengthen relations between the Lebanon and the EEC and would contribute to the development of cooperation, especially after the recent events in the Lebanon.

Mr Boutros asked the EEC to grant supplementary aid to the Lebanon to help it to meet all the urgent reconstruction and development needs arising from the destruction and damage caused by the recent fighting.

The agreement provides for the implementation of provisions and measures in the fields of economic, financial and technical cooperation, and in that of trade. It is for an unlimited period and also contains a general review clause (a first review is due to take place in 1979).

Economic, technical and financial cooperation

The object is to contribute to the development of the Lebanon by efforts complementary to those made by the Lebanon itself and to strengthen existing economic links on as broad a basis as possible for the mutual benefit of both sides. Accordingly, the agreement will aim to promote, in particular:

— participation by the Community in the efforts made by the Lebanon to develop its production and economic infrastructure;

— the marketing and sales promotion of products exported by the Lebanon;

— industrial cooperation (contacts between industrial policymakers, facilities for acquiring patents on favourable terms, etc.);

— Participation by Community operators in programmes for the exploration, production and processing of the Lebanon's resources and any activities which would develop these resources on the spot;

— cooperation in the fields of science, technology and protection of the environment;

— cooperation in the fisheries sector;

— encouragement of private investments which are in the mutual interest of both sides;

— exchange of information on economic and financial matters.

In addition, both sides may decide on further areas of cooperation.

A Financial Protocol has been agreed and expires on 31 October 1981.

Under this Protocol, an aggregate amount of 30 m EUA will be made available to the Lebanon; this amount will be broken down into 20 m EUA in the form of EIB loans, 8 m EUA in the form of grants and 2 m EUA in the form of loans on special terms.

These amounts will be used for the financing of capital projects in the field of production and economic infrastructure as well as technical cooperation as a preliminary or complement to capital

The EEC-Lebanon cooperation agreement is signed in Brussels by Fouad Boutros, David Owen (centre) and Claude Cheysson



projects, drawn up by the Lebanon, and technical cooperation in the field of training.

Trade cooperation

In the field of trade, the object is to promote trade between the EEC and Lebanon taking account of their respective levels of development and of the need to ensure a better balance in their trade. It is hoped to increase the rate of growth of Lebanon's trade and improve the conditions of access for its products to the Community market.

Virtually all Lebanese industrial products imported into the EEC will benefit from total exemption from duties and they will also be free from any quantitative restrictions.

However, supervisory arrangements will be introduced for certain products originating in the Lebanon which are considered sensitive in the Community. In particular, annual ceilings (above which third country customs duties may be reintroduced) have been set in respect of phosphatic fertilizers (15 000 tonnes) and of "other woven fabrics of cotton" (200 tonnes). These ceilings will be raised after the first year and abolished by the end of 1979 at the latest.

The Community will also make concessions in respect of a number of agricultural products originating in the Lebanon. These concessions, which mainly affect fresh or dried fruit and vegetables (notably onions, garlic, and citrus fruit), basically consist of tariff reductions varying according to the products concerned and, in certain cases, according to a timetable. It has however been agreed that the provisions of the EEC's common agricultural policy will be applicable.

General and final provisions

These provisions concern in particular: — a system of safeguard clauses — the powers of the body responsible for administering the agreement (Cooperation Council—a clause concerning the general review of the agreement—and provisions concerning dumping and non-discrimination. □

EUROPEAN PARLIAMENT

ACP tariffs on EEC exports

Miss Flesch asked the Commission in a written question what changes the ACP countries had made to customs ta-

riffs applied to imports from the Community since the Lomé Convention came into effect and which ACP countries had granted the Community more favourable treatment than that of "most favoured nation".

The Commission, in reply, pointed out that the tariff treatment accorded by the ACP states to the Community was not uniform when the Lomé Convention was signed on 28 February 1975. The states which had signed the Yaoundé Convention (with two exceptions) and the Arusha Agreement signatories granted preferential treatment the six member Community and many Commonwealth countries granted similar treatment to the United Kingdom. The trade provisions of the Lomé Conventions came into effect on 1 July 1975, and from that date the ACP states started applying non-discrimination between EEC member states and the granting to the Community of treatment no less favourable than most-favoured-nation treatment.

Most of the ACP states which had granted the Community preferential tariff treatment stopped doing so in the following months.

As a result of the measures taken by the ACP states, Community exports at present receive treatment more favourable than most-favoured-nation treatment in Benin, Mauritania, Mauritius, Niger, Senegal, Tonga and Upper Volta.

Law of the sea

On the eve of the sixth session of the third UN Conference on the Law of the Sea, the European Parliament made a detailed statement on the various aspects of these talks, which, as Mr Cheysson made clear in his speech, are dealing for the first time with the difficult problem of the joint exploitation of a large part of our human heritage. There are plans to set up an international executive body to manage these resources.

The resolution adopted at the end of the discussions confirms a certain number of principles, which include the following:

— Freedom of navigation and the right of peaceful passage within the 12-mile zone, and freedom to fly over or sail in the 200-mile zone.

— All maritime states should be allowed to extend their jurisdiction to the seabed, beyond the 200-mile zone, when the area in question is a natural continuation of the state concerned.

— The international seabed and the resources thereon are to be considered as the common heritage of all mankind. □

INDUSTRIAL COOPERATION

Club of Dakar

A Club of Dakar meeting on industrial cooperation between France and the countries of Africa ended on 3 June at Royaumont Abbey near Paris.

Representatives of French cooperation bodies, French industry and various African countries (Ivory Coast, Senegal, Upper Volta, Mali, Niger and Zaire) spent two days discussing the geographical distribution of industrial activity in Europe and Africa and the ways and means of cooperating. They also investigated the conditions under which industrial units could set up in Africa.

France's help with industrial investments in Africa, which it gives via the CCCE (Central Fund for Economic Cooperation) and the BFCE banking system, was also discussed.

Discussions on different sectors of activity and on different countries yielded guidelines to ease the transfer of technology by establishing industrial units in Africa.

Jean-Jacques Bonnaud, chef de cabinet at the French Ministry for Industry, again pledged his cabinet's support for the idea of redistributing activities between France and Africa. This would be done on the basis of cooperation and along lines suggested by the Club of Dakar.

Restructuring industry in the ACP

The Commission has brought out a working document on the reciprocal implications of development cooperation and other Community policies.

For some time now, the Community has been concerned with the link between measures to benefit the Third World (particularly its trade) and the situation in certain sectors of industry in the EEC. For example, trade measures in the textile sector have had considerable repercussions on the EEC employment market, jobs in this sector having dropped by 500 000 in only a few years. It is vital to establish a link between trade measures and the restructuring of industry, medium and long-term objectives must be defined and transitional measures must be taken. The EEC intends concentrating on this important project and working out a po-

sition; for the moment, it is doing no more than providing the Council with a document analysing the situation and laying down general guidelines.

Centre for Industrial Development

Budget problems for the Centre for Industrial Development, the new agency set up in Brussels under the Lomé Convention to promote ACP industrialization, are clearing up.

So far, EUA 5 m has been found for the CID for the duration of the Lomé Convention. In May the Industrial Cooperation Committee gave the go-ahead for an allocation of EUA 1.3 m for the Centre's 1977 budget, of which 740 000 has been initially set aside for running costs while 560 000 would be operational.

The ACP countries considered the overall budget inadequate beside the CID's draft programme, but the Industrial Cooperation Committee has pointed out that the 1977 allocation is equivalent to EUA 7 m over five years. This would be drawn from the EDF's regional funds.

A breakdown of the Centre's projects, which have not yet been revealed in detail, indicates that about half the money would go into timber, chemical and other industries, a quarter into agro-food industries and a quarter into minerals, with the stress on developing local energy resources.

The CID is concerned with information, studies and technical assistance rather than industrial hardware as such. □

FAIRS AND EXHIBITIONS

SITHA 1977 (Abidjan)

SITHA II, Abidjan's second international textile and garment fair was run by the Ivory Coast's foreign trade centre (CICE) in the Palais du Congrès Houphouët-Boigny on 2-5 May. Trade representatives from Africa, Europe and America saw displays of the most recent products from 10 African countries—7 ACPs (Benin, the Ivory Coast, Ghana, Mauritius, Mali, Senegal and Togo) plus Algeria, Morocco and Tunisia. A total of 62 firms were represented and there were 55 stands in all.



A model at SITHA 77

The CICE had attracted 298 buyers (representing 168 firms) from 11 countries of Europe and the US, 20 African buyers, 4 organizers for seminars on trends in European fashion and 30 specialized journalists from the textile world, 325 visitors in all. This was far in excess of the 152 who went to SITHA 1975 (which was preceded by a textile seminar in 1974).

A sustained effort on the part of the CICE meant that the results of SITHA 77 were available less than one month after the fair closed, thanks to a thorough survey of buyers. CFAF 140 million went into SITHA 77, including CFAF 38 million in Community aid on advertizing for visitors, seeking people to put on displays and organizing the fair proper. The results are as follows: CFAF 2077 million in firm sales and CFAF 1500-2000 million in options to be confirmed over the next 6 months. This is a much better return on investment than at SITHA I in 1975, when a CFAF 60 million investment yielded figures of CFAF 1200 million.

Buyers generally felt that although the prices were higher than those of Asian competitors, the quality range, colours and finish were better and the styles better suited to the European market.

The Commission put a good deal of work into SITHA 77 and the results have been very encouraging.

INTERZUM (Cologne)

INTERZUM, the furniture trade's materials, equipment and supplies fair, was held in Cologne (West Germany) on 14-17 May 1977.

The Congo, the Ivory Coast, Gabon, Cameroon and Zaire, all ACP timber-producers, took part in INTERZUM 1977, on EEC-organized show which was part of the campaign to promote tropical woods as yet little known in Europe. The aim was to diversify production, ease Europe's problems with supplies and improve the methods of exploitation of tropical forests.

The five countries shared a stand built from the woods chosen for promotion, which had already been on display in fairs in Rotterdam and Copenhagen in 1976. In addition to the untreated timber making up the stand itself, articles made from these new woods were also on display to give European trade representatives an idea of how they could be used.

Detailed technical data sheets on each type of wood being presented were available to representatives in their various languages. They had been drawn up on the basis of experiments which European industries had carried out on samples from African countries.

Representatives of the African producer countries were on the stands to provide information, for European trade representatives and on 16 May, the Commission organized an informal European trade/African producer meeting.

Mr Konan Soudele, the Ivory Coast's forestry promotion director, was invited to chair this extremely lively and interesting meeting, which was an opportunity for a broad-based discussion and resulted in greater mutual understanding of problems.

The discussion revolved around the following points, which European timber importers felt to be cause for concern:

ACP stand made of ACP woods



- sea freight costs;
- marketing raw and processed products;
- the rate of export charges and other dues levied on woods of all kinds;
- guaranteed export supplies to Europe;
- stable prices for sufficiently long periods.

The ACP countries concerned are running similar promotion campaigns for these new types of woods during 1977, with the help of the Commission. The main fairs involved here are:

- Trieste (Italy) international fair, 17–29 June;
- Valencia (Spain) international furniture fair, 17–23 October;
- IWIE, Birmingham (England), 30 October–3 November;
- BATIMAT, Paris (France), 24 November–4 December.

Economic and trade exhibition in N'Djamena

Chad's Chamber of Commerce has just run N'Djamena's second economic and trade exhibition. The site, alongside the Cuvette St Martin waste ground, caused some surprise among the exhibitors because it provided no shade of any kind, but the numerous visitors were not deterred.

By the opening day, hard work on the part of the exhibitors had transformed this barren piece of land into what the

local press termed a town in miniature. Local companies and businessmen made a considerable and very encouraging contribution to the exhibition, as Colonel Djimi Nalingar, Vice-President on the Supreme Military Council, said in his opening speech.

There were 118 exhibitors and a total of 276 stands in 14 large areas, covering almost six ha. Examples of most economic and trade activities, ranging from major import companies to small local craftsmen, were represented.

The exhibition was designed as a trade fair. The idea was to give new leaders the opportunity to show off the country's economic potential and promote development and it turned into an event with genuine popular appeal.

More than once, the authorities stressed that the fact that the US, the Central African Empire and the EDF had stands at the exhibition gave the event an international flavour and this was why a chart of honour was presented to the Commission delegate at the closing ceremony.

The EDF stand was 9 m×4.5 m (40 m²). A huge central panel dealt with Community cooperation with the ACP under the Lomé Convention and three other display boards and a series of large black and white photographs illustrated various EDF schemes in Chad in detail.

Recent numbers of the "Courier" and a locally-produced brochure were distributed to visitors. There was constant and regular interest in the EDF stand, particularly from students.

The stand turned out to be a good place for discussion and information on EDF activities, in which participants displayed considerable interest, even outside the context of the exhibition. □

ROBERT SCHUMAN ASSOCIATION

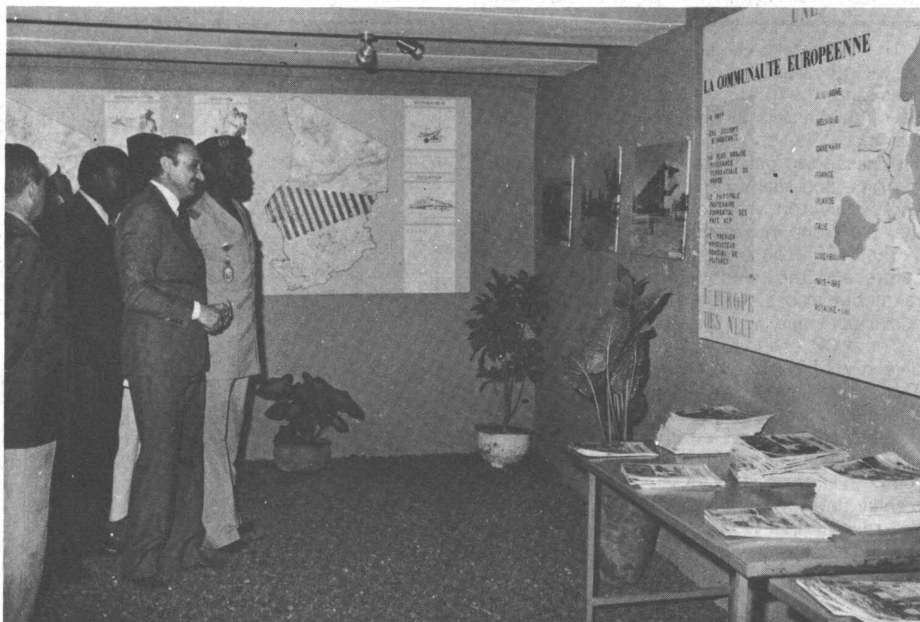
Perhaps for the first time, representatives of three groups—black Africa, the Arab world and the Mediterranean countries—have met around a table together instead of visiting each other separately as in Lomé, Paris or Cairo. After the EEC-ACP Consultative Assembly in Luxembourg on 10–11 June, they met in Scy-Chazelles, near Metz, in the house where Robert Schuman lived and died.

The meeting, on "the spirit of Lomé and its diffusion in the world", was in line with the thinking of the founder of the European Community. Robert Schuman's aim was never just Europe. His fundamental desire was to replace relations based on force between nations and social partners by a common quest for what is right for each and every one of us. This was illustrated by the then quite new provisions of the ECSC Treaty, dealing with the training of workers and the conversion of firms, which organized general solidarity in face of the effects of economic change.

It is a little-known fact that, in early 1955, when the colonial empires were still more or less intact, Robert Schuman, who, along with Adenauer, had just reconciled the countries either side of the Rhine, was already thinking of reconciling those on either side of the Mediterranean by creating, on the basis of equality and cooperation, a vast community of peoples and wealth from the countries of Africa, European and the Middle East.

With the Conventions of Yaoundé and Lomé, the Euro-Arab dialogue and the Mediterranean agreements, this policy has gradually taken on economic and commercial reality and the time has come to concentrate on the human aspects, perhaps one of our best chances of peace. In the continuing confrontation between East and West, it is clearly up to this vast intermediate region running from north to south of the globe to provide an example of genuine solidarity ready to serve all men and all nations. □

At the EEC stand in N'Djamena





“ACP House” inaugurated on 17 June

The 52 ACP signatories to the Lomé Convention have at last got their own “ACP House” in Brussels. The new headquarters was inaugurated on 17 June 1977 by Messrs Peter Matoka (Zambia), president of the ACP Council of Ministers, Satya Nandan (Fiji), chairman of the committee of ACP ambassadors to Belgium and the EEC, Tiéoulé Konaté (Mali), the secretary-general and Edwin Carrington (Trinidad and Tobago), the deputy secretary-general of the ACP group, and ACP Secretariat officials.

Also present were Messrs Claude

Cheysson and Klaus Meyer, respectively commissioner and director-general of development at the EEC Commission; Tom Linson, British Under-Secretary of State for development; Ratu Sir Kamisese Mara, Prime Minister of Fiji, where the last EEC-ACP Council of Ministers meeting was held in April; Percival Patterson (Jamaica), one of the leading Lomé negotiators; and, of course, the ACP ambassadors, including Kodjovi Dagadou of Togo, who was given the job of acquiring the ACP premises, and the last two chairmen of the ACP am-



Claude Cheysson
EEC Development Commissioner

bassadors, Simon Nko'o Etoungou of Cameroon and James O'Neil Lewis of Trinidad and Tobago, who saw the new building through its final stages.

In their speeches, Messrs Matoka, Nandan, Linson and Chéysson all stressed the importance of the ACP headquarters in Brussels, as a concrete symbol of the solidity of EEC-ACP co-operation.

While this cooperation is in the first place economic and institutional, the chairman of the ACP Council of Ministers underlined the cultural role ACP House will also be called upon to play. Mr Matoka, and other speakers, called for the ACP Secretariat premises to be also a meeting-place and showroom of ACP art and tradition. The Fijian premier set the example by presenting a drum (a Fiji “lali”) for ACP House, a symbol of communication that traditionally brings people together.

Satya Nandan:

“The solidarity of the ACP group”

“It gives me great pleasure to warmly welcome you on behalf of my colleagues in the Committee of Ambassadors, on the occasion of the inauguration of the ACP House. This is indeed an important milestone in the history of the ACP group. It is above all visible demonstration of the solidarity of the ACP group as well as a demonstration of the importance the ACP group as a whole attaches to its association with the European Community. The fact of establishing a permanent headquarters of the ACP group in Brussels is itself a manifestation of our faith in our association with the European Community and of our hope and expectation that this association, which is based on our longstanding and historic ties with the member states of the European Community, will remain and endure.

The Secretary-General has described for us the physical features, the human sacrifices and the material contributions which have culminated in the realisation of this building. We of the ACP Committee of Ambassadors, particularly my predecessors in office and many of my senior colleagues, know only too well the tremendous effort that has gone into completing this building...

The ACP House is not only our meeting centre and the headquarters of our Secretariat but also a centre for our cultural and social activities.

The ACP group of countries have a rich diversity of people, cultures and art forms. They now have an excellent opportunity to adorn their House with exhibits of this great diversity of cultural endowments. Our artists, our painters, our sculptors, who have many talents, will have an opportunity to display them to ourselves of the ACP and to the rest of the world”.

Satya Nandan (left) with Tiéoulé Konaté





J.L. Debatze CEE

Peter Matoka
President, ACP Council of Ministers

Mr Cheysson praised the design of the building and outlined the difficulties that had to be overcome in acquiring it. He was glad, he said, that the European Community had been able to contribute to the unity of peoples who had been sadly dispersed and divided by Europe in the past.

What is it?

ACP House is a new four-storey building which also houses the Centre for Industrial Development. With a total floor space of 8000 sq.m., it has 52 spacious offices, three conference rooms, of which the biggest (250 places) has facilities for interpretation into 12 languages and the smallest has 24 places. There are large reception rooms and a two-level underground car park. It is hoped that the best ACP artists will contribute to the decoration. □ L.P.



J.L. Debatze CEE

Edwin Carrington

ACP Deputy Secretary-General

Edwin Carrington of Trinidad and Tobago brings considerable experience of economic affairs and regional cooperation to his job of ACP second-in-command (see "Courier n° 40 for profile of ACP Secretary-General Tiéoulé Konaté).

CARICOM background

His appointment to the ACP Secretariat in December 1975, after he had participated in the Lomé Convention negotiations, followed an intensive four-year spell as chief of the economics and statistics section of CARIFTA, during which CARIFTA under William Demas, was turned into CARICOM, the Caribbean Community. Mr Carrington ran the trade and integration division of CARICOM, dealing with taxation, economics, export promotion and transport. He was chairman of the Sugar Working Party, which dealt with one of the Caribbean's most complex trade prob-



Amy Maïga (Mali)
ACP Secretariat

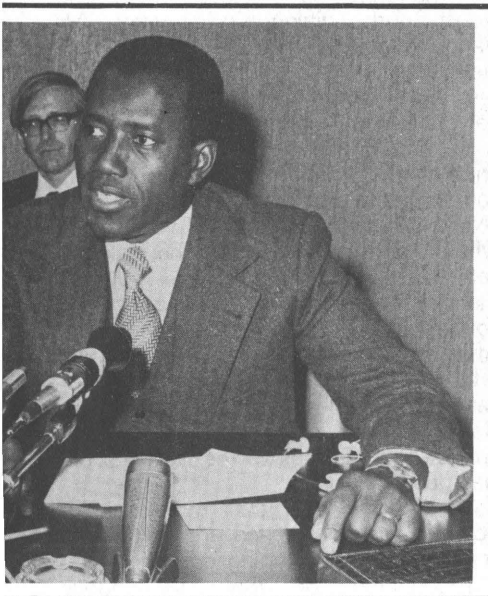
lems, and has participated in UNCTAD meetings.

Among his publications are: "Solutions of economic problems through regional groupings", "Mutual interaction between technocrats, academics and public offices", and studies of industrialization in Trinidad and Tobago and tourism as a vehicle for economic development.

Development economics

Mr Carrington joined the civil service in 1958, then studied economics at the University of the West Indies in Jamaica and followed up his master's degree with a Ph D at McGill University in Montreal (Canada), where he specialized in development economics. He returned to the Trinidad and Tobago campus of the University of the West Indies as a research fellow and lecturer in economic theory for two years.

He is married with three children.



J.L. Debatze CEE



Ambassador Dagadou of Togo (left) during the inauguration of ACP House

SAHEL

The development plan of the "Club of friends of the Sahel"

Ottawa (Canada)—A long-term economic strategy for the Sahel, a region hit by devastating drought in 1968-72, was produced at the "Club of Friends of the Sahel" meeting which ended in Ottawa on 2 June.

The Club comprises eight countries of West Africa which are members of the CILLS (Permanent Inter-State Committee on Drought Control in the Sahel) and the countries and organizations that give aid. They have devised a two-stage development programme.

The first, called the "first generation" programme, covers 1978-1982 and will cost \$ 3000 million. Experts have assessed stage two, which will last until the year 2000, at more than \$ 7000 million.

The first instalment of American aid will be for \$ 200 million, one quarter of which will be available in September. Germany will be giving \$ 72 million, the Netherlands \$ 35 million, Canada \$ 33 million and Switzerland will be trebling its contribution to \$ 9 million. The biggest contributor is France, with aid totalling \$ 237 million. □

BELGIUM

New Minister for Cooperation

Lucien Outers has been made Belgium's Minister for Cooperation in Leo Tindemans' new government.

The new team also includes Henri Simonet as Minister for Foreign Affairs. Mr Simonet, who was EEC commissioner for energy in the Ortolí Commission until December 1976, will be President of the EEC Council of Ministers from 1 July-31 December 1977. □

NGOs

Education seminar

The Commission organised a seminar in Brussels from 22-24 June with the non-governmental organisations (NGOs)

on "the ways and means" of educating public opinion in Europe on development matters. About 40 representatives of NGOs with experience in the subject took part. Possible themes and target groups were discussed as well as the practical arrangements for carrying out such cooperation from the intellectual, material and financial points of view. □

LATIN AMERICA

Visit by Mr. Jaime Moncayo, Permanent Secretary of the SELA

At the Commission's invitation, Mr. Jaime Moncayo, Permanent Secretary of the SELA (1), visited Mr. Haferkamp, Vice-President of the Commission responsible for External Relations, and Mr. Cheysson, Member of the Commission responsible for Development Policy.

Mr. Moncayo, who was accompanied by Mr. Maldonado and Mr. Bermudez, directors of the SELA administrative units for coordination and consultation and for programmes and projects respectively, took part with Commission staff in a working session chaired by Mr. J. Loeff, Deputy Director-General for External Relations at the Commission.

Mr. Jaime Moncayo was appointed Permanent Secretary of the SELA by the Latin American Council in October 1975; before taking up this office, Mr. Moncayo had been Ecuador's Finance Minister.

The aim of this meeting was to establish the first official contacts between the Permanent Secretariat of the SELA and the Commission in order to explore the practical possibilities of cooperation on the SELA work programme. In this context, a study will also be made of new forms of cooperation between the Community and the SELA in its capacity as a coordinating body grouping together all the Latin American countries.

Commission and Permanent Secretariat representatives will meet to examine jointly the possibilities of the Community cooperating in the execution of the first specific regional projects finalized by the SELA under its work programme. These

(1) SELA = Latin American Economic System. It is an intergovernmental body of which 25 Latin American and Caribbean countries are members and whose objectives are as follows:

(a) to encourage intra-regional cooperation in order to increase the economic and social development of its members;

(b) to promote a permanent system of consultation and co-ordination with a view to the adoption of common positions and strategies on economic and social matters both within international forums and organizations and with regard to non-member countries and groups of countries.

projects relate in particular to the food and agriculture, fertilizer and craft sectors.

At the same time, with the aim of improving the overall dialogue between the EEC and Latin America, contacts between the Commission and the Permanent Secretariat of the SELA will be geared to seeking proposals for each of the two parties to submit to their respective Councils.

In this connection, the Commission mentioned the Community's policy of cooperation with non-associated developing countries, of which one of the guiding principles is to support efforts at regional integration.

The talks were conducted in a very cordial and constructive atmosphere. □

Correction

The Director of Information of Gambia Radio has pointed out an error in the Nigerian press which we reproduced (page 92 of the English edition and 98 in the French edition of no. 43): the women in the photo were from Gambia and not from Niger as we said. Our apologies.

NORTH SOUTH DIALOGUE

US Under-Secretary Cooper outlines progress and disappointments

The Under Secretary of State for Economic Affairs, Mr Richard Cooper (who led the American delegation at the North-South dialogue following Mr Vance's departure) outlined in an interview what in his opinion were the progress and disappointments of the ministerial conference in Paris.

In Mr Cooper's opinion, the conference notably made it possible to see the various problems which arise in the "North-South" context as "pieces of a whole", and in this respect the dialogue can be considered a success. Where there was a common language at the conference, Mr Cooper expects that "that language will be used over the near future as a principal basis for the negotiations that will take place in other bodies... In that sense I think CIEC did provide real impetus to the North-South dialogue".

Mr Cooper feels that three conclusions of the conference are particularly important for developing countries:

1. recognition of the "tremendous

dependence of all our economies on energy", and the interest of developing potential energy resources in the developing countries (notably through the World Bank's taking a greater role in providing the necessary capital),

2. acceptance by industrialised countries of a strong commitment to expand and improve existing aid programmes (Mr Cooper pointed out that the new American administration attaches greater importance to the effectiveness of aid, and that it intends ensuring that this aid is used for projects which will really help to improve living conditions and productivity,

3. recognition on the part of a group of developing countries of the role private investment can play in the development process (and therefore of the influence which the host country's attitude can have on the investment climate).

On other aspects of the dialogue, Mr Cooper said he was **less satisfied**:

— **energy.** Mr Cooper is "disappointed" at the lack of agreement on continuing consultations on this subject. "Some oil exporting countries... objected to the idea as a matter of principle", stated the American Under Secretary, "on the ground that it would interfere with their sovereign right to determine the price of their oil exports. While not necessarily disagreeing with that principle, other developing countries emphasized that they lacked a mandate for representing the interests of developing countries that were not participating in CIEC. But in fact many of the developing countries—including some oil exporting countries—supported the idea of continuing the energy dialogue".

— **trade.** The dialogue "did not contribute anything especially new in this area", while reaffirming the commitment to take the special situation of developing countries in the Tokyo Round into account.

— **Common Fund.** Here also, Mr Cooper felt that "the groundwork... had already been laid by UNCTAD in Geneva last March". Agreement on the establishment of a common fund constitutes progress, but Mr Cooper pointed out that "there are still quite different concepts of just what such a common fund could and should do".

— **developing countries' debt.** Here no progress, was possible because the developing countries did not wish to make any concession in respect of their proposal for moratorium on the debt. Mr Cooper stated that the United States is taking "the debt issue seriously" and that it feels it should be "addressed internationally". □

ACP EMBASSIES



NIGER

Niger: Lambert Messan presents his credentials

The President of the Council and the President of the Commission of the European Communities have received H.E. Ambassador Lambert Messan in his capacity of Representative of the Republic of Niger to the European Economic Community (EEC).

The newly-appointed Ambassador also presented his letters of credence as Head of the Mission of the Republic of Niger to the European Coal and Steel

Community (ECSC) and to the European Atomic Energy Community (EAEC).

Ambassador Messan was educated in Niger, Ivory Coast and France obtaining qualifications in the arts and social sciences. He also obtained a diploma from the Institut International d'Administration Public (International Institute of Public Administration). Before he entered Niger's diplomatic service as an active diplomat he spent study periods with UNESCO, the International Labour Office (ILO) and an educational institute in Bangkok. He has already published a number of articles on education and information and is currently preparing his doctorate. Ambassador Messan, who is 36, served in a variety of diplomatic postings before being nominated as Ambassador to the EEC. □

MEDITERRANEAN

Speech by President Jenkins at the Foreign Affairs Council, Luxembourg, 21 June 1977

"I do not have to say", said Mr Jenkins, "that the economic problems of the Mediterranean, including those of the two member states principally concerned have long been one of the major preoccupations of the Commission, both this one and its predecessor. In April, in response to requests from the Council, we put forward some preliminary ideas

to provide the basis for later action in the agricultural field. Our communication on Mediterranean agriculture was in fact the new Commission's first major initiative on agriculture, apart from the annual price proposals.

"The work in which we are engaged here will be of long-term significance for the Community. If we were to take rapid or rash decisions now, we could make things much worse for ourselves in the years to come. I have particularly in mind the option of adopting measures which could have the effect of producing surpluses comparable to those with

which we are obliged to contend in other fields, in particular dairy products. I also have in mind the danger of creating barriers to trade which could damage our relations with Mediterranean countries outside the Community, and also our partners in the Lomé Convention. Instead we must look for solutions which will indeed help producers and raise living standards in the Mediterranean, but would not reproduce the circumstances which have disfigured some aspects of the Common Agricultural Policy and would not prejudice our trading relationships with third countries.

"A great deal is at stake. Whatever we now do will affect the prospects for enlargement of the Community, and the commitments we have already made in that respect. It will affect the multilateral trade negotiations on which we are likely soon to be engaged. It will affect other negotiations with the Mediterranean countries with which we are already associated. Here urgent decisions are already required outside our consideration of the Mediterranean problem as a whole. It will affect our use of such Community financial instruments as the Regional Fund and the Social Fund. And it will affect not only the face we present to the outside world but also the way in which we work and cooperate with each other."

The Council further took note of the Commission's intention of supplementing its initial analysis of the effects of the Mediterranean policy on agriculture with an analysis of its implications for the regional, social and industrial sectors and of submitting its findings in the autumn.

In addition, the Council signified its agreement to the content of a statement to Greece on the agricultural section of the accession negotiations at present under way.

Finally, the Council noted that the Commission hoped to round off the ongoing negotiations with Spain, Malta and Cyprus by the end of the current month. □

EUROPEAN PARLIAMENT: BOTSWANA

**President Khama of Botswana:
"time is running out
in southern Africa"**

During an official visit to EEC institutions in June the President of Botswana,

Sir Seretse Khama, was received by the President of the European Commission, Roy Jenkins, and the Commissioner responsible for development, Claude Cheysson, at the Community's Brussels headquarters. The Botswana President also addressed the parliamentary committee of the European Parliament. "Time is running out in southern Africa" he warned the members of the development cooperation committee and its chairman Colette Flesch. It was the first time that an ACP head of state had addressed a committee of the European Parliament. The session was also attended by the Foreign Minister of Botswana, Mr Mogwe, the Botswana Ambassador in Brussels Mrs Mathe, as well as a dozen ACP ambassadors. During his speech and in the discussion which followed with members of the parliamentary committee, the political committee and the committee on foreign economic relations, Sir Seretse spoke of the role the European Community could play in helping Botswana overcome its problems, particularly in the fields of communications and transport since the country is landlocked, and in developing livestock. Because of its membership of the Lomé Convention Botswana also looked to Europe in facing the problems of southern Africa. He spoke too of the common interests between Europe and the peoples of southern Africa and of his revulsion at racial prejudice, injustice and intolerance.

Sir Seretse ended by inviting a delegation from the European Parliament to visit Botswana, adding that he appreciated the growing interest they had in the problems of southern Africa and the future of that troubled region.

Two financing agreements

Two financing agreements and a training agreement were signed in Brussels on 22 June 1977 between Mr A. Mogwe, Minister for External Affairs of Botswana and Claude Cheysson, member of the Commission responsible for Development. The first financing agreement concerns the creation of a ranch management centre (see page X).

The second financing agreement relates to exceptional aid intended in relation to the serious problems facing the authorities of Botswana because of the increasing influx of refugees from Rhodesia.

The two existing camps (Francis-

town and Selebi) being full the Government is obliged to build a new centre at Selebi-Phikwe. The total cost of the project is estimated at 266 000 EUA and will be covered by three financing sources: The Federal Republic of Germany (191 000 EUA), the United Nations High Commissioner for Refugees (37 000 EUA) and the EEC (38 000 EUA). Moreover, the EEC will contribute to financing the urgent replacement of destroyed equipment and apparatus in the Jubilee Hospital of Francistown, for an amount of 32 000 EUA.

These new decisions raise to about 2 million EUA the total amount of the projects already financing by the EEC in Botswana under the Lomé Convention.

To this amount must be added a commitment of 1 200 000 EUA corresponding to a financing agreement for a multiannual training programme (1976-80), signed during the same ceremony.

The multiannual training programme fits in well with the national development plans of the country. Considering the manpower requirements of the whole economy, Botswana urgently require an expanded secondary school system and trained teachers, particularly in maths and science, and more orientation on training of specialized middle level and highly skilled personnel in agriculture, technical and commercial fields.

Related to these data, the EDF programme contains:

— **scholarships (42% of total amount):** professional courses in engineering, veterinary science, medicine, etc ... Four fifths of these scholarships will be allocated to students at the regional University of Botswana and Swaziland. These scholarships will be used to train eventual replacements for departing expatriate technical assistants.

Preparatory courses for higher education as follow up to secondary education (remedial training in maths and science in order to lay a better foundation for degree studies.

— **Technical assistance (40%):** short and long term consultants/advisers to give assistance in the creation of a better infrastructure in different fields (employment, rural industry, education ...).

— **Short term courses and other training activities (18%):** courses in agriculture, commerce and public administration - seminars on management. □

ZAMBIA

President Kaunda in Brussels: the copper situation is "still serious"

On 3 June President Kaunda of Zambia paid a visit to the European Commission in Brussels as part of a state visit to Belgium. He was welcomed by President Jenkins.

Zambia has only just begun to benefit from EDF and EIB funds and the total amount allocated so far is only some 8783 EUA of which 7500 was in the form of emergency aid.

President Kaunda is welcomed to the EEC Commission by Mr Jenkins



When asked about Zambia's relations and attitude to the EEC, President Kaunda said he wanted to emphasise first the question of principle. "We in Zambia" he said, "value the EEC in many ways. For centuries now many leaders have tried to unite Europe by the use of force and they have not succeeded, and I think naturally they have not succeeded, because unity must come from the people themselves. We believe in Zambia that the EEC stems from the will of the people of Europe to unite themselves. So there is something very valuable, not only for Europeans, but also for mankind as a whole from the lessons being learnt by this experiment. It is very important for all of us. We, of course, had the East African Community, which is unfortunately collapsing because of the forced change in Uganda. We are seeing now a West African experiment, and we hope that we shall have something to learn from your Community."

When President Kaunda moved on to practical matters he expected Zambia to benefit a great deal. "Already," he said "the EEC has helped us tremendously in meeting the challenges of the fall in copper prices. Copper prices as you know have fallen very badly and the EEC has come to our aid. We still need more because the situation is quite serious. This has come about not through our own fault. We have had the closure of the railroads through Rhodesia, and the civil war in Angola affected the route there. We have had to re-route and it has meant spending a lot of money, money which we had not planned for. This taken with the fall in copper prices has affected our economy very badly. We need help from outside, and in this respect, as I said, we have already received some aid from the EEC and I hope that after our sessions with the Commission we shall see some more. Let me emphasise that we don't ask for this aid for purely selfish reasons. Zambia must survive because she must help others to develop politically, economically, socially, culturally, scientifically, and in defence and security matters. We want Zambia to be strong so that she can help others who are still fighting for their independence. This is how we see the EEC's relations with Zambia." □

The need for cooperation in “a very dangerous world”

During his visit to Brussels, Dr Kaunda made the following speech at a luncheon hosted by Mr Jenkins, President of the EEC Commission.

“We in Zambia have followed the development and growth of the European Economic Community, and indeed the other two communities, with keen interest. For us, the European Economic Community in a living symbol of success in regional cooperation. The continent of Europe has, through the march of time, experienced a series of traumatic events. And out of this turbulence, the various peoples of Europe have come to realise the need for cooperation. The motive force for this has lain in the realisation that where there is a community of interests, there is the seed for togetherness. It is our belief in Zambia that Europe has made a good start. That start must be tenderly nurtured into fruition.

The European Economic Community is an experiment that has many lessons to offer. Europeans have gone a long way in removing barriers to human understanding and in bringing together peoples of diverse cultures. The Helsinki conference on European security and cooperation is yet another conscious step towards strengthening peace in this continent. No one underestimates the problems that lie ahead as you prepare for the Belgrade conference. What is important is the political will to remove the seeds of conflict which twice this century made this continent a huge inferno for human destruction.

Indeed the history of Europe is marked by political earthquakes that have shaken the world. Even today, we are only too well aware that the major epicentre of the potential political earthquake still lies in this part of the world.

Peace through cooperation

So Africa has an interest in the European efforts to remove the seeds of

conflict and to strengthen the cornerstones of peace through cooperation. The EEC is central to this great endeavour. As peace in Europe is important to peace in Africa, Caribbean and the Pacific, the peoples of these regions, and others in the Third World, will contribute in our own small way to help facilitate European success.

We will not contribute to European difficulties in building unity and cooperation. We will cooperate where this is in the interests of world peace, security and progress.

This is our pledge to Europe. But we also ask Europe to be honest with Africa and the Third World in general. We ask Europe to facilitate our efforts in building African unity and cooperation. A strong and united Africa is in Europe's interests.

In this context, the Lomé Convention marks an important milestone on the long road of cooperation between the European Economic Community on one hand and free and independent developing countries on the other. But while the Lomé Convention could be an important milestone and an historic watershed, much hard work still lies ahead. We have many obstacles to overcome. The one major obstacle is the removal of old prejudices which make Europe look at Africa through 18th and 19th century scratched mirrors. The result is that most Europeans find greater security in the status quo under minority control in southern Africa than in change. This endangers their interests. For change is just around the corner. It is coming by hook through negotiations, or by crook through armed struggle. The choice is not ours, but Europe's. Our patience has been tested beyond endurance.

We as developing countries possess a huge potential of natural resources which we must develop not only for the benefit of our peoples but also for the benefit of all mankind. You in the developed world possess a vast reservoir of skills and financial resources, and

through cooperation we know you will play your fullest role in forging a new international economic order, an order in which the world at large shall recognize poverty and its off-shoots of hunger, ignorance, disease, crime and the exploitation of man by man, for the mortal enemies of humanity that they truly are. We have a moral duty to fight them together in unity. But we are far too divided to face man's mortal enemies. The first victory we must win is the victory against prejudice by the rich against the poor, by one race against another. We believe that this victory will usher in a new renaissance which must motivate the world to greater unity.

The Paris dialogue and the EEC-ACP relationship must succeed. This success, however, will only be possible if there is more honesty and seriousness in the North-South dialogue. For what is at stake in this global debate is not the future of any one segment versus another. Nay, it is the very future survival of all mankind. We therefore, believe that the conclusion of the Conference on International Economic Cooperation in Paris must be a prelude to a new era of closer cooperation between the rich and poor nations of this earth. Unless there is a solution to the problems confronting the rich and the poor, then this generation of mankind's leaders are laying the foundation for future conflicts. Our principles dictate that we stop mankind from moving on this road to conflict.

Southern Africa

I have spoken of the importance of European unity and cooperation to peace and prosperity in Europe. We know how important Africa is to European security and development. We in Zambia and Africa in general wish the Europeans every success. But we would also wish Europe to reciprocate our goodwill. We want unity and security in Africa. I cannot say that so far Europe has helped us. We have listened to declarations of commitment to the lofty principles of peace, freedom, justice. We know the Christian principles. But the greatest obstacle toward the complete liberation of Africa and therefore to peace and stability on the continent are to be found here in Europe. Only a unit-

ed and free Africa can cooperate meaningfully with a free and united Europe. Until these are attained, the wide range of possibilities and opportunities for regional cooperation in our area will remain a closed book. We must remove the obstacles to unity. These obstacles to unity and cooperation lie in the fascism and racism of the minority regimes of rebel Rhodesia, South Africa and Namibia.

For our part we have made great sacrifices of financial and material resources to the struggle for peace, freedom and justice in southern Africa. The border closure with Rhodesia and the diversion of import and export traffic cost us hundreds of millions of Kwacha. But even more tragic, we have lost men, women and children. This is the price Zambia has to pay for our support for the cause of peace. We would like to believe that this Community, a Community which has suffered the ravages of war and now enjoys relative peace, will respond to the anguished cries for peace, freedom and justice among the oppressed peoples of southern Africa. Your support for the oppressed peoples would be support for peace and cooperation between Africa and Europe. Like you Europeans, they know of no other home than this world. Will their cries continue to go unheeded?

Europe must not underestimate the resolve and capacity of the oppressed to liberate themselves. Many Europeans underestimated the capacity of the Mozambican and Angolan liberation movements to defeat Portuguese fascist forces. The victory of the liberation movements caught Europe offguard. Even now, liberation movements and their African supporters know their true allies in the struggle against anti-democratic and racist forces in southern Africa. Paradoxically, the majority of Europeans who value the principles of freedom, justice and democracy, the majority of Europeans who profess to uphold Christian principles, have been the most decisive force behind the perpetuation of racism in southern Africa. They are not the architects of the doom which faces the white community in that part of the world. The responsibility for failure of non-racialism and the breakdown of peace in the entire region lies squarely on Europe and its allies. Europe has the

capacity to end the liberation war now in southern Africa. But Europe is not using it. Europe has the technology to build the foundations for peace and cooperation in southern Africa, but through the supply of arms and oil to racists, Europe is destroying every chance of success. Now, using Western supplied arms and oil, Rhodesian forces have, with impunity, invaded Mozambique and occupied Mozambican territory. We condemn in the strongest terms this wanton act of aggression. We condemn the attacks against Botswana and Zambia...

Britain and the United States should understand Smith's invasion of Mozambique as a clear indication of his unwillingness to negotiate any meaningful settlement—not even in 1978. If Ian Smith were genuine, his rebel regime would not at such a decisive hour in the Anglo-American initiative invade other countries and occupy lands whose governments are key to the stability of southern Africa and to the final end of the liberation war. The occupation of Mapai Province provides concrete evidence that as before Smith has no intention to negotiate a settlement. Let Britain and America understand this.

For how long could the Mozambique government be expected to stand idly by while Smith's forces remain on Mozambican soil? For how long will Mozambique and her allies in the world stand idly by while Mozambique territory is occupied by foreign forces and international outlaws? Who is internationalising the war?

While Britain and the United States talk peace, Rhodesia is invading independent African countries. The responsibility for Mozambique's invasion finally rests with the British government—the administering power of the rebel colony. I call upon the international community to understand the grave implications of the Rhodesian action. It is a dangerous precedent whose consequences Britain and the West will live to regret.

A dangerous world

We are living in a very dangerous world. It will need the unity and cooperation of all men of good will the world over to save what is left of the oppor-

tunities to build a non-racial society in Rhodesia. If we are genuine about our declarations of belief in the freedom and equality of all men, let us act now.

Mr President, I would be failing in my duty if I did not express through you our profound appreciation of the assistance which the Community has rendered to us in these our most difficult times. Over the last few years we have witnessed a world-wide recession which has affected not only the industrialized world but also the poor countries. We in Zambia have been particularly affected. The price of our main export, copper, has continued to fall. The result of this disturbing situation has been a drastic decline in our foreign exchange earnings. This has affected our development programmes and imposed a serious strain on our ability to maintain viable levels of economic activity and employment. The terms of trade for Zambia have, over the last five years, continued to deteriorate with the result that the purchasing power of the little foreign exchange at our disposal has been drastically eroded. It will be seen, therefore, that the improvement and strengthening of the Lomé Convention is of particular interest to Zambia. The importance of the European Economic Community to us cannot therefore be overemphasized. Our trading relations are a clear testimony to this. The European Economic Community is a very important trading partner for Zambia and it is essential that we cement this existing relationship.

Finally, I would like to say here that the continuing success of the existing relations between us will depend on the dynamism of the relationship between the ACP group of countries and the European Economic Community. We in Zambia have no illusions about the need for a strong and united ACP. We equally have no illusions about the need for a strong united European Economic Community. The unity and strength of the two sides is a necessary pre-requisite for a growing, fruitful relationship. We are proud to belong to the ACP, whose member countries share with us common problems. We pledge our resolute support to the promotion of unity within the ACP group of countries. We know the European Economic Community will also lend its support to the maintenance of this unity among ourselves." □

Development without dependence

An outline of a new international economic order

by D.N.M. MLOKA(*)

The Tanzanian ambassador gave the following address to a seminar in Loccum, West Germany (abbreviated version).

National states needed a Karl Marx for inspiration to develop their societies, on the basis of more equitable relationships both in the political and economic sense, amongst their peoples. This is true of capitalist societies, where capital continues to seek and strive for a dynamic compromise with labour, as it is, and perhaps more so, in socialist-orientated societies. The movement for greater equity among people within the framework of nation-states, has seen great progress and continues to preoccupy statesmen of both sides of the ideological curtain.

But it is a fact of history and in that sense, the problem for a new economic order, that statesmen of developed industrialized countries, on both sides of the ideological curtain, have failed to translate this sense of equity, so cherished within their respective societies, beyond national borders in respect to economic relationships, in any meaningful manner. And one can also look at this phenomenon on a global basis. While therefore some sense of equity and fair play does seem to govern the relationships of the rich among themselves, irrespective of ideology, no such sense of equity seems to govern the economic relationships of the rich and the poor of the world.

Thus as a direct consequence of this dichotomy we have now, and let me quote from the Club of Rome report "Reshaping the International Order" edited by Professor Tinbergen, "essentially

two worlds, and the disparities between them are growing. One is the world of the rich, the other is the world of the poor united by its heritage of common suffering. A poverty curtain divides the worlds materially and philosophically. One world is literate, the other largely illiterate, one industrial and urban, the other predominantly agrarian and rural; one consumption-oriented, the other striving for survival. In the rich world there is concern for the quality of life, in the poor world about life itself, which is threatened by disease, hunger and malnutrition. We have a situation where in the Third World, millions of people toil under a broiling sun from morning till dusk for miserable rewards and premature death, without even discovering the reason why."

It would be very tempting for the rich of the world to dismiss these words as another sermon on the mountain. But recent upheavals both of a political and economic nature triggered by the 1973 energy crisis and the economic recession resulting largely from it, have become so to speak, a new Karl Marx for the international economic order. If Karl Marx were to live again and to see the changed dialectical relationships; not now so much between the bourgeoisie and the industrial proletariat, but now much more between the rich of the world, the capitalists and workers together, of the rich world, and the workers and peasants together of the world of the poor, he would have perhaps called for a revolution of the poor to overthrow the rich. The question is therefore this: in world history, there are political and economic dynamics always at work which in this context make a new economic order inevitable: has this to come through a revolution of the poor? Or as hard-nosed capitalism is at-

tempting to come to terms with labour, should outmoded national interest also come to terms with the global needs of society? To put it within the dichotomy of global economic society, is it not imperative that the rich of the world should work for a dynamic compromise with the poor of the world in their economic relationships? This is the option that is still available to us which perhaps was not available to Karl Marx and his colleagues, at that time in their situations. And what does Shakespeare say:

'There is a tide in the affairs of men which, taken at the flood, leads on to fortune; omitted, all the voyage of their life is bound in shallows and miseries.'

I agree, in the situation for which the above quotation is a part, Cassius misjudged the tide. Yet his words have a ringing truth. If we do not take the tide at the appropriate time, our voyage of life for all of us, will be bound in shallows and miseries...

I believe I need to elaborate briefly on this before we can examine some of the important programmes—the elements so to speak—for a new economic order.

There is first the phenomenon of the transfer of resources from the poor to the rich. President Nyerere, speaking on the occasion of his state visit to the Federal Republic of Germany, had this to say: *'Consider the effect of changes in Tanzania's terms of trade between two periods, as measured by an "import-basket", and an "export-basket" consisting of our eight major exports. Had the actual price average of 1958-1962 prevailed in 1968-1971, we would have been better off to the tune of Shs. 1 780 million, or 537.8 million Deutschmarks. This therefore represents a transfer from us to our trading partners of something like 5.9 per cent of our total Gross Domestic Product over the four years 1968-1971! Our major trading partners are, except for Kenya, virtually all wealthy industrialized nations.'*

As a matter of interest, let me however also mention that Tanzania received Shs.866 million in foreign aid—grants and concessionary loans—during that four years.'

Had the price mechanism been equitable for both raw materials and finished goods, Tanzania would have been able

(*) Tanzanian ambassador in Bonn.

to do whatever we had to do much better and perhaps even more, and, very importantly, under conditions of greater dignity than in conditions where our loss in earning could only be met, even partially as it was, through aid, necessarily bringing with it a dependent relationship. If Tanzania were to choose, then we would have chosen an equitable system of exchange of values rather than compensation through aid. This is a very important point.

As if this was not enough, this automatic transfer of resources finds expression in many other ways. It is manifested in the freight charges under which we have to ship the goods we sell and those we buy; it is manifested in the price and mode of technology that we buy from the developed countries; it is reflected in expatriate investment that can be persuaded to our poor countries. And absolutely inexcusably, in the pattern of official development aid, resulting in much indebtedness of the Third World countries. The situation here is so serious that aid programmes now look like blood transfusion and detransfusion (donation backwards) of the Third World countries, making economic recovery, let alone growth in our countries, willy nilly impossible.

Bazaar economics

The very concept of a free market is used to establish this system of unequal value. We know that a free market operates, if it operates at all, on an African mangoes market. It is bazaar economics. Under it, however, the workers of Europe can demand wages which have no relation to their productivity but to their sense of the cost of living, when that itself is very much a result of conspicuous consumption; itself a result of stimulated demand. But this cost is reflected in the cost of the finished product. The poor people have also to pay for such idiosyncrasies in the consumption habits of the rich. On the other hand, when the coffee farmer or cotton grower in Tanzania insists that the price of cotton and coffee has to take into account his needs for at least a decent house, clothes, good health and education for his children, which he himself has missed, the world economic system does not listen to such demands even if he was able to express them.



Daniel Mloka

Again through this so called free market, market operators both individual and as global corporations are able to turn the goods and services produced in the Third World countries into instruments for the opulence of the developed countries. They can speculate on commodities, intervene in commodity markets through stocking operations and other measures in order to guarantee ultimate benefit to the developed countries; and as if this were not enough, the industrialized countries put up all sorts of barriers to the trade, especially in manufactures, of the developing countries, and inhibit the home processing of the raw materials we produce. It is a total situation creating almost no opportunity, no possibilities, for the Third world except in their own context, for any development at all.

The industrialized world does not like to be reminded of this. But in order to build the future we cannot escape the past; we cannot run away from the past. We have to call on the old order in order to bring about the new international economic order. But we agree, that the new order cannot be built on the basis of North/ South exchange only. The effort for creating better conditions for man in this world has to be exerted in a multi-dimensional sense.

We in Tanzania therefore put a lot of emphasis on what we can do ourselves in Tanzania. This is a result of our policy of socialism and self-reliance. We be-

lieve that the global struggle for a new economic order is for equality of opportunity for all the nations of the world. But that equality of opportunity, that sense of equity that we feel is lacking at global level, is no less important at national level. On the contrary, the concern for equity at national level is the foundation and the moral justification for our concern for justice at the global level. This socialism and self-reliance means that, first, we shall try to do whatever we can ourselves and shall attempt to distribute the fruits of our endeavours as equitably as is possible, among our people. We shall try to do all the things we have to do, in a manner that is compatible with our local conditions and level of development and our national ethics. I agree, this is more said than done...

The main subjects of negotiation with the rich countries

Many developing countries depend for their export earning on the sale of two or three commodities. It was with this realization that the 7th UN Special Session assigned priority in the negotiations for a new economic order to the field of commodities. The UNCTAD IV session in Nairobi established a programme for negotiations for an Integrated Programme of Commodities with a fund as the main instrument. Contrary, however, to the optimism generated in Nairobi, negotiations for a Common Fund in Geneva in March this year completely collapsed. The negotiations for a Common Fund as one diplomat put it "degenerated into a Common Farce", for the developed countries apparently tried to use that opportunity not to negotiate a Common Fund but to negotiate it away.

Stabex: not enough

I should perhaps say a few words on Stabex, the stabilization of export earning as applicable under the Lomé Convention. Tremendous change is required to make this a meaningful package for developing countries as a whole, even if only assigned the limited role that it should function in a complementary manner to the fund concept. The Stabex scheme as now existing is severely limited. Both the eligibility criterion and dependency criterion limit severely its

scope; understandably, this underlines the present financial constraints of the scheme. Let us look a little at Stabex for Tanzania. The value of exports for Tanzania for the last few years are on average T. Shs. 2.5 billion. In 1975 Tanzania received from Stabex only Shs. 18 000 000 and in 1976 about Shs. 45 000 000. The percentage change in the overall trade balance arising from Stabex receipts as it can be seen is very very small. The overall capacity of Tanzania from exports does not change, therefore, as a result of Stabex. It is no wonder that one negotiator of the Lomé Convention said of the scheme that it looked like stabilizing poverty. Stabex does not take into account the cost of imports. Stabex really is the EDF in another form, more attention-catching perhaps. Both Stabex and the normal EDF come from the same global amount. The truth is, Stabex operates in a manner that evades the responsibility for which it has obtained so much acclaim.

The Third World's debts

Tanzania supports the claim that there should be a debt moratorium for the Third World countries and complete cancellation for the poorest. Some of these loans have been possible by the very liquidity created by the poor countries by depositing their foreign exchange earnings, including the new wealth in petrol dollars, in the banks of the industrialized countries. Tanzania keeps all the money it receives from Stabex in a bank in Frankfurt, Paris and London. All the petrol dollars flow back to Europe and America. In administering emergency aid in 1975 to the countries most seriously affected by the energy crisis, Commissioner Cheysson is quoted as having made the welcome and positive admission that those countries that were in receipt of such assistance ended up by buying more from the EEC countries than the value of the assistance extended. This is a very telling truth.

Aid, trade, technology and monetary reform

There is also the question of official development aid flows. This is important but should not be a substitute for other more fundamental programmes like the

Common Fund. The increasing flow of aid with a certain element of automaticity is important. And essentially it is important in so far as it helps the recipient country either to overcome short-term economic catastrophes or to create conditions of independent, self-reliant growth. Aid, in other words, should aim at making aid unnecessary in the long run. Therefore, there is a need for a qualitative appreciation of aid flows both from the recipient and donor countries. It is not the panacea for the economic ills of the Third World.

The question of the improvement of the overall trade infrastructure for the developing countries in the markets of the industrialized developed countries is therefore of more importance in bringing about a more equitable international economic order. The goal of the Lima Declaration that the developing countries have to contribute at least 25% of total industrial production by the year 2000 cannot be achieved without fundamental concessions in this field. Both a despending of the Generalized Scheme of Preferences and an attack on non-tariff barriers, accompanied by a deliberate restructuring of industry in the developed countries, are important areas of action.

The transfer of technology and the role of multinationals, or more appropriately global corporations (as they are hardly multi-nation), is an important area of action. We support efforts for a code of conduct for the global corporations, and on the transfer of technology and more specifically the creation of a technology bank.

There is also the subject of monetary reforms and the question of the restructuring of existing financial institutions to take into greater account the development requirements of developing countries. The need of a link-up between SDRs and the liquidity needs of developing countries for needed development is a case in point.

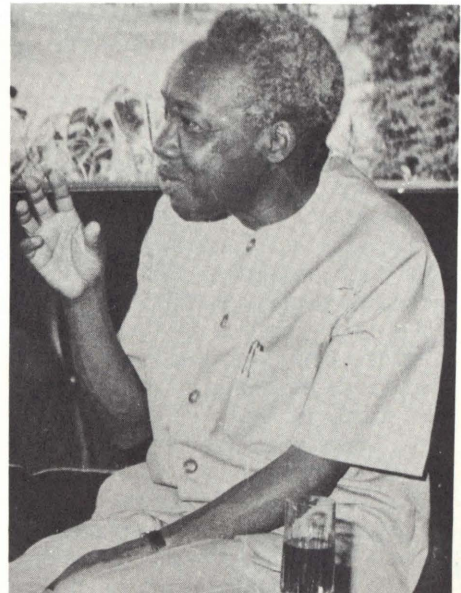
There are many other possible areas for negotiations for a new economic order. There are the new frontiers: the sea and the sea bed, outer space. I cannot touch and speak about all areas. Perhaps it would be sufficient to say that we give our first priority to the problem of commodities and we hope that all our friends who want to help us will facilitate agreement on this important subject of Commodity Trade specially in the

context of Resolution 93 (IV) of the Fourth session of UNCTAD in Nairobi 1976, to achieve greater stability and growth in export earnings arising from commodity trade. This is indeed the test case! We shall consider it as such.

All states have a responsibility to contribute to the establishment of a new economic order. Tanzania as a least developed and most seriously affected country does not consider itself to be exempted from such a global responsibility. For example, with regard to the Common Fund, we do not accept that our being least developed is a certificate for exemption from contributing for such a fund. No. To the extent of our capacity, we shall contribute to such a fund.

We do not therefore accept the argument of some developed European countries, that because they are not responsible for the present inequitable order, they have no responsibility for creating a new equitable order. These countries are missing the point.

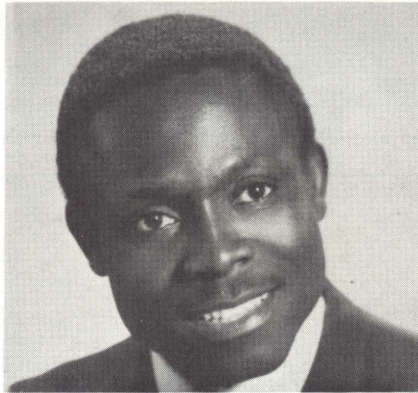
The Third World countries in calling for a new economic order, are not seeking for compensation reparations, or restitutions for past wrongs. We are seeking to establish a future under which exchange between all the people of the world will be on a just and equitable basis. It is a future in which all of us are involved, capitalist or socialist, poor or rich... □



President Julius Nyerere
Tanzania must count on its own resources first

Telecommunications and air transport in Africa

by LUCIEN PAGNI



The countries of the Third World are faced with many problems of economic and social development, among them telecommunications and air transport. Development is not just a question of organizing and producing goods for home consumption or sale abroad. It is also, and perhaps this is the most important point, a question of ties, the physical and intellectual contact which binds the regions or the people of one or more countries together. In Africa, and within every African or ACP country, distance has yet to be conquered as it has been elsewhere in the world.

A country's telecommunications, its telephone network, postal services and so on, are a foundation on which economic and social development can be built. Thus, with industrial and even social investments we find that regions where postal and telephone services, for example, are poor fail to attract new firms, which prefer centres that are better-equipped. Africa is very behind here—and no development plans seem to give it the attention it deserves. Experience suggests that it often takes longer to get a good inter-city line in Africa than it does in Europe and it takes longer to deliver a letter to someone 300 km away than it does to send it 6 000 km from a major African city to a provincial town in Europe.

The consequences of the poor telecommunications networks in Africa and the rest of the ACP countries are considerable. Regions, countries and people are isolated and the lack of communications

means that firms tend to be concentrated in the main coastal towns, of which any given country usually only has one or two. This encourages people to leave the country areas and swell the numbers in the shanty towns that blight all African cities—a problem that no coercive measure can solve.

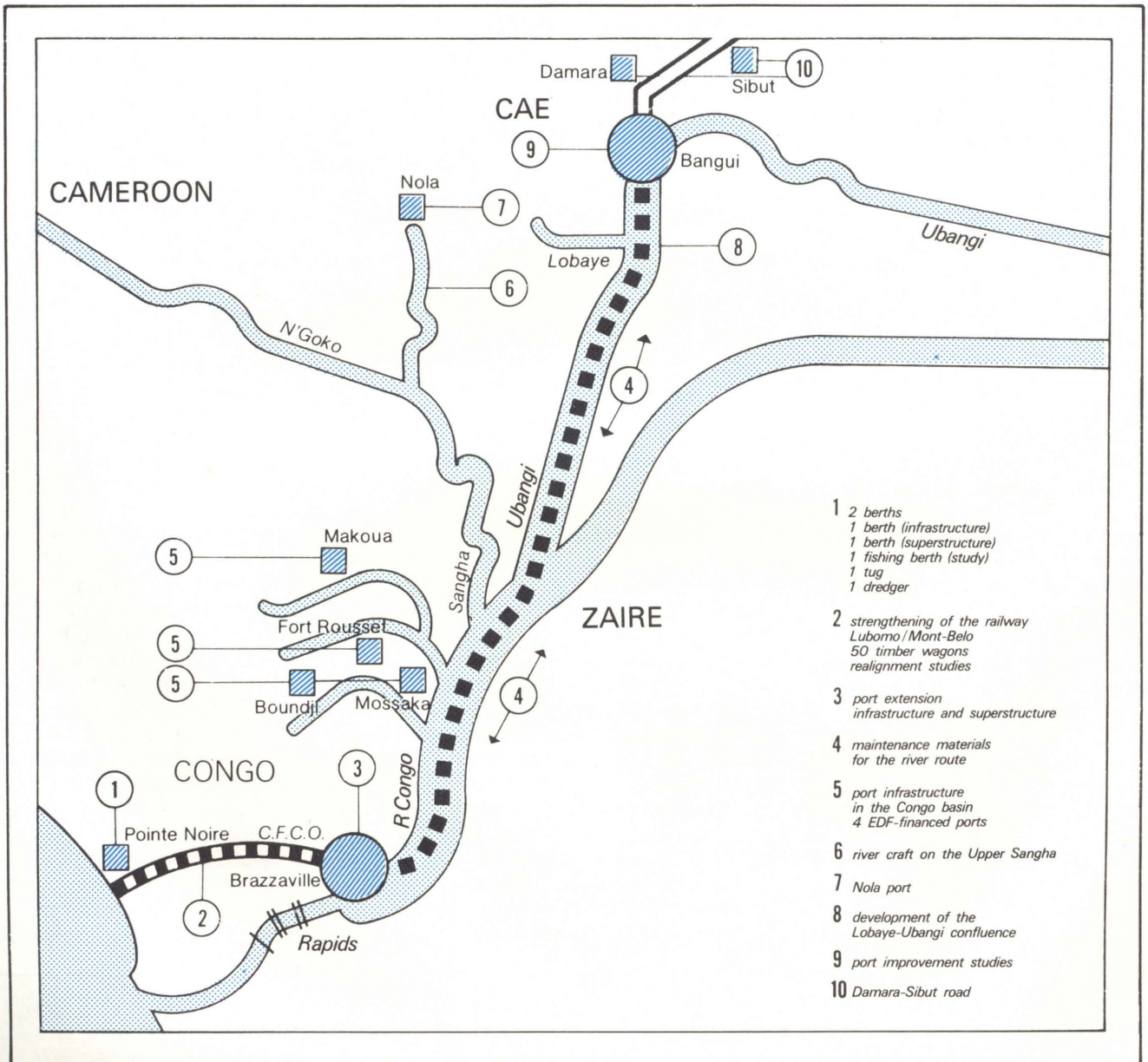
Telecommunications are vital for the functioning of the economy. The North-South dialogue, which has just ended in Paris, recognized the importance of this in proposing a 10-year UN programme to develop transport and telecommunications in Africa and the ACP countries would benefit from greater cooperation with each other and with the EEC in this area. To be sure, there is the International Telecommunications Union (ITU) and there are bilateral agreements, but EEC-ACP cooperation could

speed up development and bring the ACP up to the standards of the rest of the world.

The same goes for African airways. Although for good reasons, African civil aviation was one of the least developed sectors of the economy in the '60s. Air Afrique, the airline of the French-speaking states, was set up back in 1962 and has had genuine commercial success, but also some serious problems. And many African airlines have been set up over the last six years—Cameroon Airlines (CAMAIR), for example, Nigeria Airways, Ehtopian Airlines, Air Madagascar, Air Zaire and, more recently, Air Gabon, Kenyan Airways and so on. All these national airways have an international role to play. Air transport, like telecommunications, is a field where states tend to feel nationalistic, yet, as with telecommunications again, civil aviation demands a high degree of cooperation between the companies concerned. There are few airlines linking African countries, hence the need for a lengthy detour through Europe to go from eastern to southern Africa, for example. Cooperation between the new national airlines can be an excellent way to African integration and a contribution to the regional and interregional cooperation that is vital to the progress of the ACP economy. It is interesting to see how far cooperation has already gone between certain of the European airlines, such as Sabena and Air France, and their African counterparts. □ L.P.

DOSSIER

The ACP countries want to see more trade and better transport and communications between themselves. (Below the Congo-Ocean railway scheme, a regional project in Central Africa which has EDF support)



Inter-ACP cooperation

A priority at regional and interregional level

What is the key to the successful development of the ACP economies? This is the vital question all the states of Africa, the Caribbean and the Pacific must find an answer to in their quest for economic and social progress. No satisfactory answer has yet been found and the paths to development are as diverse as the problem is complex. But one thing is clear—the concept of development itself. It is becoming increasingly apparent that a balance must be struck between agricultural and industrial development—and this requires large, properly-organized markets.

As things stand, with economies centred on the production of uncompetitive raw materials, the ACPs are basing their development on north/south trade—i.e. between industrialized Europe and the developing countries. This is a serious handicap. The deterioration in the terms of trade, the difficulties of tariff and non-tariff barriers and the general conditions of entry to industrialized markets do not make for firm foundations for ACP development. In fact the economic imbalance of the colonial era not only survives but is worsened by the insistence on exclusively vertical relations between the ACP and the industrialized world.

Trade between the countries of Africa only increased by 2% between 1960 and 1972 and even now only represents about 6.5% of their international trade—whereas, for example, France's trade with Africa represents twice its trade with the USA.

Small markets and the relative absence of lateral cooperation between African and ACP countries in the field of communications, roads and airways are major obstacles to investment. Why do Botswana's neighbours import beef from Europe and Argentina when Botswana itself is a leading producer of cattle? And why do telephonic and airline communications between the countries of Africa have to go via major towns in Europe, like London, Paris and Amsterdam? Yet, creating a vast regional and interregional market and developing transport and communications between the ACPs in no way involves abandoning greater economic relations with the rest of the world. The setting up of a common market

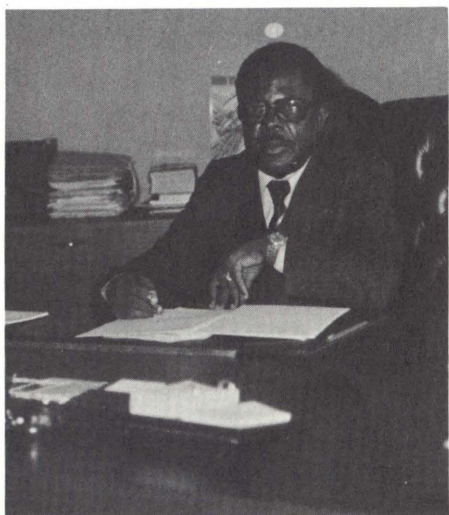
and the liberalization of overall trade relations are not incompatible. What is needed, on the other hand, is a firm enough foundation for emergent industries which can meet local demand and perhaps compete on external markets. When there were only six countries in the EEC, the Community absorbed almost half the exports of the member states. Now that there are nine, an estimated two thirds of exports (with the exception of those from the United Kingdom) go to other member states. And trade within the Latin America free trade association has doubled from 1/10 to 1/5 in 10 years.

Problems with regional economic policy in the ACP

The future of development depends on inter-ACP economic cooperation. Regional and interregional groups must be formed if the ACPs want to build the sort of economy which will gradually lose its dependence on the industrialized world. Otherwise the technically advanced countries, which already have all the means they need, will continue to pass over national or regional customs barriers in the ACP, which will thus themselves have contributed indirectly to weakening their own economies further by maintaining unfair competition and an imbalance of trade between them and the industrialized countries. There have been many attempts at forming regional groupings, with varying degrees of success, but the problem of evolving a regional and interregional economic policy is enormous, particularly in Africa. The obstacles are both economic and political (competition between different systems and development options; differences over siting industrial development; failure to seek complementarity between states, maritime and land-locked countries, for example) and the vital economic cooperation in and between the regions cannot come about if the political will is wanting.

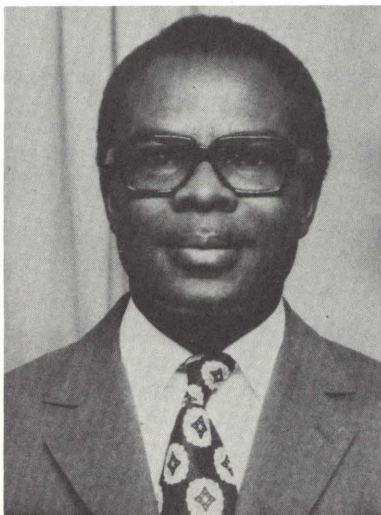
The "Courier" dossier this time introduces a number of regional economic groupings in the ACP and emphasizes the need for regional and inter-regional cooperation between these countries.

The main ACP regional organizations



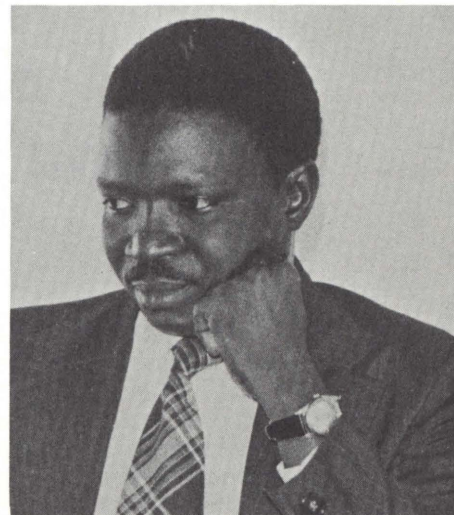
P. Tchanqué

*Secretary-General of UDEAC 1967/77,
succeeded by his compatriot
Vincent Efon*



J. Wilmot

*Ghanaian Ministry of Economic
Planning, responsible for ECOWAS
affairs*



M. N'Gom

*Secretary-General of the CEAO
(Senegalese)*

UDEAC

The Customs and Economic Union of Central Africa

by Pierre TCHANQUÉ

UDEAC was set up by the Brazzaville Treaty of 8 December 1964 and the Union came into force on 1 January 1966. There were originally five members—Cameroon, the Central African Empire, the Congo, Gabon and Chad, the last four of which, as French Equatorial Africa, were administered jointly up until 1959. Joint political and economic institutions meant that the various territories were closely integrated and when the autonomous, and later sovereign, states emerged, they continued to cooperate at the economic level with the founding of the UDE (Union Douanière Equatoriale—Equatorial Customs Union).

Although Cameroon was a UN trust territory under French administration, it had numerous relations with the four UDE neighbours with which it shared frontiers.

After the agreement establishing the central Banque des Etats de l'Afrique Centrale (Bank of the Central African States) was signed in 1961, the first talks on association began and the union of Cameroon and the four UDE States was ultimately formed. A joint UDE-Cameroon committee was set up to look into the various provisions of a joint external tariff, the development of trade between the states and the extension of a single tax system to such trade.

At the frequent meetings of the joint committee, it became clear that the time was ripe for the vital strengthening of ties between the five countries involved. Thus, at Fort Lamy (now N'Djamena) in February 1964, the Heads of State invited the ministers and experts making up the committee to produce a draft treaty setting up a closely-knit customs and economic union between the five states. Nine months later, the committee members asked the Heads of State to approve a soundly-based, original draft treaty, geared to the needs of the various countries concerned and, on 8 December 1964, the five Heads of State signed the Brazzaville Treaty setting up a Central African customs and economic union (UDEAC)—open to any independent and sovereign state of Africa.

In 1968, the first crisis arose when Chad, which felt that the Union was preventing it from developing harmoniously, left UDEAC, although it stayed in the central bank and became associated with BDEAC, the Development Bank of the States of Central Africa, set up in April 1976. The 1964 treaty was revised by the Council of Heads of State in Yaoundé in December 1974.

The UDEAC treaty states that the principles of the Union are based on the member states' desire to strengthen the unity of their economies and ensure harmonious development... particularly by taking the appropriate steps to remedy the situation of those countries with the least developed economies... thereby contributing, via sub-regional organization of this kind, to establishing a genuine African common market.

Institutions

UDEAC's activities are organized by the following bodies:

The Council of Heads of State, the supreme body and the only one empowered to take decisions. It meets at least once a year and the Heads of the member states preside in annual alphabetical rotation. The Council's job is to determine and coordinate the customs and economic policy of the states. It acts on the authority of the national parliaments or other appropriate institutions where economic, customs and tax laws are concerned.

The Consultative Committee is made up of the Ministers for Finance and Economic Affairs and meets at least twice a year. It has standing authorization from the Council of Heads of State to decide on certain subjects and it also discusses and issues opinions on matters within the jurisdiction of the Heads of State. Council decisions and Consultative Committee decisions are implemented one day after the arrival of the official journal of the union in the capital of each member country.

The General Secretariat implements UDEAC policy. The Council of Heads of State and the Consultative Committee have to reconcile the individual interests of the various members, but the General Secretariat has to defend the interests of the community as a whole.

The Secretary-General is appointed by the Council and is immediately responsible to the president in office. He deals with the administration and running of the General Secretariat and ensures that the Treaty is properly applied and that the administrative/organizational services of the Secretariat are generally effective.

The Customs and Fiscal Union

The Customs Union is the formal expression of the closer relations between the States, whereby the four states of UDEAC comprise a single customs territory within which there is free movement of goods, services, capital and persons. The free movement of goods is promoted by the laws and joint regulations set out in three documents—the customs tariff, the customs code and the customs regulations—that are the basic guides for the professional and customs authorities in the various states. They contain both legal provisions and decisions taken at community level.

Goods originating in the member countries and transferred from one country to another for the purposes of consumption are exempt from all import dues and export charges. Goods manufactured in UDEAC are covered by a single tax system. Goods from third countries imported into one member state and then transferred to another are subject to statistical control, as, since 1970, the initial importing state no longer reimburses the amount of the duties and charges originally re-

ceived, to the state where the goods are ultimately consumed. As things stand, the single tax system does not really encourage trade between the members and, if such trade is to be expanded, the regulations ought to lay down minimum standards for originating products.

The single tax system is one answer to the development of inter-state trade in that it goes some way towards solving the problems posed by industrialization. The system is applied to 125 regional firms. It enables them to import their raw materials, produce and store their goods duty free and it is only finished products that are subject to the single tax and then only when they are put up for sale. The state where the product is consumed receives the tax.

The volume of trade trebled between 1967 and 1975.

Producing country	Cameroon	CAE	Congo	Gabon	Total (CFAF million)
1967	1 171	166	1 832	156	3 325
1975	6 400	650	1 800	1 200	10 000

Fiscal harmonization

The Union's new tax laws are based on economic and political factors in the member countries. The idea was to introduce the sort of taxation that would enable all the members to develop harmoniously by providing a similar legal framework for all firms—which means that the various national laws have to be harmonized. The members first agreed to give each other administrative help in fiscal matters and to avoid double taxation. Uniformity was more or less achieved in turnover tax in 1969 and in corporation tax in 1972 and texts on personal income tax are currently being studied and drafted.

The introduction of the corporation tax cut down on the transfer of profits abroad via the deduction of headquarters expenses. This provision led a large number of companies to open head offices in UDEAC countries and helped relieve the shortage of administrators in the developing countries.

Joint convention on investments and the Solidarity Fund

In order to enable regional industries with decision-making centres in UDEAC to be set up, competition between the countries, which is prejudicial to everyone concerned, had to be avoided. As soon as the Union was set up, therefore, an outline agreement was promulgated, providing firms established in one of the states of the Union with considerable advantages—such as tax exemption in the early years for new firms, deferred payment of taxes on profits from the realization of fixed assets for reinvestment purposes, and tax exemption on profits from mergers or the partial contribution of fixed assets.

The solidarity fund completes these measures. It is financed from the revenue of joint customs offices and is intended to compensate for any errors in the details given by the consumer state and any advantages accruing to coastal states from transit activities.

At the moment the fund is financed from standard contributions, agreed by the Council of Heads of State, without any reference to customs revenue.

Economic Union

The progress and development of the union in all fields—trade, industry, agriculture, standard of living—depends on various quantitative data being available. Without this, it will be impossible with any degree of accuracy to assess developments, monitor progress and see how far forecasts are reliable.

Right from the outset, therefore, the union has had the means of satisfying the basic need to collect, process and analyze statistical data.

The first statistics were on external and intra-community trade. They made it possible to monitor the consequences of both the tariff policy and the single tax system on industrialization. However, this soon proved inadequate to cope with the enormous demand for economic and social statistics in a continually evolving union.

From 1970 onwards, a certain number of large-scale projects were studied, with a view to improving and completing the existing system and extending its coverage. A general accounting plan for firms was begun in 1970 as part of the drive to standardize basic information and it has now been extended to almost all sectors and arrangements for the penultimate sector—banking and finance—are currently being drawn up.

It should be stressed that the accounting plan for firms is the outcome of a new strategy finalized after the 1968 census of modern industrial firms. The aim was to set up permanent investigation systems, wherever possible, which tied up with the basic censuses of which they were a logical extension. A further step towards the standardization of information is the general accounting plan, which was begun in 1974 and covers all units under 'administration' in the national budget. The modular structure of the plan makes careful, stage-by-stage implementation easier, and a start has already been made. It is important to realize that both the schemes mentioned above represent a technical investment which is unique in Africa.

In 1971, a community project to rationalize current statistics through the use of administrative documents was begun. This eventually led to the idea of the various countries producing a register of villages which would provide banks of geographically pin-pointed data, with a view to improving administration and facilitating development studies. Test schemes are still being run in Gabon prior to generalization of the system. In addition to the programme of the industrial census mentioned earlier, major statistical surveys include a UDEAC agricultural census, carried out with the help and technical cooperation of the FAO. Field work was completed at the end of 1974. The data have been processed automatically and analyzed for each of the states and now need to be analyzed for the Union as a whole.

If statistical data are collected and produced, they must then be centralized and distributed, and quarterly statistical bulletins, studies of trade, transport, finance and banking, and yearbooks should be published in an attempt to meet this need.

In 1972, the union set up a special unit to study and coord-

inate member states' schemes in the field of population statistics.

Finally, the production of statistical information at all levels requires specialists and UDEAC has therefore set up the establishments needed to train such staff. There are two such establishments—an institute of statistics, planning and applied economics and the IFORD, both in Yaoundé. The levels and type of training are improving all the time, although the full range of needs cannot yet be met. However, the infrastructure is there and this augurs well for the future.

Industrial cooperation

The big question, the unknown quantity here is joint industrialization, the cornerstone of the union. As early as 1964, UDEAC laid the foundations for a system of industrial integration. The states were to harmonize industrial policy, development planning and transport policy so as to make for balanced development. Industrial projects were divided into five groups:

- 1) exporting industries;
- 2) industrial projects involving the market of only one state for which no economic preference was requested from other UDEAC states;
- 3) industrial projects involving the market of only one state but where industrial production existed or was planned in another UDEAC state;
- 4) industrial projects involving the markets of two states, where harmonization was desired;
- 5) industrial projects involving the markets of more than two states and where the direct aim was harmonization within the Union.

A general industrialization plan was produced for Category 5 industries and the Council of Heads of State had to decide on sites in the light of the raw materials situation, the advantages each state offered its partners and the need to compensate certain states of the union with less developed economies.

This policy bore no fruit during the first ten years, and in 1974 a new strategy was evolved. It was based on the idea of complementarity both early and late on in the process. It involved specialization by type of product, in the light of optimum profitability, and the expansion of existing activities geared to the regional market. Six industrial projects were thus chosen for implementation by the community. They all met the criteria of technical complementarity, exploitation of natural resources, size of market, size of project, vocational training, profitability, and balanced development between landlocked and coastal countries. The six projects covered bauxite in Cameroon, watch- and clock-making and pharmaceuticals in the Central African Empire, the chemical complex in the Congo and petrochemicals and cement in Gabon.

At the same time as they agreed on these projects, UDEAC members also adopted a multinationals code which was to lead to the states participating in the capital and in the management of multinational firms.

However, alongside this, the community's complementarity-based strategy adopted in December 1975 also enabled industrial integration to be promoted through the regionalization of certain national projects. By recognizing that some national products were important for UDEAC as a whole, the member

countries agreed—explicitly or implicitly—to raise them to sub-regional rank, i.e. to step up production capacity to meet the demands of other member countries, to ensure them adequate financing from the Central Bank as a matter of priority and to refrain from taking any national action that might prevent any firm covered by the community industrialization programme from fulfilling its sub-regional vocation. This means that the four states of UDEAC should be considered as a single market where the only barriers are transport and distance and where the various rates of the single tax system can be used as a stimulus to trade.

The formula is a flexible one, which enables anything successful at national level to be used to speed up integration of the union as a whole. In particular, it can stimulate the search for complementarity within and between industries which is an essential part of regional integration. The promotion of the complementarity of certain industries will go hand in hand with the signing of medium- and long-term sales and supply contracts, the aim being to ensure stable production and supply in the industries concerned.

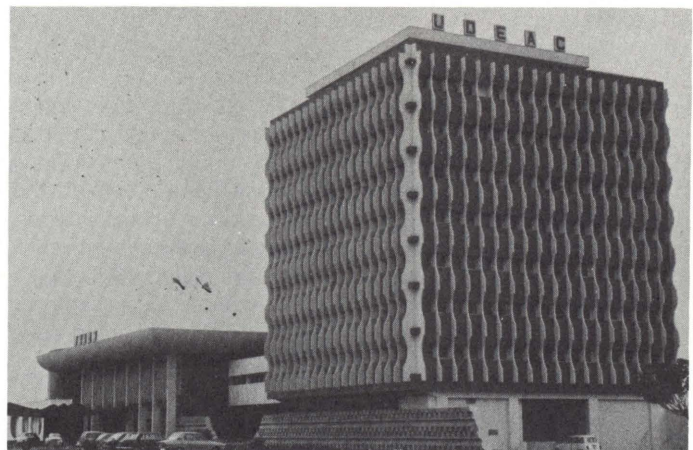
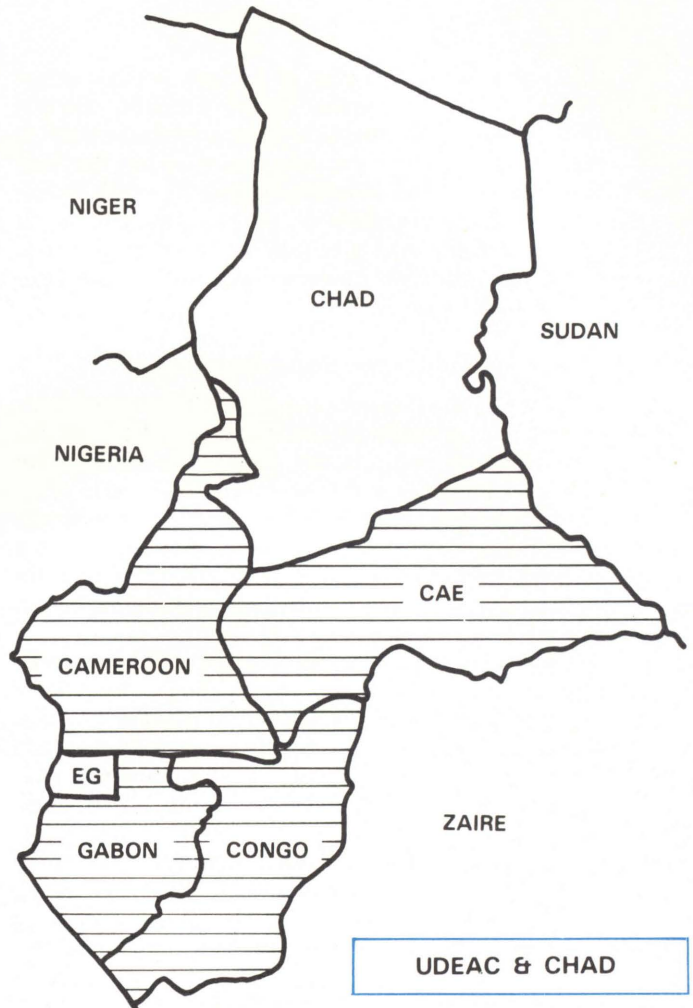
Promotion schemes here will be adapted to the particular conditions of the region. Industrial integration in Europe is achieved by adjusting existing, and already highly-developed and differentiated structures, but in UDEAC an attempt is being made to integrate by gearing the states' investment policies to obtain the maximum impact on national economies while at the same time as ensuring the balanced development of the region as a whole.

Such a policy demands clear thinking and concentration on the medium- and long-term objectives. This is why, for example, the integrated aluminium development project will involve producing a master plan to harmonize measures taken by the member countries. This will lead to the pragmatic implementation of the provisions on sectoral plans in the Treaty. This procedure will also apply in the cement sector.

As the projects stand, a clear-cut decision needs to be taken on the problem of community preference. The question of cost price goes to the root of UDEAC's integration and, by extension, the economic development of the Third World in general. In the short term, some products will obviously not be able to compete with European products from factories that are largely amortized. This is true of most new industries in Africa and it is easy to see that the economic development of the continent would be compromised if the only criterion was the competitiveness of the moment.

Consequently, we have to accept the fact that the economic development of UDEAC, Africa and the Third World in general will go through a stage when trade will be at prices that are higher than those in the industrialized world. The drawbacks will only be relative, however, since loss of import earnings will be counterbalanced by higher export earnings. This is the price of escaping from under-development. But it is essential for trade between the developing countries to boost the full exploitation of their natural resources, push up employment and raise their standards of living. In a word, economic development will be built on broad and diversified foundations—which cannot be achieved if the economy is planned along traditional lines and largely subordinated to the needs of the industrialized world, economic and social development in this case being no more than the side-effects of the exporting

industries. Undeniably, the political will of the states has been and will continue to be the driving force behind economic integration and, in the end, will overcome all obstacles, most of which arise from short-term calculations. It is clear that what is sometimes seen as a sacrifice in the short term turns out to be a good investment in the longer term. Emergent industries in the more advanced countries will soon need to seek



UDEAC headquarters in Bangui

markets in neighbouring countries and such outlets will go on expanding and diversifying. It is clearly desirable for such growth and diversification to strengthen the ties of complementarity, which are the best guarantee of stable production and trade in all the member states.

The financing organization

This leads us to look at the rôle which the community funding bodies ought to play.

The BEAC (Bank of the States of Central Africa)—which emerged from the transformation of the BCEAEC (Central Bank of the States of Equatorial Africa and Cameroon) in 1973—issues and manages the joint currency of the four UDEAC countries and Chad. It intervenes, via its credit policy, in economic policy and, therefore, in the development of the states, but it is no more than a central bank and cannot support or encourage economic development and regional integration as much as it should.

The UDEAC development bank

That is why the UDEAC development bank has been set up. It will be a means of attracting funds and credits from abroad to finance development and it is also designed to make up for the unequal development and distribution of the benefits of integration in the member states. It is not possible to implement an integration policy on a large scale without backing from a regional financial institution which is technically able to carry out preinvestment studies and can channel financial resources into community projects.

The Bank will serve regional integration and the harmonized development of the member states by devoting at least 50% of financing during the first quinquennium to regional projects. Special funds have been set up to help finance studies and provide interest subsidies so that investment is made first possible, because limited in scope, and then profitable, because the terms are softer.

The founder states have mobilized external sources of financing and retained control over the Bank by providing 62.5% (i.e. 10 million of a capital of 16 million) and opening the rest—and the Administrative Board—to external sources.

Harmonization in other fields

The Brazzaville Treaty obliges UDEAC to coordinate and harmonize in many fields.

As far as transport is concerned, the Trans-African Mombasa—Lagos highway crosses two UDEAC countries and various links have been planned to create an inter-state road network. A general transport plan has been on the drawing board since 1975 and the Council of Heads of State has agreed on the principle of a Bangui-Seabord railway to open up the interior.

A large number of texts and procedures have been harmonized in the communications and telecommunications field.

A thorough study of agricultural cooperation, particularly for livestock and meat, has been carried out and a standing conference of ministers has just been set up to decide on cooperation policy.

Two other projects are currently being studied. They involve coordinating scientific and technical research and coordinating the tourist attractions in the four states.

The harmonization of labour laws—which will mean that the convention on the free movement of persons and the right of establishment, signed in 1972, can be fully implemented—is under way.

Conclusion

In its first few years of existence, UDEAC has created a monetary union and a genuine customs union. Many schemes have been undertaken to create the conditions needed for the economic union which will enable UDEAC to become the common market of central Africa. The independence of the individual states can only be fully realised if a homogeneous region is created large enough to allow for full economic and—most important—industrial development.

We must create a harmonious framework in which to discuss collaboration with investors from abroad—and this UDEAC is trying to do by offering favourable conditions for investment.

In its 12 years of existence, UDEAC has created its customs union and a praiseworthy attempt has been made to harmonize national tax laws.

So far so good. Nevertheless, the customs union pays too much attention to external trade and not enough to internal trade. The common tariff provides a structure for general protection, but the states have retained the right to levy their own taxes and surcharges and it is this that creates distortion within the union. In the tax sector, there is the question of a complete revision of the single tax. The original idea was that the single tax would function as an instrument for industrial promotion and inter-state trade development, but it is currently tending to do one and not the other.

However, UDEAC's main aim is to develop inter-state trade—which is precisely the field where opportunity has been reduced by the attitude of the member countries to joint industrialization. Overall, and from the point of view of progress towards economic union, it is clear that the outcome of the meetings and the decisions of the last three years are satisfactory and the new strategy adopted by the Council of Heads of State is being put into practical application.

In all these fields, action is progressing as planned, the industrialization programme is no longer in a state of impasse thanks to the impulse given by the Heads of the founder states when the Treaty was revised on 8 December 1964.

And so we are convinced, as are all those who have followed or been involved in the rapid development of UDEAC and the states that make it up, that the policy of the Heads of the founder states has enabled and will continue to enable the members to move steadily towards a better tomorrow.

And finally, we hope that this—perhaps too short and too technical—article will help everyone interested in development problems of the Third World in general and Africa in particular towards a better understanding of the enormity of the task, undertaken 12 years ago, which UDEAC is steadfastly completing: the strengthening of both fraternal and economic cooperation so that all the peoples of all the member countries can free themselves from their state of under-development. □

P.T.

ECOWAS

The Economic Community of West African States

by J.B. WILMOT(*)

On 28th May, 1975 the Heads of State or Government of all the 15 West African States signed in Lagos a Treaty establishing an Economic Community of West African States (ECOWAS). The 15 states are Benin, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Upper Volta. These countries together cover an area of slightly over 6 million square kilometres (or 2.3 million square miles) and have a total population of about 120 million people.

Aims of ECOWAS

The aim of the Community, in the words of the Treaty, (Art. 2) is "to promote co-operation and development in all fields of economic activity particularly in the fields of industry, transport, telecommunications, energy agriculture, natural resources, commerce, monetary and financial questions and in social and cultural matters for the purpose of raising the standard of living of its peoples, of increasing and maintaining economic stability, of fostering closer relations among its members and of contributing to the progress and development of the African continent".

To achieve the above aim, the Treaty stipulates that the Community shall **by stages** ensure the following: free movement of goods and services; free movement of capital; free movement of persons, and co-operation in specific economic fields.

Free movement of goods and services

Article 12 of the Treaty provides that "there shall be progressively established in the course of a transitional period of 15 years from the definitive entry into force of this Treaty (...) a customs union of the member states". Within this union members undertake to reduce and eliminate all customs duties and similar charges on imports from other member countries; to relax and ultimately abolish all quota, quantitative or similar restrictions on trade among themselves, and to establish a common external tariff against third countries, that is to say, countries which are not members of the Community.

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The transitional period of 15 years within which there shall be free movement of goods and services is itself divided into three stages. In the first stage, covering the first 2 years of the Treaty's entry into force, a member state is not obliged to reduce or abolish tariffs and quantitative restrictions on goods from other member states. However, member states are obliged not to increase existing duties or impose new ones. In other words there is a standstill arrangement as between member states in their tariff regimes. During the first stage also, the Executive Secretary of the Community will collect information on existing duties in member states. The second stage is the next succeeding 8 years. During this stage, member states undertake to reduce progressively and eliminate ultimately, import duties in accordance with a schedule which will take into account such considerations as the effect on revenue of member states and the need to avoid disruption of income they derive from import duties. The third and final stage is the period between the tenth and the fifteenth year after the entry into force of the Treaty. In this period, member states agree to establish a common customs tariff in respect of all goods imported into the member states from third countries. In short, by the end of the tenth year of the Community's existence, a free trade area will have been established and by the end of the fifteen year this free trade area will have graduated into a customs union.

Free movement of capital

In the type of economic integration envisaged under ECOWAS, it is not enough to provide for the free movement of goods and services. It is essential that the factors which go into the production of these goods and services should also move freely. Hence it is provided that the mobility of capital within the Community should be achieved through the interlocking of any capital markets and stock exchanges; that stocks and shares floated in the territory of a member state should be quoted on the stock exchanges of other member states; that nationals of a member state should be given the opportunity of acquiring stocks, shares and other securities or otherwise investing in enterprises in the territories of other member states and generally that there should be unimpeded flow of capital within the Community through the removal of controls on the transfer of capital among the member states in accordance with a time-table to be determined by the Council of Ministers.

Free movement of persons

In addition to free movement of goods, services and capital, the Treaty seeks to bring about the free movement of persons; that is, citizens of member states should be able to visit, and reside in, each others' territories with very few restrictions.

To enable citizens of the ECOWAS states to move freely within the Community, the Treaty imposes four main obligations on the member states:

1. Citizens of member states shall be regarded as Community citizens;
2. Member states undertake to abolish all obstacles to freedom of movement and residence within the Community;

3. Member states undertake to enter into agreements with each other to exempt Community citizens from holding visitors' visas and residence permits;
4. Member states undertake to conclude agreements to allow Community citizens to work and undertake commercial and industrial activities within their territories.

Co-operation in specific economic fields

The keywords here are **harmonisation** of policies and, where appropriate, **joint development** of projects.

At present the members of the Community have separate, sometimes divergent policies in the various economic sectors. Some have controlled centralized economies while others run their economies on fairly liberal lines. For an integrated and balanced economy to be achieved within the Community there must be approximation or harmonisation of policies. Hence the Treaty sets out ways and means of forging economic co-operation and development among member states in various economic fields, the ultimate objective being the establishment of an economic union. In the short-run, the objective is to improve one another's knowledge of the economies of West Africa and to facilitate economic interaction between member states of the Community. To this end, a systematic gathering of information covering all fields of economic activities has been initiated. Any information received will become available to both government officials and the business communities. Subsequently, member states are expected to harmonise their economic policies. The harmonisation will in turn lead to the adoption of common policies in the fields of industry, transport, telecommunications, energy agriculture, natural resources, commerce, monetary and financial questions and in social and cultural matters.

Fund for Cooperation, Compensation and Development

It is quite evident from the above account that the operation of the Treaty might result, at least in the initial stages, in structural dislocation of the various economies and possible losses of revenue. Accordingly, the Treaty establishes a Fund for Cooperation, Compensation and Development.

Institutions

The Institutions of the Community are:

1. The Authority of Heads of State and Government;
2. The Council of Ministers;
3. The Executive Secretariat;
4. The Tribunal of the Community;
5. The following technical and specialised commissions:
 - the Trade, Customs, Immigration, Monetary and Payments Commission;
 - the Industry, Agriculture and Natural Resources Commission;
 - the Transport, Telecommunication and Energy Commission;
 - the Social and Cultural Affairs Commission, and such other Commissions or bodies as may be established by the Authority

or are established or provided for by the Treaty.

Inhibiting factors

Perhaps the most significant factor that has influenced inter-state economic activities in West Africa is the political experience of the West African States: their colonial ties and post-independence nationalism. The four British excolonies of Gambia, Ghana, Nigeria and Sierra Leone developed strong bilateral economic and institutional links with Britain. At the sub-regional level, the few tenuous links that existed were limited to themselves without the participation of close neighbours. This pattern was repeated, even more strongly, in the case of the nine former French colonies: Benin, Guinea, Ivory Coast, Mali, Mauritania, Niger, Senegal, Togo and Upper Volta. The resultant polarisation of States in West Africa along linguistic lines (English and French) discouraged the coming together of the two groups. Liberia, although English-speaking, did not belong to the former group—having developed its own ties with the United States. The last and relatively new state of Guinea-Bissau had inclined towards Portugal, the European power that colonised it. There is such a strong economic affiliation with these metropolitan powers that the production base of the West African economies does not allow for any significant intra-West African exchange.

In addition to the above inhibiting factors, the desire to build a modern strong national economy has led to the erection of various barriers around each state which further limit interaction between West Africans. The barriers take any of the following forms: high import duty rates, import licensing and other restrictions, foreign exchange control regimes, indigenisation programmes and restrictive immigration laws including an aliens employment quota system. These economic factors apart, there have also been political differences and friction, some of which stem from external influences.

Gradual and flexible process

The Governments of the sub-region were fully conscious of these problems when they met to sign the ECOWAS Treaty. And this awareness explains the cautious approach which is evident from the provisions of the Treaty. The Treaty merely identifies broad areas of co-operation without, in most cases, entering into any detailed specification of provisions to be observed by member states. It also envisages that the evolution of an economic union will be a very gradual and flexible process and does no more than define various time periods for the achievement of some significant stages of the process. It was felt necessary, on the basis of previous experience, to agree on broad outlines and to let the success achieved at each stage dictate the form and pace subsequent co-operation should assume.

Chances of success

This realistic approach gives some measure of hope that ECOWAS will succeed. But in the final analysis, the progress and ultimate success of ECOWAS will depend on the conti-

nued commitment of each state to the ideals of the Community and the readiness to adhere to and be bound by the directives worked out by the institutions of the Community. There are two other related factors that may also contribute to the achievement of the aims of ECOWAS. Although the whole of West Africa is classified as an under-developed region, the potentialities of the fifteen states are not identical. It has already been demonstrated that the willingness of those more favourably endowed to contribute more than the less endowed increases the spirit of comradeship and generates a greater sense of community feeling and solidarity. An example of this is the acceptance of the three richest states among the fifteen (Nigeria, Ghana and the Ivory Coast) to shoulder about half of the total financial responsibility falling on the Community. It has also been appreciated right from the start that the gains generated by the establishment of ECOWAS must be equitably shared, bearing in mind the desirability of achieving a balanced development of the sub-region. An attitude such as this is crucial if each state is to feel that the sacrifice of part of the control over national economic decision-making is for its ultimate good and that the development of the national economy has a brighter future in an integrated West African economy than the continuation of either the policy of economic nationalism or the reliance on traditional economic ties.

By traditional economic ties, we may include both European and West Africa affiliations, for most of the other economic ties that exist between West African states derive directly or indirectly from a common European association. The following institutions—Communaute Economique de l'Afrique de l'Ouest, l'Union Monetaire de l'Ouest Africaine and its associated Banque Centrale des Etats de l'Afrique de l'Ouest—bear the label "West Africa" but are limited in membership. So are the Conseil de l'Entente, WARDA (West African Rice Development Association), West African Development Bank etc. It is ECOWAS that properly bridges the linguistic and institutional gaps. It is also the only economic institution of West Africa with both the widest scope and largest membership. The last factor is important when account is taken of the ultimate aim of West African integration.

Recent developments leave one hopeful that ECOWAS will not be saddled with half-committed or reluctant partners who will be a drag on progress. The failure to run a positive balance of payments account (and yet the insufficiency of imports to meet domestic requirements), the increasingly inadequate flow of supplementary foreign aid, the frustratingly slow pace of and fluctuations in economic progress, the deteriorating economic and social conditions, the drain of multinationals and other foreign enterprises on meagre foreign exchange earnings—all these factors have caused West African states and other developing countries to cast their eyes about for other avenues that can lead to meaningful development. ECOWAS is a crucial experiment that West Africans have undertaken, for themselves and also as a necessary contribution towards the development of the African continent. Member states are painfully conscious of the fact that they will be rubbing traditional foreign economic and political interests the wrong way. But they are equally determined that this opportunity to improve the conditions of their peoples will not slip by. □

J.B.W.

CEAO

The West African Economic Community

by Moussa N'GOM

The CEAO combines the six countries of West Africa which signed the Bamako Treaty in 1972 and the implementing protocols in Abidjan in 1973. They are the Ivory Coast, Upper Volta, Mali, Mauritania, Niger and Senegal. Benin, Togo and Guinea are not members. The six countries are all former French colonies and linked through their history, geography, language and currency.

Soon after independence, the states drew up a customs convention. This led to the 1966 free trade agreement, an unsuccessful venture, which in turn led to the creation of the CEAO in Bamako in 1972.

Both attempts at unity proved useful experience for the new community which came into being in 1974, a year after the signing of the Treaty in Abidjan on 17 April 1973. One of the things inspiring the community is the past which the countries share. It is reflected in a conscious, deliberate, political desire on the part of the heads of state, who have embarked upon a policy of economic solidarity and set up permanent, functional organizational structures. Their solidarity is also apparent in the decision-making procedures—voting is systematically excluded, the African love of lengthy discussion gets free rein, a consensus of opinion emerges and any moral implications of the results of voting are avoided. Even in the operating budget, where contributions are fixed in the light of the vital solidarity between countries at different stages of development, we find this relationship which is so fundamental to African societies—the sharing of good and bad fortune.

The phenomenon is also apparent in the two technical and highly ingenious instruments which were introduced to consolidate and promote trade between the various members of the CEAO—the Regional Cooperation Tax and the Community Development Fund.

The Regional Cooperation Tax

This is the main means of liberalizing trade in industrial products in the CEAO and replaces all duties and charges on imports into one member country of products originating in another. This is new in that rates are fixed in the light of the individual economic situation of the product for which application is made, of the firm asking to have the tax apply to one or more of its products, of the state in which the firm is established and of the importing state. All this should contribute to the sort of solidarity which is the cornerstone of the CEAO and mean that economic factors can be taken into consideration at community level.

If, for example, the product in question is made in only one state or by one firm, in the community, the Regional Cooper-

ation Tax will be applied at the lowest possible rate. This will mean that the product can replace all CEAO imports of similar or substitute products from third countries. Its markets will expand from four or five million national consumers to 25 or 30 million community consumers and costs and prices should drop accordingly.

But even in cases of this kind, where there is no community competition, the rate of tax varies with the product to allow the system both to raise tax in the normal way and, in addition, to fulfil social, educational, and health needs. Even if, for instance, only one firm in the community was making alcohol, there would be no need for a low tax rating, although, if the product was *cous-cous*, which is highly nutritious, the socio-economic implications would be obvious and there would be every point in having it zero-rated.

Take another case, where two or more firms making the same product are set up in different states with comparable industrial potential—the Ivory Coast and Senegal or Upper Volta and Niger, Mali or Mauritania. The first thing is to ensure adequate protection for any of these products made in the other member countries. They must be protected against similar products from third countries on the other CEAO markets. The idea is to make for equal competition for the products of these community firms on other community markets. For example, if a product is made in the Ivory Coast and in Senegal, the rate on imports into Niger or Upper Volta should be higher for the Ivory Coast product so as to take Senegal's higher transport costs into account and the Senegalese product should be rated higher if Mauritania is importing.

In the case of firms in each of two groups of countries—(a) Ivory Coast and Senegal and (b) Upper Volta, Mali, Niger or Mauritania—depending on how much input comes from outside the CEAO, tax ratings have to take account of any revenue which has a direct incidence on the operating accounts and, therefore, on the costs of transport, energy, labour and so on.

In all cases, tax ratings must enable firms throughout the community to survive in conditions of competition which will stimulate a spirit of enterprise without forcing anyone to close down—since this leads to socio-economic upheaval.

The Community Development Fund

This is the CEAO's most important feature—and a highly dynamic one. There are two reasons for this. The main criticism of both the earlier customs unions was that they did not generate the right sort of creativity and imagination to balance out advantages and disadvantages. In fact the land-locked countries, which are also the least industrialized, dismantled their tariffs *vis-à-vis* the maritime countries and, apart from the fact that the products in question were sold more cheaply to the local populations, there was no really substantial or direct compensation for the consequent and considerable drop in revenue.

The customs unions lacked any means of direct financial intervention that could contribute through studies or specific schemes to the general economic development of the community.

The development fund has carefully countered these criticisms. It has even succeeded in getting the treasury of any member which is a net exporter of industrial products to make a fair financial contribution the fund in exchange for the beneficial effects community membership has provided through increased exports (employment, industrial and commercial benefits, income tax, the booster effect of these factors etc.).

The Treaty precisely defines the notion of "tax loss" as the difference between the amount of import duties levied by each of the member countries as part of the Regional Cooperation Tax, and the amount of the import duties that would have been levied if the products had originated in a third country not subject to customs duties proper. It then goes on to say how such amounts are to be used:

(a) two-thirds of the overall amount of this depreciation is used as a basis for calculating compensatory payments to the importing states (Article 14);

(b) the remaining one third of the difference becomes the community's own financial resources, together with any aid, grants and loans, and enables the community to promote regional cooperation schemes and studies (Article 28). The spirit of solidarity and compensation was again affirmed by Act No. 7/73 of 17 April 1973 of the Conference of Heads of State, which earmarks any profit from the use of this one-third for the least favoured countries as a matter of priority for five years.

The fund has been operating for two years now and the CEAO has already provided its members with almost CFAF 1 800 000 000(1) in the form of financing for studies and national and community schemes. The CEAO's human, material and institutional means should enable the community ideal—which our states have pursued since independence—to be furthered.

General Lamizana, current President of the CEAO Conference of Heads of State said the following on 31 December 1976.

"The West African Economic Community is a major force in the economic development of our sub-region, particularly as far as the drive for African unity is concerned. There is every reason to be proud of the fact that, only three years after the creation of the CEAO, we already have results. The Niamey Conference in 1975 enabled our community to introduce the Regional Cooperation Tax in January 1976.

The Dakar Conference in April 1976 enabled us to embark upon the operational phase with the first community studies and schemes financed by the Community Development Fund, a completely new type of institution for furthering solidarity amongst the member countries. In the same year, construction of the General Secretariat buildings began. But we should not forget that we have obtained positive results because the conditions were right for us to do so. And we are particularly grateful to the General Secretariat and all its staff who have always worked with such unremitting self-sacrifice.

This is why we are once again affirming here today our faith in this community—our community." □ M.N'G.

(1) Approximately US \$7.2 million (6.4 million ECU).

The Caribbean Community

From the West Indies Federation to CARICOM

The Caribbean Community has grown from a modest beginning in 1965, when Antigua, Barbados and Guyana agreed to set up a free trade area among themselves. The main purpose of the Caribbean Free Trade Area (CARIFTA), as it was called, was to promote an easier exchange and movement of locally-produced goods.

CARIFTA

It soon became clear that the original grouping of three countries was too small to make any real impact on the patterns of trade, which channelled Caribbean exports out to traditional markets rather than within the region. The actual beginning of CARIFTA was therefore delayed to allow other countries to join.

On 1 May 1968, the new CARIFTA agreement came into force between Antigua, Barbados, Guyana and Trinidad and Tobago. Over the next three years, Grenada, Montserrat, St Kitts-Nevis-Anguilla, Belize, Dominica, Jamaica, St Lucia and St Vincent also joined. Meanwhile, the lesser-developed Leeward and Windward islands formed themselves into a subgroup, the Eastern Caribbean Common Market (ECCM), within the wider framework of CARIFTA. Their purpose was to increase trade among themselves in order to establish a common position when dealing with other CARIFTA countries, and also to take greater advantage of the special benefits granted them under the CARIFTA agreement.

The West Indies Federation

All of these countries except Guyana and Belize were grouped in an earlier attempt to form a regional community, the West Indies Federation. This basically political union broke up in 1962 after four years, but it might be said to have been the real beginning of CARICOM in many ways, particularly in that it drew attention to the importance of economic cooperation.

Even before CARIFTA began, it was agreed that as many Commonwealth Caribbean countries as possible should be

brought into a Caribbean Community, since there were many areas other than trade in which cooperation would be mutually beneficial.

In 1972, regional heads of government agreed to establish the Caribbean Community, CARICOM, and this came into effect on 1 August 1973 with the signature of the Caribbean Community Treaty by Barbados, Guyana, Jamaica and Trinidad and Tobago, the four independent countries. The basis of CARICOM was established earlier the same year with the Georgetown Accord, which included agreements of special benefit to the less developed countries (LDCs). All CARIFTA countries except Antigua and Montserrat signed this pact, and by the middle of 1974 all CARIFTA countries had joined CARICOM.

The objectives

The main economic objectives of CARICOM were to:

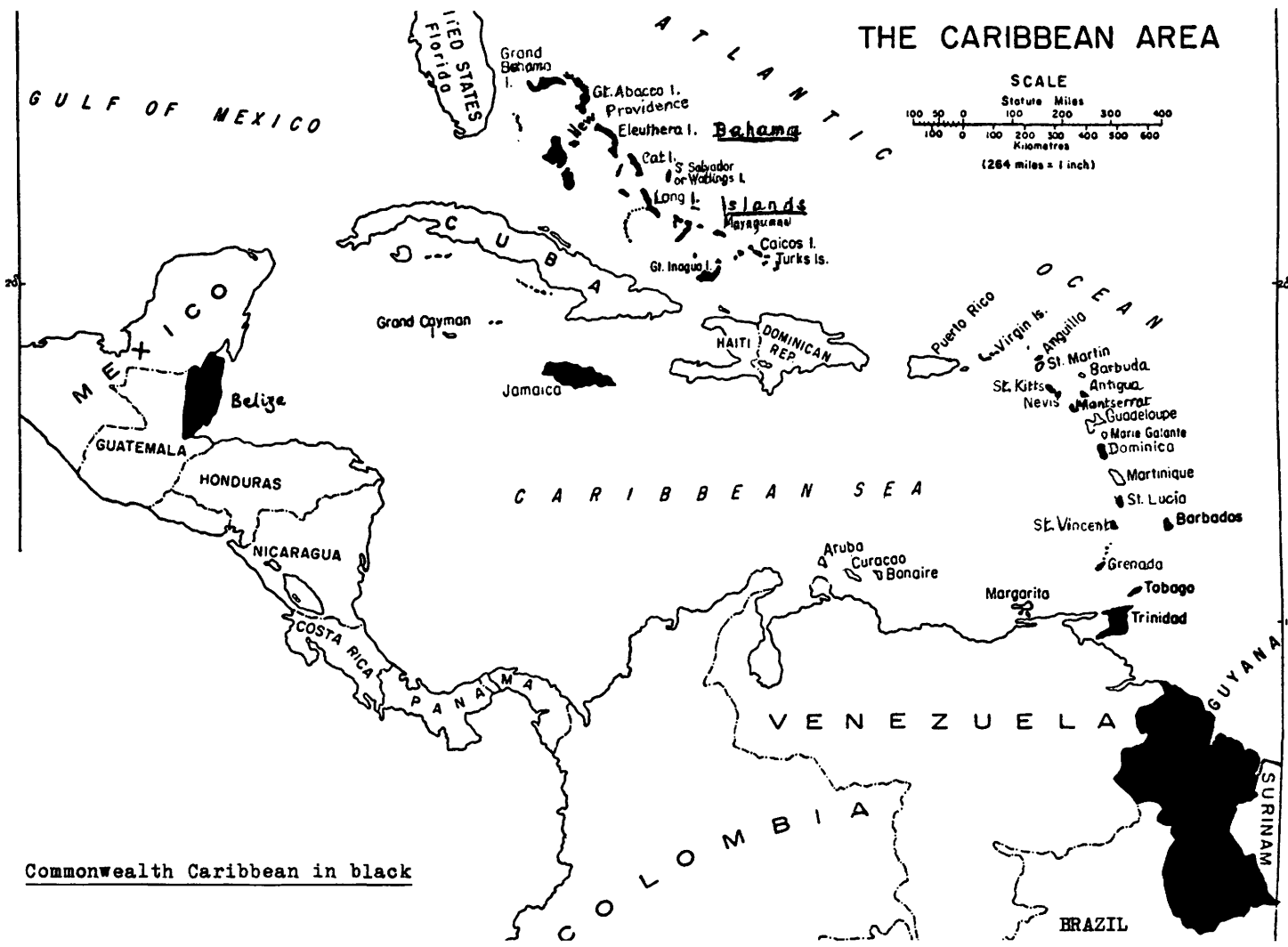
- strengthen, coordinate and regulate economic and trade regulations among member states, by, *inter alia*, the provision for free internal trade and the establishment of a common external tariff in respect of all commodities imported from third countries (transitional period phasing out not later than 1 August 1981);
- to sustain the expansion and continue the integration of economic activities, through such means as the harmonization of fiscal incentives to industry and the development of regional integrated industries;
- achieve greater economic independence and effectiveness for its member states in dealing with "states, groups of states and entities of whatever description".

Common services and foreign policy

But CARICOM goes far beyond economic matters to include cooperation on common services and foreign policy.

Some of the services have been taken over from earlier days, such as the University of the West Indies and the regional shipping service. Now there are many more, such as the Caribbean Technical Assistance Programme, the Caribbean Meteorological Service, the Council of Legal Education and the Caribbean Examinations Council. The region is getting to know itself better through a common news agency and a broadcasting union. There is cooperation on industrial relations, tax administration, travel, legislation, science and technology, and women's affairs.

In foreign policy, the main areas of cooperation are trade, to



increase the Caribbean's bargaining power on commodities in particular, foreign aid and relations with the metropolitan countries and the EEC, relations with neighbouring Caribbean and Latin American countries, and Third World solidarity. It is clearly in the interests of the Caribbean to unite on international questions such as the law of the sea, where individual countries might be played off against each other.

The institutions

CARICOM is run by a number of institutions. At the top is the Conference of Heads of Government, where each country has one vote and decisions must be unanimous. The Council of Ministers is the second main institution, responsible for the high-level administration of CARICOM. Standing committees of ministers are laid down by the treaty in the fields of education, labour, foreign affairs, finance, agriculture and mines, while there is a Conference of Ministers of Health. The CARICOM secretariat coordinates the work of the institutions and associate institutions, such as the ECCM Council of Ministers, educational bodies and financial organizations, including the

Caribbean Development Bank and the Caribbean Investment Corporation.

Valuable experience

All this adds up to the most advanced regional cooperation in the ACP group, covering a land area of some 100 000 sq. miles and a population of nearly five million. The CARICOM experience gave the Caribbean ACP countries valuable insight into the problems of regional cooperation and trade questions at the time of the Lomé Convention negotiations, and these countries will no doubt play a full role in future EEC-ACP talks.

CARICOM is going through a difficult time at present, with nearly all its members facing severe economic problems (Trinidad is the shining exception, thanks to its energy resources). As with the EEC, there is a constant threat of reversion to protectionist measures. The two communities can scarcely be compared, however, as Europe began from a position of economic strength and the Caribbean from economic weakness. CARICOM's achievements so far make it unlikely that it will collapse overnight. □

B.T.

Other regional organizations and groupings in Africa

OAU

The Organization of African Unity is the only African body most people know. It is a political organization with 48 members, the independent continental and island countries of Africa, but it also runs important economic services, which are investigating means of boosting the African economy. At the last Council of Ministers, the principle of an African Economic Community (AEC) was adopted.

The OAU is based in Addis Ababa (PO Box 3243), Ethiopia.

OMVS

The Organization for the Development of the Senegal River is a technical cooperation body. The three members (Mali, Mauritania and Senegal, the countries through which the river flows) are aiming to build two hydro-agricultural dams which will both irrigate large tracts of arable land in the frontier regions of their countries and provide energy. Navigation projects (ports, etc.) are also included.

The OMVS is based in Dakar (PO Box 3152), Senegal.

OCAM

This joint Africa/Mauritius organization was one of the first cooperation bodies set up by the French-speaking states of Africa after independence in 1960. At the outset, the Organization Commune Africaine et Mauricienne had both political and economic aims, although much more attention has in fact been paid to economic and cultural affairs. Some countries have left OCAM itself but stayed in its specialized agencies, of which the main ones are:

- UAMPT, the Afro-Malagasy post and telecommunications union, based in Brazzaville (PO Box 44), Congo.
- UAMBD, the Afro-Mauritian union of development banks, based in Bangui, CAE.
- OAMPT, the Afro-Malagasy industrial property office, based in Yaoundé (PO Box 887), Cameroon.

— OAMCAF, the Afro-Malagasy coffee organization, based in Paris (27 Quai Anatole France), France.

— ODIA, the organization for the development of tourism in Africa, based in Lomé, Togo.

OCAM itself is based in Bangui (PO Box 965), Central African Empire. It held its last Council of Ministers in Kigali (Rwanda) in February 1977, when the Secretary-General, Dr Sidney Moutia (Mauritius), summed up the organization's positive results. After a period of crisis which reduced its membership to 10 countries, OCAM decided to drop all political discussions, which it felt were best left to the OAU, and concentrate on joint undertakings in technical, cultural and economic fields.

As far as legal and administrative matters were concerned, the Secretary-General emphasized that they had to adapt OCAM agreements and conventions to the needs of today, advocating structures to make things more dynamic and up-to-date. He also asked for a new financial regulation to be introduced and for OCAM and its specialized agencies to adopt a joint, unambiguous, clearly-worded document specifying the duties and obligations of everyone involved.

As to the economic sector, Dr Moutia suggested that OCAM select a number of industrialization projects (requiring a large market) and help the states or regional organizations concerned to seek partners and get trade agreements concluded.

Dr Moutia referred to OCAM's African and Mauritian Sugar Agreement, emphasizing the need for a full revision of sugar cooperation between the member countries, which would be producing an exportable surplus of 800 000 t once their development projects had been completed. They therefore needed a new agreement to defend African producers' interests in Europe and on the world market in general.

Dr Moutia reviewed the generally favourable situation of the various joint cultural and educational bodies and then went on to list the critical points which, in his eyes, might put a brake on OCAM action. The staff situation was critical, he said, stressing that various posts of head of department were still vacant and that there were no suitable candidates. They had to improve their standards of recruitment and it was regrettable that there were never enough candidates to make a proper choice.

Dr Moutia ended by deploring the poor inter-African transport systems, particularly the airlines, which slowed down communications between the headquarters in Bangui and the member countries. When the OCAM heads of state had met in Dakar in April, they had decided to drop all political issues, which would only be dealt with by bodies like the OAU and the UN from now on.

Dr Moutia said that they, in OCAM, had a unique system of cooperation between countries of the Third World, an ongoing situation which forced them to revise certain of the administrative texts covering the functioning of the specialized agencies.

* * *

Africa has other less-structured and varying active cooperation organizations, including:

The Conseil de l'Entente, based in Abidjan (Ivory Coast), whose members are Upper Volta, Niger, Benin, Togo and the Ivory Coast. Ghana takes part in the organisation's discussions in areas such as road transport which might affect her.

The Liptako-Gourma Integrated Development Authority, based in Ouagadougou (Upper Volta).

The Mano River Union, a cooperation agreement between Liberia and Sierra Leone.

* * *

There are also a number of technical and specialized organizations dealing with regional cooperation in Africa:

ASECNA, the agency for the safety of aerial navigation in Africa and Madagascar, based in Niamey (PO Box 729), Niger.

The AFDB (African Development Bank) and its African Development Fund, based in Abidjan (PO Box 1387), Ivory Coast.

CAMES, the African and Malagasy Council on Higher Education, based in Ouagadougou (PO Box 134), Upper Volta.

AFRICARE, the African reinsurance company, based in Lagos (Nigeria), comprising 33 countries.

The African Groundnut Council, based in Lagos (PO Box 3025), Nigeria

There are also various ancillary medical organizations, like the **OCCGE** (Organization for Cooperation and Coordination in the fight against Endemic Diseases), based in Bobo Dioulasso (PO Box 153), Upper Volta.

A similar organization, the **OCEAC**, covers the states of Central Africa. It is based in Yaoundé (PO Box 288), Cameroon. □

DOSSIER

ACP action programme for inter-ACP cooperation

The ACP Council of Ministers, which met in Suva (Fiji) in April 1977, adopted an action programme for cooperation in the countries of Africa, the Caribbean and the Pacific. Here is the text.

The action programme covers five essential sectors of inter-ACP cooperation: transport, communications and other services; trade cooperation; the development of inter-ACP firms and cooperation with production; development financing; cultural, scientific and educational cooperation.

1. Trade cooperation

The benefits of such a programme must be distributed fairly over the regions of Africa, the Caribbean and the Pacific. The aim is therefore to:

- ① Strengthen the ACP countries' powers of collective bargaining as regards imports from and exports to the industrialized world and increase the extent to which they can benefit from the possibilities offered by the markets of these countries.
- ② Liberalize trade between the ACP countries themselves and between the ACP and other developing countries. This would involve a system whereby products from the ACP and other developing countries had a distinct marginal advantage over imports from industrialized countries. It would also mean that the costs and benefits of the system would have to be spread fairly among the individual countries involved. There is no need to go for total liberalization of trade; the system could be restricted to realistic and immediately attainable goals.
- ③ Make full use of the Lomé Convention (cf. Article 7(2b) in Title I), which provides direct support for the expansion of ACP trade, for the GATT Protocol of 8 December 1971 on trade negotiations between the developing countries and for other international agreements providing special support for trade between developing countries.
- ④ Introduce trade cooperation measures between ACP countries. This might involve medium and long-term contractual agreements that would directly extend inter-ACP trade and develop new trade. These agreements should include commitments to supply and purchase specific products within a range of prices fixed jointly for given periods.
- ⑤ Boost cooperation between ACP producers, with a view to joint action on the stabilization and improvement of prices, the processing and improvement of products, technical assis-

tance, marketing and distribution and direct consignments. This should mean a reduction in the traditional dependency on trading systems and distribution networks in the industrialized world, particularly where organized as part of inter-firm transactions in transnational companies or as part of commodity markets controlled by the industrialized world. This should then lead to a growth in the added value accruing to the ACPs. Joint marketing and market survey services should also be envisaged here.

⑥ Fully exploit Lomé provisions as regards successive processing and the cumulative treatment of EEC exports.

⑦ Define the possibilities of specialized production and trade and of complementarity between the various sectors in the ACP countries.

⑧ Identify the specific obstacles to starting up and expanding inter-ACP trade and engage the process to overcome such obstacles.

⑨ Establish effective inter-ACP cooperation by developing a system of payments, initially via a series of regional and sub-regional compensation agreements, links between these agreements and closer links between central banks in the ACP countries, with a view to expanding the principle of collective self-help.

2. Developing inter-ACP firms and cooperation with production

The development of inter-ACP multinational productive firms is the keystone of the strategy that will enable the aims of inter-ACP cooperation to be reached. The development of additional production capacity is a *sine qua non* of the expansion and diversification of ACP trade and of the strengthening of the ACP position on markets in third countries. Article 8(a) of Protocol No 2 to the Lomé Convention is the basis for financing the setting-up of regional and interregional enterprises and full use should be made of this basic incentive to reach what is a major objective.

Experts should lose no time in studying the identification process by which such enterprises can be established. The aim is to organize inter-ACP collaboration and negotiation, so that the appropriate inter-ACP enterprises can be started up in the fields of natural resources, technology, management, finance, marketing and so on. The balance of interests between the countries involved should not be neglected and the emphasis might be less on equal financial contributions and more on the complementarity of factors in these enterprises.

There is also a need to increase collaboration with the development of infrastructure and services such as hydro-electric stations, roads, telecommunications, water engineering, shipping companies, insurance, financial institutions, banks, research and technology. One of the prime aims of cooperation of this sort should be to provide additional benefits for the least developed, land-locked and island countries.

The ACP countries should also discuss and collaborate on regional and subregional plans for the production of food for home consumption.

The first stage might be to draw up lists of possible inter-ACP enterprises. This would be done in collaboration with re-

gional and subregional financing bodies and, if possible, with the national development banks.

The technical data needed must be collected now and appropriate data available in UN agencies and financial institutions, like the World Bank, must also be collated and up-dated.

3. Transport, communications and other services

The appropriate steps must be taken in the services sector, particularly in land, sea and air transport, communications, banking, insurance and credit, if action programmes to develop and step up trade cooperation, develop inter-ACP firms and institute cooperation with production are to be successfully implemented.

As to shipping and services—an effort must be made to look into and define the special measures needed to improve ACP standing in the following sectors:

- (i) the expansion of inter-ACP trade;
- (ii) inter-ACP cooperation with production;
- (iii) improving the ACP export position via import policy.

Studies must also be carried out into alternative means of transport and into the creation, improvement and adaptation of port facilities.

The communications field is vital as far as the development of inter-ACP cooperation is concerned. Whether or not new inter-ACP trade patterns can be developed depends on the cost and availability of transport services and we must, therefore, decide whether it is the cost or the lack of such services which impedes the expansion of ACP commodity marketing. We should also look at both existing and potential trade links and at their transport capacity to see how demand ties up with the tonnage of ACP shipping.

Initially, research into boosting ACP exports to third countries and coordinating ACP export policies and practices will concentrate on making large savings. This should involve the ACP countries in a joint effort to group homogeneous goods together, to transport in bulk and to group various goods on a regional or subregional basis. Research here should also reveal the economic feasibility of setting up or expanding regional shipping companies serving various ACP zones.

The inter-ACP communications network must also be improved, since this is a basic requirement if inter-ACP cooperation in trade and production is to be developed. The same goes for other services, like insurance, banking and credit facilities. The machinery for organizing greater functional cooperation between the various sectors of the ACP states should therefore be discussed without delay.

4. Financing development

The Lomé Convention provides direct financial support for the strengthening of cooperation between the ACP countries. But this apart, things could well begin within the ACP group with the introduction of closer collaboration and cooperation with the individual aid programmes currently being established under the Lomé Convention. Machinery could also be set up within the ACP Secretariat to ensure that ACP firms make the most of the Convention's provisions on calls to tender for EEC-financed projects. Other measures aimed at improving the availability of capital on softer terms should be investigated,

and this should be done with the cooperation of other developing countries wherever possible. As far as cooperation with other developing countries is concerned, inter-ACP cooperation could provide aid to adjust balances of payments, help stabilize export prices at fair and profitable levels and serve as a framework for the financing of long-term development.

Experience with current monetary and financial arrangements in various ACP regions and subregions could be systematically pooled so that the ACP countries individually and as a whole would get greater and more extensive benefits.

5. Technology, know-how and technical assistance

Inter-ACP technical cooperation projects are vital to inter-ACP cooperation. The Lomé Convention provides for them and they could well be used as a basis for the development and intensification of transfers of technology between ACP countries. This could involve projects entailing:

- (i) more comprehensive exchanges of technology and know-how in ACP or other developing countries;
- (ii) an exchange of information in experience in available technology;
- (iii) technical assistance, particularly via an exchange of experts and the organization of training courses;
- (iv) the use of the services of consultant engineers, in ACP and other developing countries, which could supply the right sort of technology and enable optimum use to be made of local facilities;
- (v) collective efforts to run joint projects with a view to acquiring and developing the kind of technology that is useful to several countries at the same time;
- (vi) the drafting of preferential agreements on the development and transfer of technology between themselves and the setting-up of regional and subregional centres for the development and transfer of technology which can serve as vital links with centres in other developing countries.

A start could be made on dossiers on the know-how which the ACP countries already possess. This could be done with the help of regional and subregional groupings and with current information from regional or interregional organizations.

6. Cultural, scientific and educational cooperation

The development of programmes and the creation, within the ACP, of machinery for cultural, scientific and educational exchanges must soon be envisaged. At the beginning, the ACP Secretariat, with the help of the appropriate regional institutions, could be used as a clearing-house for the exchange of information on possibilities in this field. The preliminary measures leading up to implementation of these provisions should, as far as possible, be based on regional cooperation.

Throughout the action programme, consideration must always be given to the problems of the developed, land-locked and island countries and there must, consequently, be a constant effort to develop measures which will help these countries, within the framework of the inter-ACP cooperation programme. □

Community aid and regional cooperation

The first three EDFs

The trade provisions in Yaoundé I and Yaoundé II were only general ones intended to encourage regional cooperation between the 19 African States which signed the Conventions. However, many projects were carried out which reflected the desire to establish economic relations between various states in the same region. Under Yaoundé, these regional schemes were primarily concerned with roads, water engineering in agriculture, and energy. The Lomé-Ouagadougou highway, the Trans-Cameroon railway and the transequatorial route (Congo-Central African Empire-Chad) are some examples.

The Lomé-Ouagadougou highway

This is of prime importance to both Togo and the Upper Volta. It will mean that trade between the two countries can expand, and that two hitherto ill-served regions—North Togo and South eastern Upper Volta—can be opened up. It will also help step up traffic through the port of Lomé and give Upper Volta, which has so far had to depend on the Abidjan-Ouagadougou railway (1147 km), a second, and shorter (977 km), route to the sea.

Niger is also concerned—a north-east branch could, at some time in the future, connect Fada N'Gourma in Upper Volta with Niamey. In addition, the Community has financed studies and road building aimed at linking Upper Volta to the neighbouring states, and help the country develop its potential as a crossroads for communications between Mali, the Ivory Coast, Ghana, Togo, Benin and Niger.

The governments of Togo and Upper Volta had already emphasized the importance of the Lomé-Ouagadougou highway on a number of occasions and the volume of external funds committed to the project demonstrates just how much outside, and particularly European Community—support, there is for a regional policy of this kind.

In December 1973, the Community provided 27 880 000 CFA francs for the surfacing of 548 km of the 977 km road. In addition to this, it financed studies for the outstanding 220 km of asphaltting between Kandé and the Upper Volta border (432 000 u.a.), 4 375 000 u.a. from the 3rd

EDF for 58 km of road between Nianguedi and the Togolese border was also provided in January 1974.

This amounts to 32 687 000 u.a. as grants from the 2nd and 3rd EDFs. The Togolese budget, bilateral French and German aid and the World Bank have also helped finance studies and work on the 977 km Lomé—Ouagadougou road, of which 757 km are already surfaced and in use.

The Trans-Cameroon railway

This is one of the most important regional projects which the EDF has carried out in any country. The extensions to the Douala-Yaoundé section cover 628 km, linking the north of the country to the main sea port at Douala, 900 km away. The Douala-Yaoundé section was built by the Germans, who first colonised Cameroon, between 1910 and 1927.

But the Trans-Cameroon is more than a national north-south link. It is also the cheapest and most important route out of Chad and the Central African Empire to the north and east. Both countries will have good road links with the terminus at Ngaoundéré for despatching export and import products by road or rail. There are also plans for a Bangui-Ngaoundéré railway. The national and regional importance of the Trans-Cameroon, is reflected in the amount of investment involved.

The Trans-Cameroon — some figures

1. The different sections, dates and cost of works

- the Douala-Yaoundé section (306 km) was primarily built by Germany over the 1910-1927 period.
- The Yaoundé-Belabo section, 296 km, was built between 1964 and 1969 at a cost of 37 650 000 u.a.
- The Belabo-Ngaoundéré section, 332 km, was built between 1970 and 1974, at a cost of 55 300 000 u.a.

2. Financing (million u.a.)

— EDF(1)	49.25 (53%), of which 44.25% grants 5% loans
— US/AID(1)	21.2 (22.8%), loan
— FAC (France)(2)	16.3 (17.5%), of which 12.1% grants 4.2% loans
— Cameroon(3)	6.2 (6.7%)
Total	92.95

(1) Infrastructure works.

(2) Access roads, station buildings, telecommunications network, rolling stock. (FAC=Fonds d'Aide et de Cooperation—Aid and Cooperation Fund).

(3) Works (2nd section), supply of wooden sleepers, operation of OCET (Trans-Cameroon Railway Board).

(4) At the moment the 2 million tonnes of manganese from Moanda leave Gabon by cableway to M'Binda and then the CFCO proper—about 200 km—from Favre near Lubomo (formerly Dolisie) to Pointe-Noire. Under agreements concluded with the Congo, this will continue even after the Moanda-Boué stretch of the Trans Gabonese has been built. The latter link will be used to transport any manganese in excess of 2 million tonnes produced in Moanda and Franceville, which can then be exported via Owendo, Gabon's first deep-water port, which was EDF-financed and completed in 1974.

(5) Excluding manganese: 1 640 000 tonnes.

3. Technical features

— Earthworks	22 million m ³
— Ballast	460 000 m ³
— Rails	42 000 t
— Sleepers	1.1 million
— Concrete	85 000 m ³
— Bridges (79)	1 260 meters
— Metal pipes	34 000 m (linear)

4. Technical specifications

— gauge	1 m
— weight per axle	16 t

The Transequatorial (Congo-CAE-Chad)

This is a 5 000 km link between the Congo, Cameroon, the CAE and Chad.

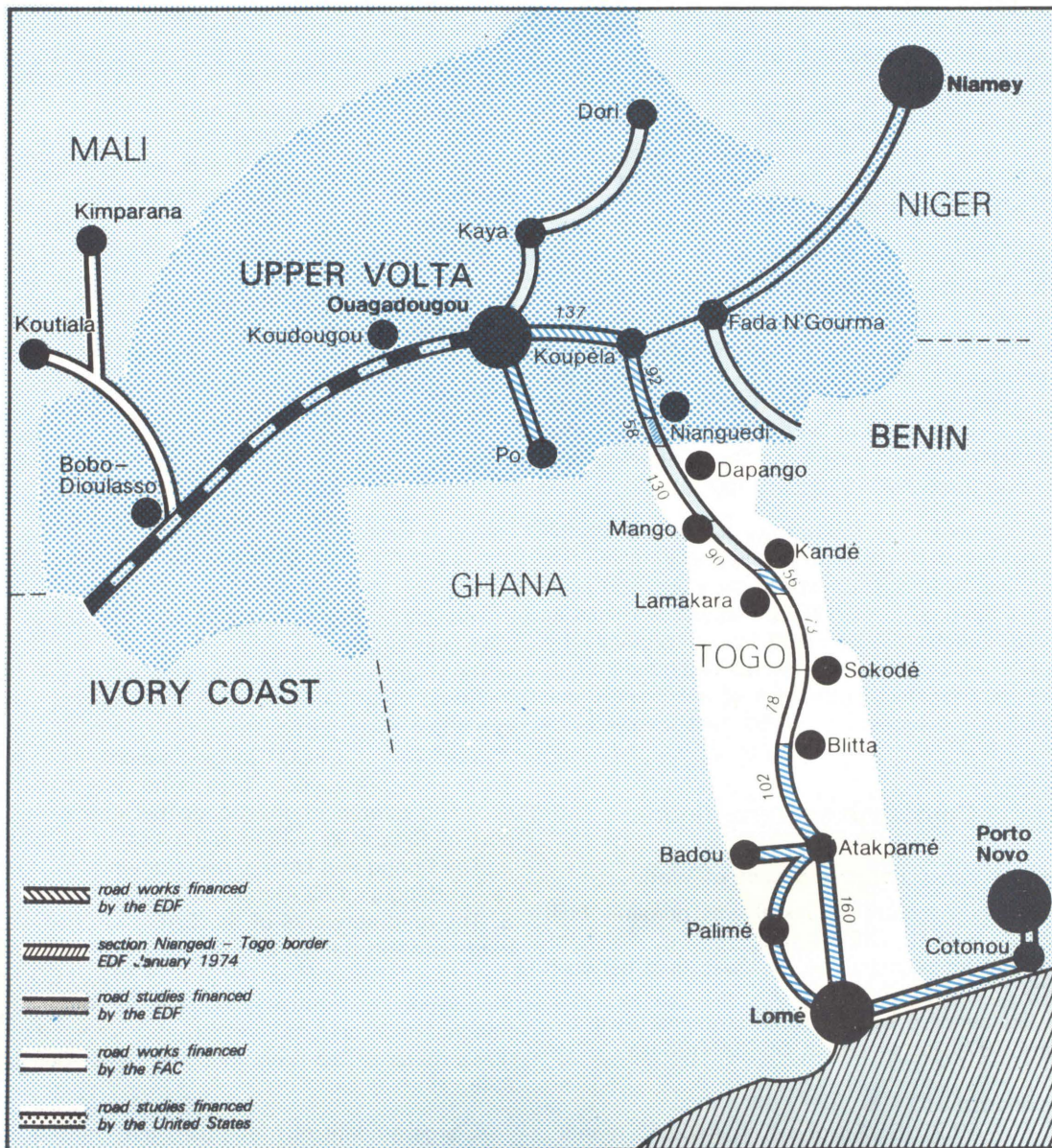
The main part is the 2 900 km section between the port of Pointe-Noire in Cameroon and N'Djamena in Chad. It is divided into three main parts:

1. The 515 km CFCO (Congo-Seaboard railway) linking Pointe-Noire with Brazzaville. There is no river traffic on the corresponding stretch of the Congo because of rapids below the port of Brazzaville where cargo has to be transhipped.
2. The Congo and Ubangi rivers down to Bangui (CAE)—Brazzaville-Bangui=1200 km.
3. The road networks of the CAE and Chad, i.e. 1 185 km of road between Bangui and N'Djamena. There are also secondary routes—the northern branch of the CFCO to M'Binda and the Gabonese frontier, tributaries of the Congo basin, the Sangha river and its northern branches, the Ngoko which flows towards Cameroon and the Upper-Sangha towards the CAE.

A large amount of traffic uses the Transequatorial—manganese leaves Gabon by rail via M'Binda(4) and various products (coffee, cocoa, palm oil and nuts) leave the Congo basin by waterway.

Timber leaves south east Cameroon down the Ngoko and southwest CAE down the Sangha and the Lobaye, cotton is brought from Bossembélé and Bambari in the CAE and from Moundou and Sahr in Chad and more goods (hydrocarbons, cement, sugar, machinery etc.) are imported along the same route. In 1970, all this amounted to 3 150 000 tonnes(5). It included all Congo's traffic (1 275 000 tonnes), 98% of the CAE's traffic (260 000 tonnes—the other 2% being transported via northern Cameroon), 35% of Chad's traffic and a small proportion of traffic from south east Cameroon. River traffic alone amounted to 438 000 tonnes over the same period and 1 600 000 tonnes were forecast for 1975.

Upkeep of the Transequatorial is enormously expensive and the various countries concerned have therefore asked the EDF



Road network Lomé-Ouagadougou

to help with new installations, without which the route would gradually become paralyzed. This involves new wharfs and port facilities (a tug and a dredger) at Pointe-Noire, improvements to the railway and rolling stock (log wagons) on the CFCO, extensions to the port of Brazzaville, river maintenance equipment, modernization of four ports (Makona, Fort-Rousset, Boundji and Mossaka) in the Congo basin, a river fleet (push-boats and barges) for the upper Sangha, modernization of the Port of Nola, also on the Sangha, improvements to the Lobaye-Ubangi confluence and the Damara-Sibut road.

By 1974, these schemes, for which financing was started in 1961, totalled 39 million u.a., of which 37 million u.a. was in the form of grants, and many other projects were being studied—superstructure for the port of Pointe-Noire, the realign-

ment of the CFCO (cofinancing with aid from other sources) and improvements to the port of Bangui etc.

Grants

1st EDF: 9 230 000 u.a.
 2nd EDF: 5 020 000 u.a.
 3rd EDF: 22 675 000 u.a.

Loans on special terms

3rd EDF: 2 052 000 u.a.

In addition to transport infrastructure, aid under Yaoundé involved the construction of, or technical studies for, a number of hydro-agricultural energy projects like the Manantali dam, which will provide irrigation for vast stretches of arable land

in Mali, Senegal and Mauritania as well as providing electricity. The EDF has also started to help the Senegal river valley development organization (OMVS), through a scheme involving Mauritania, Senegal and Mali. Another such example is the vast hydroelectric scheme at Inga in Zaire, which will supply energy to many countries in the region. Schools and institutes serving groups of countries have also been built.

The 4th EDF

The Lomé Convention has gone a step further and put clear emphasis on regional and interregional cooperation between the ACPs. Article 47 states that "the EEC shall provide effective assistance for attaining the objectives which the ACP States set themselves in the context of regional and interregional cooperation".

The Convention provides a sum amounting to approximately 10% of the 3 390 million u.a. of the 4th EDF (Article 42 and Article 47 (2)) for this type of project. Most of the projects carried out under Lomé here are at a fairly advanced stage of preparation. A first instalment has already been programmed and the selected projects are now being prepared or assessed ready for submission to the Community's decision-making authorities.

By 1 October 1976, 110 projects had been submitted by 45 ACP states (including the Seychelles and the Comoros), Equatorial Guinea, Mauritius and the Bahamas being at that

stage the only countries not to be directly or indirectly concerned in an officially submitted project. The criteria used for selecting projects had to take account of the amount of financing available, how well projects had been prepared, the ACP's own priorities, and the contribution the proposed projects made to genuine regional integration of the countries concerned.

The amount available under the first instalment is 207 800 000 EUA—or some two thirds of the funds earmarked for regional cooperation. It includes 187 800 000 EUA allocated to specific projects and action programmes and 20 000 000 EUA for general cooperation schemes.

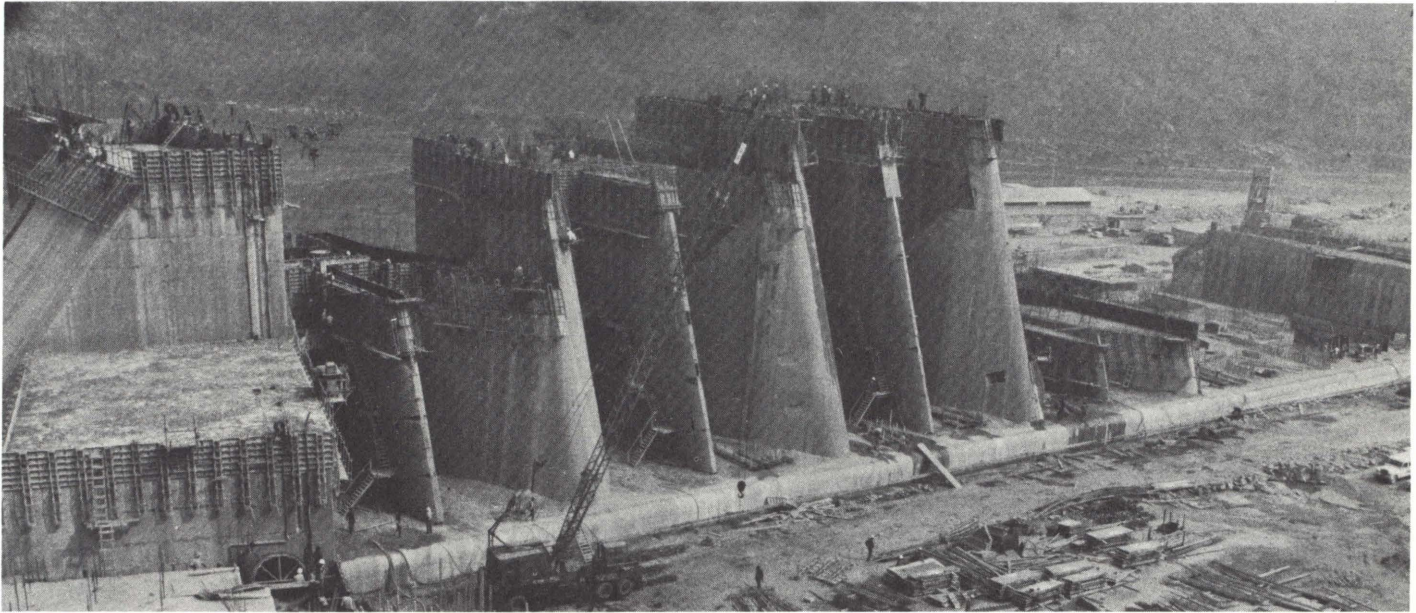
Breakdown of first instalment:

	No. of Projects	No. of ACPs concerned	Proposed amount (million EUA)
1. Regions			
Africa	29	33	147.8(1)
Caribbean	13	5	30.0
Pacific	7	3	10.0
Sub-total	49	41	187.8
2. Allocations for general cooperation schemes			
Grand total	—	—	20.0
	49	41	207.8

(1) Including 8 400 000 EUA for the financing of pre-investment studies, some of which had already been submitted formally before 1 October 1976.



The EDF has provided 1250 million CFA Francs for this 315 km section of the Bougouni-Sikasso road in Mali which forms a part of an international economic axis linking Dakar, Conakry and Abidjan



ACP energy consumption is amongst the lowest in the world. The construction of the Inga dam in Zaïre one of the world's largest could supply several Central and West African countries with hydro-electric power

The allocation for general cooperation schemes provided for in this first instalment (20 million EUA) is intended to cover the full amount under this heading. But it is understood that, if during the period covered by the Convention, the funds earmarked for these schemes prove inadequate to meet ACP requests, a further amount might be allocated when the second instalment is paid.

As regards the breakdown of proposed schemes in Africa, all but a few of the African ACPs are getting a slice of the first instalment of the regional fund. The only exceptions are Equatorial Guinea, Somalia, Mauritius, Madagascar and, to a certain extent, the Sudan(1)—all of them countries which had not submitted any official requests by 1 October 1976. On the other hand, two African countries—Mozambique and Namibia—which did not sign the Lomé Convention, might well benefit indirectly from certain schemes proposed by other ACP states in the region. Within this first instalment, the African members of the ACP group have only been allocated part of the financial means earmarked for them from the regional fund. However, the allocation proposed for the Caribbean and the Pacific countries—30 and 10 million EUA respectively—is the full amount provided for them by the Community under the Lomé Convention.

Certain countries may well reap greater benefit—as regards the amount of the allocation—from aid under the first instalment. This largely reflects the special effort these countries intend making in respect of regional cooperation at the level of the sub-regions to which they belong. Mention should also be made of the countries involved in the CIMAO and OMVS projects in West Africa and of the improvements to the transport network in central and eastern Africa. The transport programme involves, among other things, the completion of the Rwanda-Burundi road, a contribution to the financing of the Rwanda-Tanzania link and an as yet unspecified amount for schemes to improve the transport network and ports in the

sub-region, which could, if necessary, be covered by an additional allocation as part of the second instalment of the regional fund.

Breakdown by sector of the first instalment

Excluding specific programmes in the Caribbean and Pacific.

	million EUA	%
— Production	39.0	23.2
— Transport infrastructure	82.0	48.9
— Training and technical assistance	12.9	7.7
— Trade promotion and industrial	18.0	10.7
— Pre-investment studies	8.4	5.0
— Miscellaneous and non-allocated	7.5	4.5
Total	167.8	100.0

This shows the very heavy emphasis on transport infrastructure, roads especially, which accounts for almost 50% of total allocations to Africa, whereas investments which are more directly productive (primarily OMVS and CIMAO) account for less than 25%. This is less surprising than it looks—it reflects these countries' need to redesign and extend the communications network left over from the colonial period, the low level of economic integration in independent Africa and the very high cost of investments in transport infrastructure(2). □

(1) The Sudan is an indirect beneficiary of the aflatoxin research programme in view of the fact that it is a member of the African Groundnut Council.

(2) For example, in the Caribbean, where the degree of economic integration is much higher than in Africa, regional cooperation transport schemes only account for 30% of the programme CARICOM submitted to the Community.

The European Community and the Third World

The EEC's information directorate has just completed a dossier on the EEC and the Third World. These first two parts describe the Third World of yesterday and today and explain its demands. Our next issue will contain part 3, on Europe's attitude towards and EEC actions in developing countries.

THE THIRD WORLD OF YESTERDAY

It is a fairly simple matter to describe the world economic order, the way economic affairs were organized between different countries, in the period between World War II and the '60s. There were two blocs and there was the Third World.

The Communist bloc, introspective and cut off from the rest of the world by the Iron Curtain, could supply almost all of its own raw materials and products.

The Western bloc, still called the "free world", included North America, western Europe and Japan. It was dominated by the US, which played a major part in defining the rules of the economic game—economic, financial and commercial liberalism, the liberalization of international trade via GATT, a monetary system defined at Bretton Woods in 1944, setting up the IMF and establishing the *de facto* supremacy of the American dollar.

The rest, the Third World, contained all the underdeveloped countries, both independent and colonized. They had one thing in common—poverty. The Bandung conference in 1955 was the Third World's first step towards unity based on national independence and non-alignment.

The economic order of the West was applied *de facto* to the Third World, which was either colonized by Western powers or unable to make its voice heard at the international organizations, like the UN and the IMF, which decided on international relations.

But the '60s were marked by the independence of many of the countries of the Third World, particularly those in Africa. This was essentially political

emancipation, since the deep-rooted economic ties between the Third World and the industrialized world went unchanged.

For the industrialized countries, the Third World is still much as it was before—a supplier of minerals such as iron, bauxite and copper and agricultural products such as cotton, coffee and cocoa. The mineral, agricultural and forestry resources of the Third World are exploited by firms financed from abroad. Third World resources are gradually running out and the payment of dues or royalties does nothing to replenish dwindling mineral deposits. Nor does the mining have more than a marginal effect on the rest of the economy. It contributes little to training the work force or to industrializing the country in general.

On the other side, the Third World countries have to get much of what they need to survive from the industrialized countries and the prices of the vital machinery and equipment, manufactures and foodstuffs often rise faster than their export earnings. This is what is meant by a deterioration in the terms of trade (although it should be noted that the various studies of the subject are at variance on this point).

This, then, is the situation—one of growing inequality as between rich and poor countries—which the Third World has so vigorously denounced.

"We are forced to realize that, in the world we live in, the international economy is controlled by a minority—the highly developed countries. Because it is dominant, this minority can decide unaided how it wants world resources distributed in the light of its own hierarchy of needs and this has led to the establishment of a kind of universal law sanctioning the situation whereby some people continually get richer and others poorer ... The developed countries have been able to choose what price they want to pay for the commodities they take from the developing countries and what they want paying for the goods and services they provide ... The economic order we have today is based on this." Thus Algeria's President Boumedienne, spokesman for the non-aligned

The Third World

What is the Third World? Nearly three thousand million men and women spread over 51% of the land surface of the earth.

The average individual annual income of these 2 800 000 000 people is US \$300—less than people in industrialized countries earn in a month. In the poorest countries, the annual individual income is as little as US \$70—the average weekly income in the industrialized countries.

The Third World is also a group of more than 110 non-industrialized countries, whose exports—and therefore whose foreign exchange earnings—are more than three-quarters commodities that are processed and consumed elsewhere. Half the developing countries depend on just one commodity for more than half their exports.

The vast majority of the earth's population are in the Third World, living in chronic poverty and hunger. The Third World also supplies the rich countries with some of their everyday products, like coffee, cocoa and cotton.

Other causes of underdevelopment

There are many reasons for the economic backwardness of the Third World and they cannot all be ascribed to the economic order which has prevailed up until now. We can, at the risk of over-simplification, outline these reasons as follows.

1. Unfavourable natural conditions—climate, natural resources both below ground (oil, iron and other minerals) and above ground (forests, relative fertility of the soil), surface and subsurface water, etc.

2. The human, social and political features which may affect a country's development—the type of social and

political organization must have an influence on the development process, as must the strength of tradition and outmoded social customs, poor agricultural techniques and know-how and the relatively recent establishment of the education system.

3. Poor access to the financial and technical means of development—capital, know-how, technology, market outlets in developed countries. The main use of financial and technical means so far has been to improve natural conditions (infrastructure, agricultural production and so on) and only rarely to alter a country's basic structures.

1. **Low-income countries.** These have a per capita GNP below \$240 p.a. They contain 1200 million people, crushed beneath the weight of catastrophe and natural disaster. Their problem is survival. They include India and the Sahel countries. Their underdevelopment is usually due to:

— rapid population growth, with which food production, particularly bearing in mind the hazards of climate, cannot keep pace. There are something like 30 million births a year in India alone;

— climatic hazards, such as drought (Sahel) and flooding (Bangladesh), which both men and nations are powerless to fight and which destroy crops and livestock;

— meagre exploitable natural resources or poor export earnings from only one or two products. There is usually a huge deficit in the balance of trade in countries such as these, even when imports are kept down to the strict minimum;

— a deterioration of the environment due to climate and to a lack of any proper agricultural, forestry or stockfarming policy. In the Sahel, for example, the replacement of food crops by more demanding cash crops has speeded up the deterioration of the soil, and the absence of any extension services in stockfarming has resulted in overcropping and deforestation which is further aggravated by the fact that timber is used for domestic purposes such as house-building and cooking. This deterioration of the environment hastens the formation of deserts;

— a deterioration in the terms of trade due to the present world economic order. Prices of imported manufactures have gone up faster than those of exported commodities, bringing about an increasing imbalance between imports and exports. The purchasing power of these countries decreases constantly. Massive grants are the key to the development of countries such as these.

2. **High-income countries.** These—particularly most of the oil-producing countries—have benefited from spectacular increases in the price of raw materials. They have the means of achieving their ambitions and are clearly keen to succeed, which is proof of their desire to liberate their people once and for all from the constraints that have bound them.

countries, opened the debate on a world-wide reform of the mechanisms determining international economic relations (1).

The western economy had gone some way towards meeting the aspirations of the Third World, but via financial and technical aid.

In 1961, the UN General Assembly designated the '60s as the United Nations Development Decade, with the aim of accelerating sustained economic progress in the developing countries, although no precise targets were fixed.

Faced with the failure of this first attempt, the UN embarked upon a second Development Decade in October 1970. This time, the target was 0.7% (as against 0.44% in 1964/66) of the GNP of each of the rich countries as official development aid, but the percentage that was actually given between 1970 and 1974 was somewhere between 0.30 and 0.35%.

Yet official development aid, as it has been conceived up to now, is widely criticized and indeed recognized as a failure.

THE THIRD WORLD TODAY

The oil crisis of October 1973 upset all calculations. For the first time, with petrol rationed and his car off the road, the average European really woke up to the existence of the Third World.

The rich parts of the world now looked upon the developing countries as full members of the international order. They were no longer mere recipients of aid, to be thought of once a year when the official development aid budget was voted. And they ceased to be suppliers to be ignored until the companies involved required their services. They had become rivals for some and potential partners—in a differently organized world—for others.

The 1973 crisis also marked the beginning of OPEC and the emergence of a collective stand on the part of the Third World against the rich countries at international negotiations and all this revealed the diversity of situations of the countries that had hitherto been lumped together as the Third World.

The most important difference is that between the levels of development and per capita GNP is the easiest—albeit the most rudimentary—way of measuring it. It divides the developing countries into three groups (IBRD figures for 1974).

(1) Sixth special session of the UN General Assembly, April 1974.

What the Third World wants

"A fairer international economic order" is the global claim of the Third World, that group of countries containing 75% of the earth's population but only 8-10% of its income, providing more than half the members of the IMF but only getting 27% of the votes.

What does this claim involve in each of the sectors of Third World/industrialized world relations?

Commodities and raw materials

- The stabilization of export earnings and then of the purchasing power of these earnings (indexation).
- Higher prices for products, like bauxite and manganese, for which no real market structures exist.
- Local processing and export of products with high added value—processed agricultural products and industrial products.

Manufactures and industrial development

- The international reallocation of in-

dustrial activities to enable the developing countries to ensure a greater percentage of world industrial production and to meet their internal needs.

- Encouragement for industrial investments and for the transfer of technology to the developing countries.
- Access to the industrial countries' markets for manufactured goods from the developing countries. The abolition of tariff and non-tariff barriers.

Services and the tertiary sector

- A greater share for the developing countries in sea transport, insurance, the tourist trade, etc.
- A reduction in the cost of access to technology—patents, know-how, etc.

Food and agriculture

- The development and diversification of the developing countries' production with a view to adequate coverage of Third World for requirements. This is one of the basic demands.

International aid and private transfers

- Attainment of the targets of the 2nd Development Decade as regards official aid (0.7% of GNP in the rich countries). More flexible conditions of aid.
- Revision of the developing countries' external debt situation.
- Access to IMF resources to right the balance of payments.
- Encouragement of and guarantees for private investment.
- Access to capital markets for the developing countries.

Participating in international decision-making

- Greater developing country participation in the IMF and in the management of joint resources such as mineral deposits on the sea bed.
- A code of conduct for multinationals.
- The right to form producers' organizations.

The United Nations Industrial Development Organisation (UNIDO) at its conference in March 1975 in Lima (Peru) called for a 25% share of world industrial output from the developing countries by the year 2000



— These countries have become rich overnight due to a combination of a new fact (their strength vis-à-vis the industrialized world in the oil sector and on other markets) and an old fact (their raw materials, their oil and minerals and so on, are vital to the industries in the rich countries). They still depend on the industrialized countries for their outlets, but they are fast working towards industrialization so they can soon do without importing manufactures and, in some cases, export them.

These countries have invested surplus funds in the most profitable sectors of the western economy and, at the same time, have begun to provide a considerable amount of financial and technical aid for the poorest countries of the Third World.

3. Medium-income countries. These lie between the two other groups. They have better natural resources than the poor countries, without being as well off as the rich ones. They include countries like Algeria, which earn money from oil but have huge populations to support, countries which have resources and have embarked on a long-term process of industrialization; and countries like the Ivory Coast, trying to make maximum profit in minimum time from exporting basic agricultural products so as to develop other sectors of their economy.

For countries such as these, financial and technical aid and, most important, cooperation in industry and technology, are of capital importance.

WHAT THE THIRD WORLD WANTS

Unlike what happened in the past, when developed/developing countries' relations were run by a large number of international institutions and organizations acting separately, the Third World claims are now closely linked and the developing countries are demanding global negotiations.

Essentially, their demands revolve round two main themes. They want to: — be recognized as full partners in the international community; — obtain de facto equality and sovereignty in the sharing of natural resources, in the management of joint resources and in the sharing of the benefits of growth—i.e. they want to help ad-

minister the international economic system.

On these themes, on this overall demand for justice and fairness, will the Third World's position be founded in all current international negotiations—in the North-South dialogue, in UNCTAD, in the Conference on the Law of the Sea, GATT, the Tokyo Round and in international organizations like the UN and the IMF.

These overall claims obviously involve precise demands in each particular sector of international economic relations—commodities, industry, trade, finance and so on.

Third World representatives stress that what is new is the overall nature of their demands, the fairness in inter-state relations and in their desire to express themselves in a unified manner, as reflected in the formation of the Group of 77.

Certain observers in the industrial countries saw first the oil crisis and now the Third World's global demands as a

merciless desire for confrontation with the industrialized world. The representatives of the developing countries deny this.

As Shridath Ramphal, Secretary-General of the Commonwealth Secretariat, said in September 1975: "when the developed countries complain about unilateral rises in the price of oil, they should remember that when manufactures were sold to the Third World, they were always just presented with the bill. Let us avoid the temptation to label as confrontation what is only the developing countries' attempt at making the negotiating procedures fairer".

The rich world, and the European Community in particular, is faced with the Third World's overall claims and precise demands in any international meeting.

This does not mean that the EEC has to agree to the claims as they stand, nor that it can meet them alone—nor that the claims are the best way of forging a new world economic order.

The reasons for failure

"As I see it, the general public's disenchantment (with the usefulness of development aid) is largely due to the illusions people had about the world around us and about the nature of the problem facing the developing countries (...). Many people felt, and were perhaps encouraged to feel, that the problem of developing the Third World was much the same as that of rebuilding Europe after the war—a task that was rapidly completed thanks to Marshall Aid. This, clearly, was a fundamental error.

But there is a second problem. Many people felt we were giving so much aid to the under-developed countries—it seemed enormous to them—that they ought to be scrupulously careful not to waste a penny of it, not to shed blood and not to dissipate their energies on achieving anything but the sole objective of economic development. From many points of view, this is one of the least realistic of hypotheses. People who think like this are merely showing how we ourselves developed... We have been very wasteful and history

shows we have caused unprecedented bloodshed, even this century. And today the tensions in the less developed countries, which are forced to transform their societies and their ideas so much more quickly, are even greater ...

Many of us in the developed countries felt, from the height of our privileged positions, that we had found all the answers and that the developing countries simply had to follow suit... We now know that the answers we found to our own problems cannot normally be transferred to others.

And quite as serious, in my view, was the developing countries' temptation to copy our social and political institutions as they stood, without realizing that these institutions had developed over a long period in fairly close liaison with our system of education. Many countries have tried to absorb these institutions too rapidly and found assimilation an extremely difficult business."

Edward M. Martin, former Chairman of the Development Assistance Committee (OECD).

The one sure thing is that the old order is no longer viable and that, faced with the new Third World claims, it would be unrealistic to refuse to do something.

West Europe's changing attitude to the Third World

Rome was not built in a day and it has taken 20 years for the Treaty of Rome to lead to the nine-nation European Community as it now is. As the Community grew up gradually, the question of its relations with the Third World was posed very differently at different periods. Europe's attitude must be viewed in the light of trends in the developing countries and of trends in the unification of Europe itself.

The European attitude in the early days

When the Treaty of Rome was signed in 1957, the six members—Belgium, France, Germany, Italy, Luxembourg and the Netherlands—decided to make a joint contribution to the development of certain developing countries, which were, at the time, still overseas countries and territories under Belgian, French, Italian and Dutch jurisdiction.

This policy changed rapidly, since most of the developing countries affected by the Treaty of Rome became independent in the early '60s. Almost all decided to maintain their privileged links with the Common Market and formed the group known as the AASM (Associated African States and Madagascar). These 18 states negotiated a new association in 1963 (the Yaoundé Convention) and another in 1969 (Yaoundé II), each one lasting for five years.

Both conventions were contractual agreements linking the Community to each of the 18 AASM. They included commercial and financial provisions (the European Development Fund) and were administered via a permanent "dialogue" which joint institutions made possible.

Dual development

This contractual and geographically restricted policy underwent two changes due to the internal development of the EEC, which expanded to nine members in 1973, and the change in the situations and the needs of the countries of the Third World.

When the accession of the three new member states was being negotiated, one of them, the United Kingdom, asked for the developing countries of the Commonwealth to benefit from the same advantages as the AASM, once it joined the EEC. This had, in fact, been provided for in 1963 by the signatories to the Yaoundé Convention. The aim thus became to provide new developing countries with access to contractual agreements with the Community and to preserve the advantages already acquired by the AASM. The Arusha Agreement was signed between the Community and the states of East Africa (Kenya, Uganda and Tanzania) in 1969 and Mauritius acceded to Yaoundé II in May 1972.

The relevant provisions for this were therefore adopted, and these are behind the negotiation and conclusion of the Lomé Convention.

The other change was in the real situation of the Third World and in its attitude to the EEC. The EEC was set up at a time when two other phenomena of world-wide importance were emerging; the majority of the colonial countries became independent in the '60s, and the developing countries grouped themselves into international and regional development organizations. New trade patterns were created, new inter-state relations were forged and collective demands emerged.

The formation of the EEC created one of the world's biggest economic units, one which could not remain indifferent to the change in international economic relations. More and more developing countries, in the Mediterranean, in Asia and in Latin America, asked to conclude trade agreements with the EEC and those not party to contractual agreements with the Community asked for free access of their products to the vast Common Market set up in 1957.

In this way, the Community gradually introduced various types of trade agreement, set up its own system of generalized tariff preferences and perfected or

created special instruments of cooperation—food aid, emergency funds and trade promotion—with the whole of the Third World (1).

What next?

As we have seen, the EEC is faced with the global demands which the developing countries are making on the rich countries and a global answer is called for.

The Community has taken more than 15 years to make real progress with an overall policy towards the developing countries, primarily because this was an area where the Treaty of Rome gave no explicit overall instructions. This is not surprising, because the Treaty of Rome was designed in historical circumstances which were far different from today and because development cooperation is a relatively new phenomenon which emerged after the EEC was set up. Consequently, the Community was not in a position to devise an overall plan for relations with the developing world and for many years could do no more than implement a fragmentary cooperation policy, adapting it gradually and pragmatically to the circumstances.

The definition of the EEC's global Third World policy stems from the declaration of the Paris summit of heads of state and government of the Community in October 1972, and the first steps to implement this global policy were taken in July 1974.

The guidelines laid down in 1972 involved constructive complementarity between the regional and the world aspects of Community cooperation policy; up until then, the problem had almost always been posed in terms of alternative approaches.

At one and the same time the legal and political barriers which had prevented the process from starting before were raised and the regionalists (who preferred to approach cooperation problems within a geographically restricted framework) and the internationalists (who thought the EEC should find an across-the-board answer for all the developing countries of the world) were no longer opposed, since the Community was assigned the task of working along

(1) See "EEC Powers in Cooperation with the Third World" on p. 67.

two separate lines—developing cooperation on a regional basis and gradually implementing a global policy on a world-wide scale.

Thus the negotiations on the Lomé Convention and the agreements with the Mediterranean countries were continued. Community policies on food aid and generalized preferences were worked out in greater detail. Additional instruments of financial and technical cooperation with non-associated countries were implemented and the emergency fund was set up for those developing countries worse hit by international price fluctuations in 1973/74.

In addition—and although this is not an instrument of cooperation proper—the Community played a fundamental part in establishing a sense of fairer and better-balanced relations between developed and developing countries over the 1973/76 period. The Community used its own special means here, taking account of the presence of other industrialized countries which did not necessarily have the same motivations and interests.

The Community acted as a stimulus for the rich countries by taking an active part in major international discussions—at sessions of the UN General Assembly in New York, at the North-South dialogue in Paris where it co-chaired two working commissions, at special UN conferences such as UNIDO in Lima and UNCTAD in Nairobi and at the GATT multilateral trade negotiations.

Finally, emphasis should be laid on the fact that the Community does not yet have a united front vis-à-vis the developing countries and the EEC countries' national policies exist side by side with the Council-decided, Commission-implemented Community policy. The EEC's role is thus to harmonize national policy and gradually to implement a Community policy as the member states empower it to deal with cooperation.

A policy on two lines

The Community's policy vis-à-vis the Third World is along two main lines:

- regional, privileged and contractual agreements;
- world-wide action.

The regional agreements are:

- The Lomé Convention, concluded with 46 African, Caribbean and Pacific

countries (the ACP), with which the Community had privileged relations. One or two other countries have also been or are due to be included, so that the ACP form a homogeneous group.

- Agreements with the countries of the Maghreb (Algeria, Morocco and Tunisia), signed in 1976, with the countries of the Mashreq (Egypt, Jordan, Syria signed in 1977) and with Israel (1975, supplemented in 1977). Agreement has also been concluded with Lebanon.

This contractual regional policy has a number of original features:

1. The agreements combine all the means (financial, commercial, technical and structural) of action and can therefore meet the wide range of development needs.

2. They are in the form of international treaties ratified by the parliaments and therefore constitute a legal obligation for Europe. The continuity of relations is thereby guaranteed, regardless of the political colour of the recipient countries, which can plan and programme their cooperation with Europe (1).

3. The recipient countries themselves decide on how they want to use the instruments of cooperation provided. Their development models are therefore respected.

4. This type of cooperation is proposed to all countries in the same geographical region. Europe does not therefore intervene in the internal affairs of any of its partners, nor does it take up position in any conflicts between countries of the same region.

Action at world level is as follows:

1. Various types of trade agreement, particularly with the countries of Asia and Latin America.

2. The Community's generalized system of preferences.

3. Financial and technical aid for non-associated countries.

4. Food aid.

5. Special schemes like the emergency fund.

All these are cooperation schemes involving many or all developing countries for which the Community is anxious to provide non-discriminatory measures (GSP, food aid) and specific instruments

(1) The Lomé Convention was concluded for five years, but its protocol on sugar is for an unlimited period. The agreements with the Maghreb and the Mashreq are—except for the financial protocols which are for five years—for an unlimited period.

of cooperation to enable the establishment of relations adapted to the individual countries (trade agreements by country).

EEC policy vis-à-vis the Third World therefore combines regional agreements and world-wide schemes. Thus, it is in line with the Treaty of Rome, which established privileged relations with countries with historical or geographical ties with the Community, and in harmony with economic trends, which force the EEC to have relations with all countries.

Two remarks are called for here.

— The Community has clearly defined the geographical limitations of its contractual and regional cooperation policy which covers all the ACP, Mashreq and Maghreb countries.

— The policy on dual lines (regional agreements and world-wide schemes) is one answer to the fear sometimes expressed that Europe will divide the world into zones of influence. After all, the Community did abandon the idea of reciprocal customs advantages during the Lomé negotiations.

The reasons for the present attitude

“Should we help the Third World?” was a common question for many years. The answer was often vague and official development aid was long looked upon as charity—or solidarity at best—which each government had to justify and defend once a year when the budget was voted.

The oil crisis and the international economic upheavals that went with it will at least have thrown up a certain number of objective and fundamental data on the relations between the Third World and the industrialized countries and henceforward any policy for cooperation with the developing countries will have to be assessed in the light of the key concept of interdependence.

The industrialized world, and the EEC in particular, depends on the developing countries in two main fields.

— Most of the minerals (oil, phosphates, iron, bauxite, etc.) and agricultural products (coffee, cocoa, citrus fruit, textile fibres, etc.) European industries use come from the developing countries and Europe must have a reliable, guaranteed supply if it is to avoid crisis and shortage.

EEC Powers in cooperation with the Third World

Sector	Trade Policy	Financial Cooperation	Food Aid
Powers	Exclusive	Complement powers of Member States	Complement powers of Member States
Action	<ul style="list-style-type: none"> — trade provisions of Lomé convention (free access) — trade provisions in agreements with Mashreq, Maghreb, and Israel (usually free access) — Community GSP — simple trade agreements with developing countries — trade promotion schemes 	<ul style="list-style-type: none"> — financial provisions of Lomé Convention EFD: 3 000 million EUA EIB: 390 million EUA (period 1976/80) — financial provisions in agreements with Mashreq, Maghreb & Israel EIB: 342 million EUA (7 countries) Community: 297 million EUA — emergency fund EEC: 292 million EUA Member States: 430 m EUA (in 1974/75) — financial cooperation with other developing countries 20 million EUA in 1976 45 million in 1977 (forecast) — export promotion and regional cooperation 3.5 million EUA in 1976 5.4 million EUA in 1977 (forecast) — co-financing with NGOS 2.5 million EUA in 1976 4.0 million EUA in 1977 (forecast) 	<ul style="list-style-type: none"> — involves <ul style="list-style-type: none"> • cereals • milk powder • butteroil — covers all development countries in need of food aid

NB. The EEC has specific powers at international negotiations. It either speaks as the only representative of the Community (as in the North-South dialogue), acts as coordinator of the nine countries, or may be an observer.

— The markets in the developing countries, particularly in the more advanced ones, provide increasingly important outlets for European industrial products (factories, plant, railways, vehicles, etc.) and ensure full employment for the European workers and factories.

The developing countries, for their part, depend on the industrialized world to get their development process going or keep it moving:

— The developing countries are still mostly exporting raw materials to industries in the developed countries and their export earnings are vital to them.

— The most advanced of the developing countries have embarked upon a process of industrialization and intensive investment. The technology and the know-how they need so much are currently in the hands of the industrialized countries, where they will be able to market their finished goods.

— Most developing countries, from richest to poorest, need more capital in appropriate forms and here again they are largely dependent on the developed world. The EEC provides almost 50% of the official development aid granted by members of the OECD's Development Assistance Committee.

Two objections can be raised:

— The developing countries have made considerable profits out of the commodity price increases which they forced upon the industrialized world, thereby seriously weakening it. Financial aid is perhaps neither necessary nor possible.

— In face of producers' cartels, intimidation and unilateral decisions, it would be better to take a firm stand than to strengthen cooperation which only goes in one direction.

Economically speaking, certain developing countries have become rich, or virtually so. They are few. The Sahel

countries, India and Pakistan have made nothing out of the oil crisis. In fact, quite the opposite, they have had to suffer the consequences and could put up no possible defence. The products they must have, the oil, the fertilizers and the food, have undergone considerable price rises, but their export earnings have been very little affected by the world price surge. One thousand million people in the Third World are thus in the sort of financial straits that preclude all development and their real resources (i.e. taking population increases into account) are dwindling. The need for financial aid remains enormous and far outstrips the nonetheless substantial amounts provided so far. Aid must therefore be stepped up. All resources must be mobilized, including those of the developing countries with large financial surpluses.

Can Europe afford confrontation with the Third World?

EEC Official development Aid (Net payments in 1975)

	Bilateral Aid (\$ million) (A)	Multilateral Aid (\$ million)			Total Aid (A+B+C)	Total Aid as % of GNP
		Non-Community (B)	Community (C)	Total (B+C)		
Germany	1 160.9	297.5	230.4	527.9	1 688.8	0.40
Belgium	251.8	74.8	51.0	125.8	377.6	0.59
Denmark	110.8	87.1	7.4	94.5	205.3	0.58
France	1 788.7	112.4	189.8	302.2	2 090.9	0.62
Italy	58.8	37.3	86.2	123.5	182.3	0.11
Netherlands	365.1	172.7	66.1	238.8	603.9	0.75
United Kingdom	566.5	255.5	41.4	296.9	863.4	0.37
TOTAL EEC (1)	4 302.6	1 037.3	672.3	1 709.6	6 012.2	0.45
United States	2 941.0			1 066.0	4 007.0	0.26
TOTAL DAC COUNTRIES	9 815.5			3 769.6	13 585.1	0.36
Socialist bloc	—			—	750.0	0.06 (2)
OPEC countries	2 189.0			559.0	2 748.0	1.35 (3)

(1) Except Ireland and Luxembourg, for which comparable data are not available.

(2) China and USSR only. These countries provide mainly bilateral aid.

(3) 1.50% excluding Nigeria.

Source: DAC/OECD.

"Our countries of Europe have been tireless in seeking the extra space, markets and supplies—spices yesterday and commodities today—they need overseas. The situation can be summed up in figures: the EEC accounts for more than 25 % of world trade (exclusive of intra-Community trade), as against 14 % for the US and 4 % for the USSR, and our survival depends on this trade being maintained and harmoniously regulated in time. Although the large countries of the world could, without much risk to their economies, afford the sort of confrontations which would put an iron curtain between North and South (2), we in Europe know that our economies would not resist." (Claude Cheysson).

No-one today would deny that new factors have appeared in the world economic and political order, at the level both of the great powers and of the

developing countries. The recent economic upheavals and the major international discussions have made the developing countries realize that they now have an opportunity to become partners in the world economy, whereas hitherto they have only catered for the growth of the industrialized world.

Great changes will soon come about in the international, industrial, commercial and financial structure of North/South relations. The aim of the EEC's cooperation policy is to predict and organize such changes so as not to be taken by surprise.

The increasing interdependence between North and South is the foundation of the EEC's global policy of cooperation with the Third World. This policy requires financial means, although financial aid is but one aspect of development policy.

A cooperation policy also includes a series of measures to ensure the developing countries a growth in income from their own resources. Their export earnings must be guaranteed against excessive price fluctuation, their purchasing power must be maintained, they must process more basic products on the spot

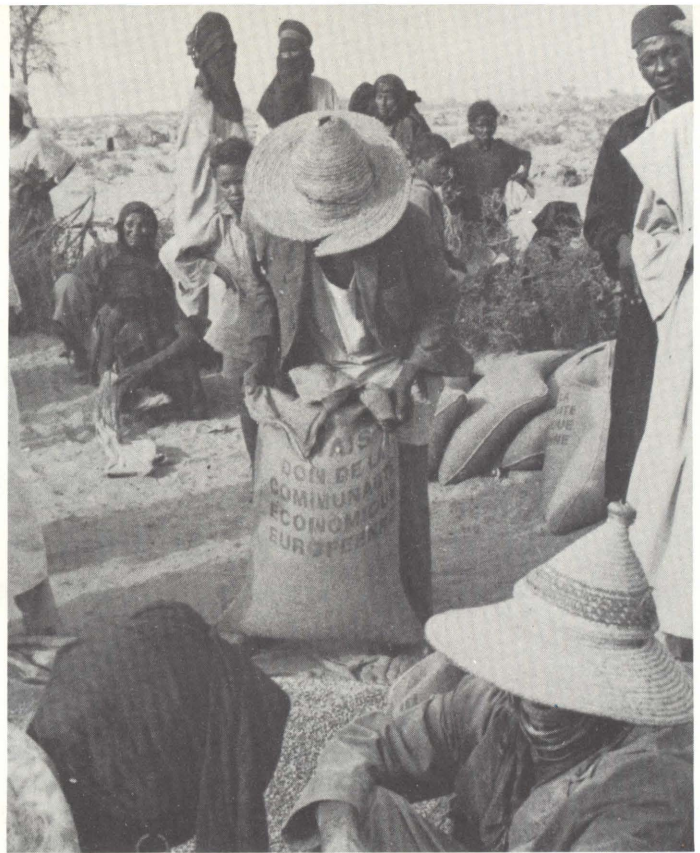
so as to push up export values, they must have the freest possible access to the markets of the industrialized countries, they must have easier and cheap access to technology and industrial know-how and the transfer of industries to their territories must be speeded up. This is where a global cooperation policy with the Third World must take account of the consequences of these actions on the European economies themselves.

A global policy—the implications for Europe

As long as the cooperation policy amounted to no more than financial aid, it could be regarded as marginal.

But once cooperation policy starts to guarantee export earnings (the Stabex), guarantee purchases at fixed prices (agreement on ACP sugar) and open the doors of technology and industry to the developing world (industrial cooperation with the ACP and Maghreb countries), the international division of labour is involved. Community firms and Community workers are directly concerned and a global policy for cooperation with the Third World cannot make headway

(2) It would be more correct to say between West and South, since "the socialist bloc is absent from the field of cooperation: its aid to development is minimal, its Third World trade is 5 % as against 20 % for the USA and 40 % for the EEC. And yet some problems, especially concerning raw materials, can only be solved with the participation of the socialist bloc countries. They must be brought into the dialogue." (Cheysson).



The EEC sometimes runs aid schemes alone (left, in the Sahel) and sometimes in cooperation with other organizations (right, helping war victims with the International Red Cross)

unless more attention is given to the internal consequences for the Community economy.

The European economy is involved at the level of both industry and agriculture, which means that the employment and the incomes of European workers are also involved.

— The European Community encourages industrial development in the ACP and the southern Mediterranean countries and in developing countries the world over, when it implements its GSP (reduced customs duties for processed products imported from the developing countries), and when it is financing or helping with the acquisition of industrial technology and facilitating the transfer of industries. The Mediterranean countries and, in the longer term, the ACPs too, will soon be in a position to compete with Community countries in industry.

— The Community is adopting the same procedure in the agricultural sector. It is opening the markets to agricultural products from the Mediterranean and Africa and it is financing productive projects. But, at the same time, producers in the south of the Community are worried about such direct competition.

Such far-reaching cooperation with

the countries of the southern Mediterranean and the ACP group is a real wager on the Community's part. It is a wager on complementarity being stronger than apparent competition.

"Let us look at agriculture for a moment, since farmers in the south of France and Italy rightly fear imports of certain products from the Maghreb and their claims must be treated justly and fairly. Look at the considerable market in food and agriculture represented by the Euro-Arab world. Look at the impressive volume of these products which we import from countries outside our joint zone. You will see, first with astonishment, and then with hope, that we ourselves could develop many of these products that now come from around the Mediterranean and that, if we face our problems together, the field of development is enormous, even in the sectors that seem the most difficult today." (Cheysson).

This wager demands that structures for collaboration be set up within the Community and with our partners. The first steps have already been taken. This is why the EEC-ACP Centre for Industrial Development was set up by the Lomé Convention. It will provide full, reciprocal information for all economic operators and social partners concerned. The Con-

vention also includes a Consultative Assembly, which met for the first time in June 1976 and is the forum for the exchange of information by elected representatives and public opinion.

The Commission has also established a permanent dialogue with its social partners and regularly consults industrial and agricultural unions on subjects relating to cooperation policy. The Community thus intends involving the active forces of Europe in defining and administering its development policy.

If its global development policy is to be a success, the Community must be ready to assume the economic and political consequences within its own economic territory. Profits from productivity, transfers or reduction in activity must be taken over financially, socially and politically.

In exchange for opening its economic territory to certain aspects of Third World development, the Community will have the benefit of a further opening on to a considerable economic territory which it currently lacks, since, unlike the US and the USSR, the Community does not have enough supplies, markets, natural goods (open space, for example) to ensure its future. Hence the need to cooperate with the Third World. □

ABEDA and triangular cooperation

“11% of Arab aid to Africa in 1975 and 1976”

Interview with Chedly Ayari (*)

► *What is ABEDA's role as an Arab agency for aid to Africa and how does it differ from other aid organizations?*

— Briefly, ABEDA's job, according to its statutes, is to strengthen economic, financial and technical cooperation between Arab and African countries. It does this by helping finance the economic development of African countries, by encouraging the participation of Arab capital and by supplying the technical cooperation needed to develop the continent of Africa. And how is ABEDA different? This is a fairly surprising question, since there are many points on which it differs and many points where it resembles other regional and international aid organizations. However, there is one fundamental difference—it is, as far as I know, the only organization which expressly excludes from its field of activity any contributors to its capital and, therefore, to its aid funds.

► *The Bank has been in existence for three years now and organizing schemes for two. Can you give us a general idea of activity so far?*

— It is difficult to sum up two years of activity in a few words, particularly as ABEDA staff have been pioneers, builders and agents of development and it

has been a very special period as far as they are concerned. However, if we confine ourselves to financial commitments, we can proudly point to the fact that, in less than two years since the annual constituent assembly (the first board of governors met on 11 January 1975), the Arab Bank has contributed to the financing of 20 projects in 20 countries of Africa and had committed \$143.6 million—62.6% of its subscribed capital—by 31 December 1976.

► *What is the current breakdown of your aid by sector and by geographical area?*

— The breakdown of financing over the last two years is as follows: economic infrastructure — \$81 million (56.5%); agriculture — \$29.4 million (20.5%); industry — \$18 million (12.5%); energy — \$15 million (10.5%). Eleven of our projects have so far been in West Africa, five in East Africa and four in Central Africa.

Conditions of aid

► *How far does ABEDA take the developing countries' priorities into account?*

— First of all, ABEDA's statutes preclude it from running schemes in any African countries which do not wish it to do so. Second, the Bank provides African countries with technical and financial assistance with a view to deciding on projects which will boost their economic development.

► *On what terms does ABEDA grant aid and what criteria do you use to decide on type of financing?*

— ABEDA grants financial aid at between 2% and 6%—the average being about 3%—and the term in the majority of cases is 25 years, including a five-year grace period. This, coupled with inflation, means that the grant-equivalent of the Bank's loans is a fairly high percentage. We have many criteria for deciding on the granting of loans, but it tends to depend on the situation, i.e. the per capita GNP of the country, its geographical position, development planning, the economic effects the project may have, national priorities and so on.

► *How far does more capital in the Bank affect the terms of aid?*

— In these schemes, ABEDA follows a number of guiding principles laid down by the board of governors. Thus it respects the recognized principles of development financing and does its best to reconcile the need for soft loans with that of maintaining a proper financial balance of its own. As regards the mobilization of greater financial resources, this is one of the Bank's aims and will be realized in the longer term.

► *Why have you been aiming to increase ABEDA's funds with contributions from Arab countries?*

— We may always be searching and pleading for further resources, but we make no demands on anyone. In reality, the accepted principle of stepping up ABEDA's capital should keep step with the actual level of increase, since it is this, in the last analysis, which proves that the Arabs have the will to cooperate and are making the effort to do so.

Level of aid

► *What will be the rate of ABEDA commitments over the next few years?*

(*) Chairman of the Arab Bank for Economic Development in Africa.

— This depends on many things and is difficult to predict, since we have to take account of our financial resources, our logistics as regards project management, the African countries' needs and their ability to absorb capital, how much other sources of financing are providing for Africa and whether this aid is bilateral or multilateral. We also have to consider the type of commitments ABEDA is making, since obviously, with the same sum, \$10 million say, it could finance one industrial project or five agricultural projects, have only limited geographical effect in the first case and much wider impact in the second.

► *So far, ABEDA has confined itself to providing small amounts for various projects. Will it go on with this policy and, if so, why?*

— This goes back to your previous question. To say that ABEDA has only contributed small amounts to African development projects is a relative statement. In 1975 and 1976, the Bank

provided 11% of all Arab aid to Africa and brought its average aid up to more than \$70 million p.a. Although this is well below IBRD contributions, for example, it compares favourably with other financing bodies operating partially or totally in Africa. In addition, although there are special relations between the Arab world and Africa, we are not the only ones responsible for its development—that is the job of the whole international community.

Parallel financing

► *How is coordination organized, in theory and in practice, with other Arab bilateral and multilateral aid bodies?*

— As an Arab institution operating in Africa, ABEDA has established special relations for coordination and collaboration with Arab and African political and economic institutions. But it has also collaborated with international organizations, such as the UN and its specialized agencies, the IBRD, the EEC, UNESCO and so on. These relations have, in most

cases, been formalized by protocols and cooperation agreements.

► *How have your relations with the Special Arab Aid Fund for Africa developed?*

— This Fund, like ABEDA, was the embodiment of the Arab countries' desire to provide practical aid for Africa. The two bodies have specific, but separate aims and since they were set up they have run their schemes in a concerted but distinct fashion. However, their complementarity has never been lost from view since, on setting up the SAAFA, the founders said it would have to be transferred to ABEDA sooner or later. This happened in March 1976.

► *Various projects have been cofinanced by ABEDA and Western aid funds. What do you think about the coordination of aid via the joint assessment of projects and joint payments?*

— Cofinancing is of two types—parallel and joint. Experience proves that, in the latter case, coordination between the various associated sources is difficult to plan because the procedures are complex and slow-moving. In parallel financing, the procedures are more flexible in that they stem from only one decision-making centre. So, since it is faster and more efficient, ABEDA tends to go for parallel financing. As to cofinancing with international financing bodies, I must emphasize our relations with the World Bank and its subsidiaries (14 projects cofinanced) and the EEC (five projects cofinanced). These figures speak for themselves and prove, if proof is needed, that the joint assessment and identification procedures you mentioned are already being used. Particular attention is also being paid to collaboration with payment of funds, insofar as it meets the needs of the recipient African countries.

ABEDA and the EEC: similar aims

► *How do you see relations between ABEDA and multilateral EEC aid in the future?*



Chedly Ayari (left), Claude Cheysson (centre) and Hamid Izz Eldin, State Minister for Council of Ministers' affairs, during the development commissioner's recent visit to the Sudan

— As I mentioned, ABEDA has already cofinanced five projects with the EEC. In addition, I am most pleased with the results both during and after my official visit to the EEC Commission. The scope of the Lomé Convention development programme and the prospects as re-

gards ABEDA's own activities suggest that we agree on various points and this augurs well for collaboration of our various efforts and schemes.

► *How do you think we can organize triangular cooperation?*



Control room of a power station in Sierra Leone co-financed by the World Bank and ABEDA

— ABEDA is an Arab institution working for the development of Africa—which involves defining and assessing specific, priority development projects. At this level, certain projects require capital goods or technical assistance and they tend to be localized for the moment in the countries of the West. As a result, we are faced with a need for triangular cooperation and, therefore, for dialogue. There can be no cooperation if there are no partners and partnership means dialogue—that is to say a discussion between equals where joint interest outweighs individual considerations. Where does ABEDA stand in all this? ABEDA must ensure that the dialogue takes place in conditions that are acceptable and advantageous to all concerned and that triangular cooperation is a driving force which genuinely helps the developing countries that are at the root of the concept itself.

► *What do you think of the EEC agreements with the Maghreb and the Mashreq?*

— The signing of the EEC-Mashreq agreements on 28 January 1977 brought the number of Arab countries with special links with the Community up to nine. As well as the Maghreb countries, which are linked by global agreements, Sudan, Mauritania and Somalia are linked to the Community by the Lomé Convention. There is no doubt that, with the agreements concluded with Syria, Egypt and Jordan, the EEC is confirming its policy of cooperation with the Arab world in a special way and its Mediterranean, regional and international policy in a general way. This new European economic and political presence in the Mediterranean fills a long-standing need in an area which had long been left to the influence of the two super powers. It is also in line with the Euro-Arab dialogue. And while on this topic, I should like to say that we can only regret the EEC's refusal, last February, to accept the 21 members of the Arab League's request to conclude special and preferential trade cooperation agreements with the Common Market. □

Interview by
A.L.

Abidjan : lessons from Lomé

by Christian GRÉGOIRE (*)

A colloquium on the early period of application of the Lomé Convention, held at the National School of Administration (ENA) in Abidjan (Ivory Coast) on 25-29 April, came up with a number of points of interest for the "Lomé II" EEC-ACP talks due to begin next year (1).

Philippe Yacé, President of the Ivory Coast National Assembly and co-chairman of the EEC-ACP Consultative Assembly, was in the chair and the meeting of specialists held an in-depth discussion of the principles of the Lomé Convention and the results to date.

Before an audience of senior ENA students, top Ivory Coast officials and experts from the EEC Commission (2) spent five full days on Titles I, II, III and IV of the Lomé Conven-

tion on trade cooperation, export earnings from commodities, industrial cooperation and financial and technical cooperation.

Students were able to familiarize themselves with one of the major agreements in the history of international economic relations and, in particular, with trends in North-South relations.

Trade cooperation

All the speakers felt that there was more to trade cooperation than opening markets, which is why the measures laid down in Yaoundé I and II did not engender the anticipated increase in exports from Africa to the Community.

The importance of drawing lessons from this disappointing growth of trade was stressed. The Lomé Convention emphasises the trade promotion schemes that are needed to sell ACP products on the Community market, drawing attention to the Africans' lack

of aggressivity on external markets—although this by no means fully explains the slow rate of African export growth. The problem is the more crucial in that the tariff preferences accorded to the ACP are bound to lose their effect in the long run because of the EEC's increasing tendency to open its markets to countries throughout the world. The ACP speakers at the colloquium were well aware of this and even recognized that it was an inevitable process. But the means of taking up the challenge had to be found and African products have to impose themselves on the European market, in spite of very strong competition from other countries of the Third World (Latin America, the Far East).

Stabilizing earnings from commodities

The colloquium was unanimous in praising the advantages of the Stabex scheme, although certain suggestions were made with the aim of broadening the scope of the system.

Today Stabex is an effective weapon against the instability of ACP revenue due to fluctuating commodity prices and reduced production. It in fact guarantees

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(1) The Ivory Coast's National School of Administration has a virtual monopoly in post-graduate training for the country's top civil servants.

(2) Ivory Coast officials: —
Victor Amagon, Director-General of Agricultural Development (Ministry of Agriculture).
Lambert Amon Tanoh, Director-General of the Centre for External Trade.
Angoua Koffi, Director-General of Customs (Ministry of the Economy and Finance).
Oumar Diarra, Director of Industrial Development (Ministry of Planning).
Kra Kouadio, Director of Multiannual Development Programmes (Ministry of Planning).
Leon Naka, Director-General of the Caisse Autonome d'Amortissement.

— European officials: —
René Calais, EEC Commission delegate to the Ivory Coast.
Michel Cellerier, EEC Commission head of division.
Jean Charpy, French expert; lecturer at the Institut International d'Administration Publique in Paris.
Jacques David, Principal administrator at the EEC Commission and member of the Club of Dakar.
André Huybrechts, Principal administrator at the EEC Commission.
J. C. Muller, EEC Commission, head of division.



A few of the participants at the Abidjan symposium on the Lomé Convention. From left to right, Mr Hanza (director of the Ecole Nationale d'Administration, the main training ground for civil servants); Kei Boguinard (Ministry of Public Works); Philippe Yacé (president of the national assembly); Mamadou Coulibaly (chairman of the economic and social council) and René Calais (delegate of the European Commission in the Ivory Coast)

the ACP countries a certain level of export earnings.

However, Stabex was considered an inadequate answer to the deterioration in the terms of trade. It fails to stabilize the purchasing power of the ACP countries in that this power is also affected by monetary erosion and the higher prices of manufacturers from the industrialized world. Although the deterioration in the terms of trade can theoretically be contested at the moment, because of the considerable increase in world commodity prices since 1971, it was felt Stabex could still be improved by increasing the financial means at its disposal to counter any deterioration in ACP purchasing power.

Industrial cooperation

Although participants at the colloquium recognized that the aims of industrial

cooperation, as set out in this pioneering title to the Lomé Convention, were ambitious, they also emphasized the apparent disparity between the prescribed aims and the means available to achieve them. The Lomé Convention is, by definition, an agreement between states, which are not *per se*, the primary economic operators of development. The prescribed aims cannot therefore be achieved unless those states convince private investors that the solutions provided by the Lomé Convention are the right ones.

The question of a non-commercial risk guarantee system for European industries investing in the ACPs was also brought up. Insofar as fears about the political stability of the host countries are a determining factor for investors, it would appear logical for any EEC-ACP industrial cooperation ultimately to envisage a mechanism to protect investments in developing countries against political uncertainty. Finally, the Ivory

Coast leaders repeated the importance of promoting small and medium-sized firms as essential factors of development. They naturally insisted that such firms could make ACP economies more independent of external influence.

Financial and technical cooperation

Participants raised various problems here.

First, the problem of the amount of aid which the EEC grants the ACP countries. The Lomé Convention undeniably increased the amount, but the ex-AASM are worried about the large number of recipient countries and have the impression that EDF funds are being shared among too many partners. But this was not the only danger that the Ivory Coast speaker pointed out. Monetary erosion was presented as the second cause for worry as regards the effectiveness of Lomé financing. The ACPs feel that the overall amount allocated by the Convention is inadequate to maintain the rights acquired by the former AASM, to extend the advantages to the other states who have come into the agreement and to counter any monetary erosion.

Nobody was against the different treatment whereby the poorest countries come first. But the speakers did emphasize that this privileged treatment should not interfere with the development of the other ACP countries. If the better-developed countries were penalized, they would be bound to react, since, as one of the Ivory Coast speakers said, "you need most of your fuel for take-off". The privileged treatment issue may well give rise to problems during further ACP-EEC negotiations.

It was felt that the Convention reflects a considerable change in outlook, and on the positive side, it is no small thing that Africa and Europe achieved this at a time when the industrialized countries and the Third World are at constant odds in their quest for a new world economic order. □

C.G.



The Ecole Nationale d'Administration, where the symposium took place

Modular projects

First steps in industrialization

by Michael O'HAGAN^(*)

The Centre for Industrial Development has been established within the ACP-EEC Council of Ministers and charged with the task of accelerating the pace of industrial development in the ACP states.

Already the Centre is involved in a number of industrial projects which have been suggested by the ACP states, by entrepreneurs in the ACP states, by prospective investors in the Community, and by the Centre itself.

The subject of this article, modular projects, represents an additional approach to the task of industrialisation.

Industrial infrastructure and the ACP

In the urge for industrialisation in the ACP, it is sometimes easy to overlook the way in which industrialisation developed in Western Europe and to oversimplify the needs of a modern industrial plant.

When we look at an industrial plant producing goods for the market place, we are often looking at the tip of an iceberg. If for example the plant produces bicycles, it may be supported by a first echelon of contractors producing the

major component parts of the bicycle. Many of these contractors may in turn be supported by sub-contractors producing materials or assemblies which together are made up into the major components. Thus the bicycle manufactory which we see buys in its saddles, chains, ball races, brakes assemblies, steel/alloy tubing, etc.

If we contemplate building bicycles in an ACP state, we are faced with the problem of this supporting infrastructure. If we dispense with this infrastructure and import all components we have a CKD (completely knocked down) operation which is of limited value in itself. If this course is taken, it may be practicable at a later stage to start domestic manufacture of some of the sub-assemblies. This is sometimes termed backward integration.

We might ask ourselves whether the pattern of the supporting contractors and sub-contractors needs to be repeated in an ACP state. Is what is good for Europe also good for Africa? This is indeed a question we must always ask ourselves if we are to avoid helping ACP states to make the same mistakes we have made in Europe. But is it sensible to dispense with the infrastructure? The bicycle manufacturer has to make a machine which is well designed, reliable, and is competitive in price and performance. To do this, he wants freedom of choice in, for example, his saddle. He has a make-or-buy decision. He can make it himself but experience tells him it is often more economic to buy from a sub-contractor. He asks himself "is there an outside specialist who can provide a

satisfactory product at a price competitive with other suppliers or with internal production?" It is a process of seeking the near-optimum at each stage of manufacture of each major component. And some industrial experience shows that it is difficult to optimise the whole without some near optimisation of many of the parts. Some industries, for example the motor car and the telecommunications, have much more vast and complex networks of suppliers.

So when we consider industrialisation in an ACP state, we have to consider the nature of the existing infrastructure and what gaps need to be filled. The ACP states are not all at the same level of industrialisation. Some are far more advanced than others and this means that the industrial infrastructures will be different.

This brings us to one aspect to assistance which the Centre for Industrial Development can give to the ACP states—the building of infrastructure. We term this the "Modular Projects" approach.

Modular projects

There is a level of industrialisation which is basic and needs little or no infrastructure. The object of the Modular Projects concept is to help to establish this level of industrialisation. It will readily be seen that this can be viable and socially attractive and yet at the same time will constitute the first level of industrial infrastructure. A level on which it will be possible to build further. Perhaps not all ACP countries will feel they need this approach, but it is our feeling that even the most industrialised state will find this approach valuable even if only as a means of bringing industrialisation to the smaller townships.

However, the first principle of the modular projects concept is that the Centre is not thrusting any project at any state—nor even are we suggesting to any state that they should pursue any

(*) Head of information at the Centre for Industrial Development.

particular modular project. The concept provides for us to publish the details of a module to all ACP states and leave it for the state to examine the module. This examination will be in terms of do we need this? Do we have the raw material? Do we have the market? Is it in line with national plans? It will be up to the state, or an entrepreneur in a state to select a module that appears appropriate and in which the state or entrepreneur is prepared to invest—and then to ask us to help with implementation. Thus we provide a trigger. The ACP initiates the request.

A second principle of the modular project is that it does not demand any industrial infrastructure whatsoever. Or if there needs to be one supporting level, then the two projects can be considered together.

A third principle is that the raw materials should overwhelmingly be domestically available.

As a first summary, a modular project will probably demand machinery and know-how from the Community, but will be wholly self-supporting and will supply local markets. (The question of export is dealt with under a separate concept—"integrated projects" in which the Centre also seeks to establish the transportation to Europe and the customers.)

This seems to us to be a realistic approach to the building of the first levels of industrial infrastructure. But now to do it and to do it quickly? The key to this is that we shall not do it ourselves. In the preparation of each module, we shall take no account of the economic and industrial background of any state. This is the contribution which each state must make if it wishes to participate. And we are probably all aware that projects succeed where each member of the team has a contribution and a commitment.

Our first task is to commission the preparation of a number of industrial profiles. These are not patent searches—they are an examination of current industrial practice. The aim is to determine several levels or scale of manufacture. If we take glass as an example,

the industrial profile might possibly give three illustrations of glass manufacture: with module 1 giving facilities for manufacture of simple containers and module 3 providing for a whole range of production including sheet glass.

The industrial profile is distributed to the ACP states. If there is an interest in glass production, the state or entrepreneur can select the module which seems appropriate to the local requirement. So it is the ACP state and its nationals who examine the raw materials requirement, the market place, the social need, etc. If a module is selected, a simple telex to the Centre will enable us to bring together the ACP party and the interested Community party. From that point it is a commercial relationship which we in the Centre shall need to follow and to which we shall provide help as appropriate.

Of course, we are dealing with infrastructure—dealing with industrial development as a living entity—so we would be remiss if we did not provide the technology for packing the glass. An appropriate module on paper pulp moulding

would help this need to be met and again would not demand any existing infrastructure. The range of industrial profiles which we shall publish will cover the basic industries which require little or no infrastructure—and if a level of infrastructure is needed, there will be a module to provide it. It is our hope that in this way, we shall be able on our own initiative to give the ACP states the information on which they can base their own decisions regarding this type of industrial development. But we shall in no way be telling the ACP states what they should do.

The lowest levels of production, Module 1, will sometimes be very low as in the glass example. This makes it a problem in terms of the time which we in the Centre allocate to it but does not render that module any less important. However, the very simplicity of the lowest modules may itself help us provide the solution to the effective use of our time. If, as seems possible, there are a number of states interested in a module, and some of the larger states may be interested in identical modules, then we shall be achieving not one factory—but maybe 20 or more.

We are already examining the practical aspects of establishing in an ACP state the training facility for these modules. This would enable trainees to train in the classroom and on-the-job in an environment not as totally different from their own as is Europe. If this form of training proves practicable, then we have the attractive prospect of being able to establish a number of training centres throughout the ACP—each in a different technology—and each of which spawns a number of factories throughout the ACP. This would be a good example of the multiplier effect we seek to achieve.

Time is not on our side. We must move fast and it is our intention to distribute these industrial profiles in October of this year. Some of the profiles being considered are: leather/leather goods, tiles, glass, paper, tyre retreading, battery rebuilding, foundries, household electrical equipment, conduits, sawmills, plastics, hypodermic syringes, bricks, soap, candlemaking and agricultural implements. □

M.O'H.

Some examples of possible modular projects:

Glass: Module 1 Produces
3000 lbs of glass a day for moulding, for example, 3000 containers a day.
Raw materials per day:
Sand 800 kg, Sodium Carbonate 300 kg, Calcium Carbonate 250 kg, Alumina 50 kg, Fuel 300 gallons.
Labour level 11 shop floor plus management and indirect
Capital cost, training requirements, unit cost of production...
Plus a simplified business analysis.

Mechanical design and production

The building of a capability to undertake the design of industrial equipment and the construction of prototypes. With a facility for modifying imported equipment to meet the local requirements. Description: costs: time scales: plant requirements: training programme.

The Inter-African Coffee Organization (IACO)

On 1 April 1977, IACO moved its headquarters to Abidjan, capital of the Ivory Coast. It was set up in Antananarivo in Madagascar in 1960 and now has 19 members, all coffee-producing countries of Africa, accounting for some 90% of the continent's production. The countries are Angola, Benin, Burundi, Cameroon, Central African Empire, Congo, Ethiopia, Gabon, Ivory Coast, Kenya, Liberia, Madagascar, Nigeria, Rwanda, Sierra Leone, Tanzania, Togo, Uganda and Zaire. The organization includes all the African members—except Ghana and Guinea—of the International Coffee Organization (ICO), the UN-sponsored association of world coffee-producers and consumers.

Defending the interests of African coffee-producing countries

The Secretariat-General has gone back to Africa and is now housed at the top of the Caisse de Stabilization building, with a superb view over Abidjan and its lagoon. The general meeting in Bangui last year decided to move the organization's headquarters from Paris to Abidjan, thereby bringing years of discussion to a close.

The "Courier" went to Abidjan and met Arega Worku, from Ethiopia, acting secretary-general of the organization and Michel Kaam, from Cameroon, economic adviser. The IACO is the African coffee-producing countries' own forum where they can discuss all the general problems of production and marketing. For example, the African producers reach agreement on a joint position which is then discussed with other

groups of producing countries, primarily those of Latin America, in the ICO, with a view to unity between the main producers in their discussions with the consumers.

Various problems of production, processing, marketing and consumption are particular to African coffee and its producers and there is need for agreement within the IACO as a result.

Coffee is of enormous importance for certain African countries, where it may account for as much as 50% of total earnings. Africa accounts for about one-third of world coffee production and about 25% of world coffee exports, but its production has fallen slightly due to a number of natural—and, in some cases, political—events. Nevertheless, African coffee is not doing badly and the quality improves every year to meet the consumers' demands.

The IACO and soaring coffee prices

The spectacular rise in raw coffee prices, reflected in the rise of prices to the consumer, is, Mr Worku suggests, solely due to the machinery of the market whereby supply and demand balance out. "For years coffee prices were very low, but after the frost that affected Brazil's coffee harvest in July 1975 (an event which some sources suggest lost almost 35% of exports in the 1976/77 coffee year), the balance of supply and demand were upset. Coffee was in short supply and prices rose. There is thus no call to speak of a coffee-producers' cartel which forced prices up, but of no more than a normally functioning economic system. For some time now, the

consumer has not appreciated coffee as he should and the product has not therefore kept up with the general price trends of other agricultural products."

The IACO suggests that the larger profits provided by the current market situation are going to the producing countries and may, given the right national policy, get back to the peasant coffee planter himself. And the consumer boycott?" This more or less appears to be confined to New York and has had no real effect."

Righting the situation

The coffee plant is such that a certain time must elapse before supply can once again catch up with demand. The IACO thinks it will take about five years, under normal conditions, to right the world coffee market. It will take three years to reestablish production and then local consumers in the producing countries must be guaranteed a normal supply and carry-over and export stocks must be constituted.

As to the International Coffee Agreement, the answer is simple. "As long as there is a shortage on the coffee market, the machinery which the agreement provides to introduce quotas when there is a surplus cannot function until a certain level of coffee production has been reached."

But there is more to it than this and the current coffee market situation is by no means clear. At the next ICO meetings, consumers and producers will therefore have to discuss and exchange information so as to clarify all aspects of the situation. At the level of Africa itself, the IACO will have a hard job defining the joint position of the main African producers and discussing it with the producers of Latin America. In the coming months, the IACO will have to continue with its basic job of carrying out studies and drawing up dossiers for its members with a view to situating and defining African coffee on the world market. □

R.D.B.

ITALY

Foreign students in Perugia

by Dr Isidore RUKIRA (*)

Throughout history, young people have left their families, tribes, villages, cities and nations for countries near and far to acquire fresh experience, learn and deepen their knowledge so that, when they return home, they can help emancipate their people and bring progress to their country. In contemporary history, particularly, there are many examples of this universal phenomenon in the mass emigration of young people from the Third World to the industrialized countries, with the specific aim of seeking scientific and technical know-how.

8% of students from the Third World go to Italy

Today young people from every nation are caught up in the mass emigration movement, particularly from developing countries south of the equator to technologically advanced countries in the northern hemisphere. There are about 300 000 of them, all anxious for technical and scientific knowledge, and 8% of them go to Italy making some 25 000 students from the Third World from Africa, Latin America the Middle East and the Mediterranean. This huge contingent of students from abroad poses great problems for which an answer must be sought in technical cooperation with international development and particularly in cooperation with the Third World. Because of its university for foreigners Perugia has more foreign students than any other town in Italy and perhaps the most in the western world and can therefore give us a valid and typical picture of this international group of undergraduates. With its annual influx

of 10-11 000 students 45% from the Third World, Perugia houses 20% of Italy's foreign students.

The other 55% of this contingent are from the developed countries of Europe and the East, usually coming to learn Italian and/or to study Latin culture at the Italian university for foreign students. They come under the customary exchange schemes for research and intellectual and cultural enrichment in the broadest sense spending between three and six months in Perugia from April to December, the summer being the most popular time.

Science, not arts, for Third World students

On the other hand, the students from the developing countries come to obtain the scientific and technical knowledge which the Third World needs for self-development.

The need for grants

For Third World students, learning Italian is only a necessary and unavoidable preliminary. They have to learn the language if they are going to cope with science and technology at the university. When they come to Italy and settle—most of them—in the capital of Umbria, they are not party to any cultural exchange, but following the well-defined circuit of international technical development cooperation. Students from the Third World who arrive here in Perugia and decide they want to go on studying in the institutes in the town and in the region once they have completed the preparatory courses, or at least the intermediate course at the university for foreigners, automatically sign on for five

or six years at the university itself or at other institutes. This means that the students switch from a period of three to six months, when the institutions are well enough organized to cope with the demands and the drawbacks of everyday life, to a much longer period for which more substantial and reliable means must be found, comprehensive and designed to cover the full course of study. In other words, they must have a grant for five or six years on average. This is a terrible problem for the student who decides to study science or technology not as a passing fancy or for mere pleasure but for the simple reason that he wants to contribute to his country's development, to serve his people more effectively, to play a more efficient role in the progress of the nation and to collaborate, with fresh enthusiasm, in changing the face of the whole world.

Continuity

If the difficult problems of Third World students with no grants are to be solved, then their own governments must take the first step. They should take a direct interest in their students abroad—in Italy, particularly Perugia, in the case in point. The government of the host country, Italy, should also intervene as part of genuine technical cooperation with the developing countries. And finally, ambassadors to Italy from the Third World countries concerned should give indirect help by negotiating study grants from the many bodies providing such scholarships to help their nationals who are studying abroad and in difficult financial straits.

Apart from these three possibilities—help from the country of origin, the host country and various organizations on the basis of requests negotiated and guaranteed by the embassy—there are no other ways a student can get his own grant from a fund which will give a clear guarantee that the money will be forthcoming for the full length of a course which may last several years.

We must also remember that students from many developing countries can no longer receive a penny from their fami-

(*) General Secretary at the Central Office for Foreign Students in Italy (UCSEI).

lies now that the undeniable demands of their internal economic and financial policy have forced many Third World governments to stop their currency going abroad. And worse. The countries' own economic and financial crises are as much to blame as the international situation for the deterioration of the situation to the point where almost no-one gets money from home any more. The results is that many foreign students, particularly those from Africa and Asia, can no longer count on even meagre financial assistance from their families, even supposing there were no laws precluding them from doing so.

Good intentions are not enough

The organizations which provide social and cultural help for foreign students (in Perugia we have the St. Martin Ecumenical and University Centre, the International Youth Reception Centre, the regional secretariat of the UCSEI and of the university welfare board) have been asked to help and are doing their utmost. But, since their means are inadequate, these organizations, which are mostly manned by devoted volunteers, can only give a limited amount of aid. There is a move afoot to promote assistance for foreign students, based on their right to have the means of subsistence, to study and to play a responsible part in the community. They aim to guarantee the fundamental, international right to study—that is to say they are aiming to ensure the foreign student, like his Italian counterpart, at least the basic minimum as regards living, housing, health insurance, regular enrolment by paying dues as required, the purchase of textbooks and enough money for other essentials.

Daily bread

“Primum manducare, deinde philosophare”. The first and most basic of the rights of man is the right to daily bread. Many students at Perugia are faced with a problem of survival. This is why, some time ago now, the UCSEI General Secretariat issued an urgent appeal for the local organization to help the hungry by making use of available structures—in this case by passing a long-term agree-

ment with the Communal Assistance organization to enable them to provide cheap food in a canteen for needy foreign non-university students. For those who are at the university, however, the problem can be solved, in the last analysis, by the university Welfare Service which is requested to provide cheap food at the student canteen for whoever needs it, the relevant books, housing in university hostels, free medical treatment and concessions as regards food and the payment of fees to the university as they fall due. It is urgent for the social and cultural services to implement a subsistence policy for—and only for—foreign students in Italy in general and Perugia in particular. This is the aim of the foreign students and the cultural and social assistance organizations (forming the Council of Organizations for Foreign Students in Italy) backing them—the fight for their fundamental human and political rights. They want three main things: the right to the means of subsistence, the right to the means of study and the right to genuine social and community training and to political and democratic participation founded on responsibility. This is why the Committee for the United Struggle for the rights of foreign students in Italy was set up. It has four principal objectives:

- To obtain legal status for foreign students in Italy.
- To abolish the residence permit and replace it by the Italian university/school/institution enrolment card.
- To implement an assistance promotion/social policy for foreign students in Italy.
- To provide study grants and set up social and cultural services under the law (No. 1222 of 15 December 1971) on technical cooperation with developing countries, which should lead to progress with the problem of training Third World students in Italy.

Setting up special institutes

To add to this list of socio-economic problems, there are others of a more specifically educational nature. These are due to the fact that, as things stand, some of the structures on the campus (schools, institutes and the university itself) are unable to provide the particular knowledge which the realities of the

Third World—where the students will be working once qualified—demand. This is why it seems suitable to open further institutes which, by maintaining constant contact with the students' countries of origin and offering the appropriate subjects and techniques, could guarantee the sort of scientific/technical training which would better contribute to helping the country. It is especially to meet this demand that this type of special institute should be built here, so as to fill the gap we have just described.

As to African students in particular—we propose promoting the setting-up of the Martin Luther King African Polytechnic of Perugia, with the special aim of making a genuine contribution to solving the problems of young Africans who aspire to scientific and technical knowledge and who have come to Italy as part of international development cooperation. This institute, which would be set up to meet specific aims of this kind, would, as soon as it opened, deal with young Africans' problems, including economic ones. It would seek ways and means of providing an adequate answer. It would be able to do so with greater respect for the Italian school system, which is generally intended for students who do not know, or are very little affected by, such problems. We are conscious of the difficulties involved, particularly as regards the amount of energy and goodwill needed to put the plan into action, and so we are forced to ask for conscious support from governments and national and international firms, both public and private, so that they can provide moral or material aid to an undertaking of such importance.

Of course, the institute will not be the whole answer to the complex problems of Third World students in Italy. But it can be a step towards a new, more suitable dialogue which will reveal a firm desire on the part of the organizations helping to run it, to send to Perugia “a message of peace, liberty and democracy in the world”. It is by helping the Third World gain the knowledge it needs for full emancipation and to ensure both security and freedom that we can help liberate man and society, and arrive at authentic, integral and harmonious development with the universal aim of creating a better world for all mankind. □

I.J.B.R.

Raising African antelopes for meat

by Enrico PIRONIO(*)

The protection and breeding for meat of wild African ungulates (hooved animals) has often been the subject of discussion, sometimes heated, between animal specialists, ecologists, zoologists and zootechnicians. A good deal of research has also been financed by universities, governments and international bodies such as the FAO and the IUCN (International Union for the Conservation of Nature and Natural Resources), but none of this has so far provided a satisfactory answer to the problems of finding out how wild animals behave so that they can be successfully raised on an extensive scale.

For countries with a tropical or

subtropical semi-arid climate, the use of these wild species for the economic production of meat is more topical than ever, although it does demand that prior studies of behaviour and feeding habits be carried out on the most suitable species.

Various African countries are currently raising certain species of antelopes in large-scale ranching schemes that are proving particularly interesting, using marginal areas (very hot and very dry tsetse-infested basins) where ligneous vegetation predominates and water holes are far apart and unreliable.

In severe conditions such as these, African antelopes display a great deal of hardiness which enables them both to survive and produce reasonable quantities of meat. Some authors, fascinated

by the subject, have been unable to get over their enthusiasm for wild animals and have tended to make quite unfounded generalizations about their superiority over the domestic species as regards utilization of natural vegetation.

Many species of antelope are involved and *Taurotragus oryx* (the common eland), *oryx algazel*, *oryx beisa*, *oryx gazella* and *addax nasomaculatus* have displayed a remarkable faculty of adaptation to semi-arid or arid regions.

The *oryx* can go without water for 25 days and the *addax* for longer. Proof of *oryx beisa*'s ability to go without water was given in Kenya during the dry season—it continued gaining weight while the *boran zebu* lost a noticeable amount. In ancient Egypt, the remarkable resistance to drought of *oryx algazel* and the *addax* were known and both were domesticated and raised in the same way as cattle, sheep and goats.

Until now, the common eland has raised the greatest interest. This giant antelope, 1.75 m high at the withers and weighing as much as 950 kg, is easily domesticated and tends to be considered as the best African game meat. Its leather is also very much sought after. When raised on ranches, elands are much the same as cattle as far as size, dead weight, reproduction, quality of meat and yield at slaughter are concerned.

In addition, the eland has unusual feeding habits—it likes a wide variety of plants, preferring leaves and pods that grow high up, from which it derives 88% of its needs. It too can go without water, although only for five days at a time, a shorter period than the species mentioned earlier. It seems supremely indifferent to parasitic diseases such as sleeping sickness and east coast fever (transmitted by tsetse flies and ticks). Its feeding habits favour conservation of the soil and the plant cover and, in Africa, it appears to be more fertile than cattle raised under similar conditions.

All these favourable points would suggest that eland raising would be a profitable enterprise. It is complementary to cattle as far as feeding habits are con-

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Enrico Pironio on his antelope farm in Gembloux





Elands on a ranch in Africa

cerned and could be raised alongside the latter so as to make for optimum use of the biomass(1) and for more rational use of pasture.

Russian research has for some 30 years now concentrated on the milk production of a herd of elands in the Arkaniya-Noua zoological gardens. Both average and record production are low—seven litres per day at peak and 637 litres over a 10-month lactation period. The milk is extremely rich (9.1-12.6% fat and 5.9-9.7% protein) and has a number of interesting properties. For example, it will keep three months at 37°C and has antibiotic qualities that could be of pharmaceutical use.

The department of zootechny at the Faculté des Sciences Agronomiques at Gembloux in Belgium is trying to fill some of the gaps in our knowledge of these wild animals, which could make an enormous contribution to developing

certain poor pasturelands. It is conducting thorough research into the digestive physiology of this particular type of ruminant, with a view to immediate practical application in the form of herd management. An idea of the comparative use of a variety of rations by elands and other ruminants would be a valuable guide when deciding which species would do best on which piece of land and what methods of breeding and pasture management should be used.

Work in progress is primarily intended to provide specific data on the ingestion of food, growth and a consumption index. It should also improve our knowledge of the eland's nutritional needs and contribute to a table of food values for this type of ruminant.

The research is very restricted—mainly for financial reasons. External aid would enable the researchers to broaden their scope to include a wide variety of foods and other species, including the oryx and the addax.

Research at the Faculty of Agronomy at Gembloux is of fundamental importance in the attempt to make the breeding of elands—and other ungulates mentioned in this article—an economically viable enterprise in Africa. The results of similar studies in certain countries of the eastern bloc and south-east Africa and the interest they present are sufficient to warrant further research into what these species have to offer and how they can be adapted to western and west-central Africa. Little or no work of this kind has been carried out in this part of the continent, in spite of the great economic and ecological interest of these animals.

The general characteristics of the species must first be studied scientifically by proven methods in a university institute which is familiar with the techniques involved. Then, if research could continue in the field, in one or more countries of western Africa, we would have complete information which would allow us to start worthwhile practical schemes on an appropriate scale. □ E.P.

(1) The overall vegetation on which the animal feeds.

Mali's national museum

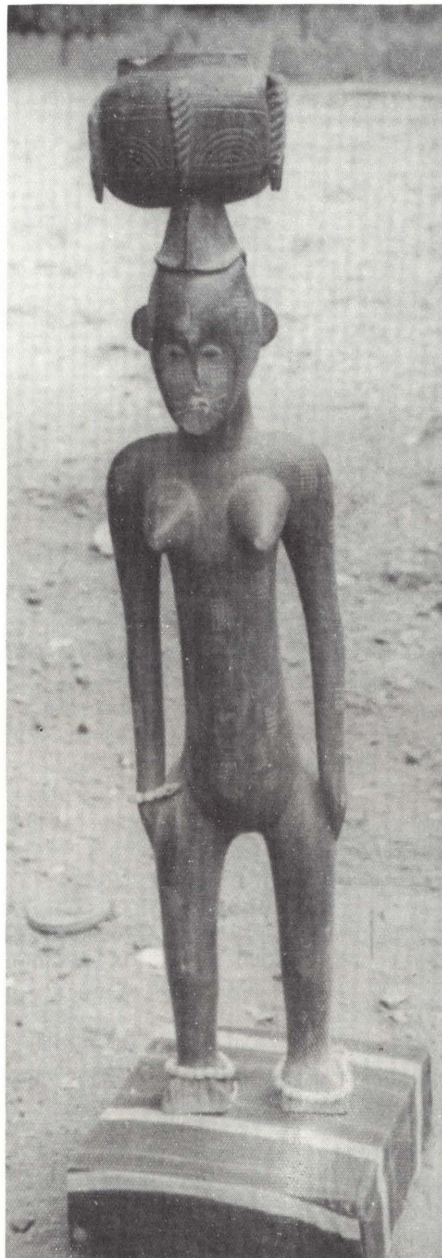
by Kléna SANOGO(*)

History of the Museum

The idea of a museum originated at the turn of the century under the colonial administration of the then French Sudan. The original intention was to open a Colonial Museum at Kayes in 1900. In 1917, there were plans for a museum of ethnography at Bamako to safeguard typical examples of native Sudanese art, provide ideas for European industry and make it easier to send pieces to colonial exhibitions in Europe.

But, in spite of the creation of Centrifan in French Sudan in 1941, it was not until 1950 that the museum actually saw the light of day. The first exhibition was organized by Marcel Griaule in the House of Sudanese Craftsmen, but the Sudan Museum—now the Bamako National Museum—was not to be inaugurated until 14 February 1953. It was first housed on Africa Club premises in the House of Sudanese Craftsmen and later moved to the Bamako Circle and the School of Public Works before moving into its own building at the foot of Point G Hill in 1957.

The texts setting up the museum state that the collections are to concentrate on the archaeology and ethnography of the country, but should be arranged in such a way as to give an overall picture of French Sudan, of its geology, fauna, its local products and so on. From the first, therefore, the Sudan Museum was divided into three main sections—a biological park, an archaeology/prehistory section and an ethnography section—the choice of structure and sections being dictated by the specialist interests (history, ethnology, archaeology and natural science) of the leading figures in Centri-



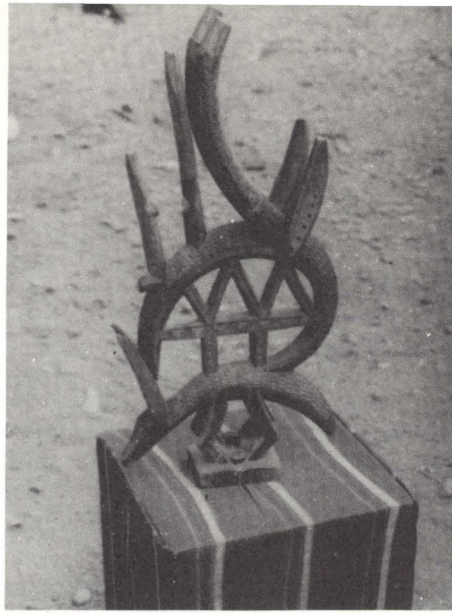
Senoufo fertility figure

fan, which was in charge of the museum.

Unfortunately the Sudan Museum, like most African museums at the time, was in fact set up for the purposes of ethnological and ethnographic preservation, study and research along purely European lines. It was almost exclusively for the pleasure and leisure of the administrators and merchants of the colonial aristocracy and, as such, had little to do with the local people who were often unaware of its existence—all of which makes it easy to see why the National Museum is finding difficulty today in involving the population or arousing interest in its activities. In the enthusiastic period of decolonization following independence, the whole conception of the museum was altered and new aims fixed. It was to become the ideal setting in which the great cultural values of Mali, and of the whole of Africa could find expression, free from subjectivity and more in line with historical and cultural realities. It was to become a place with which every Malian could identify. This will take time to achieve. All the activities of the museum today are geared to the gradual completion of this task.

This is why seminars on the role of museums in Mali were run in Bamako in May 1976, when our country's new museum policy was outlined. The National Museum is our only museum so far and needs larger premises. It puts on temporary exhibitions with popular themes—masks and statuettes of Mali, traditional musical instruments and so on—a task which is made easier by the devotion of the qualified technicians who are keen to adapt the museum to the socio-economic realities in the country. The National Museum comes direct-

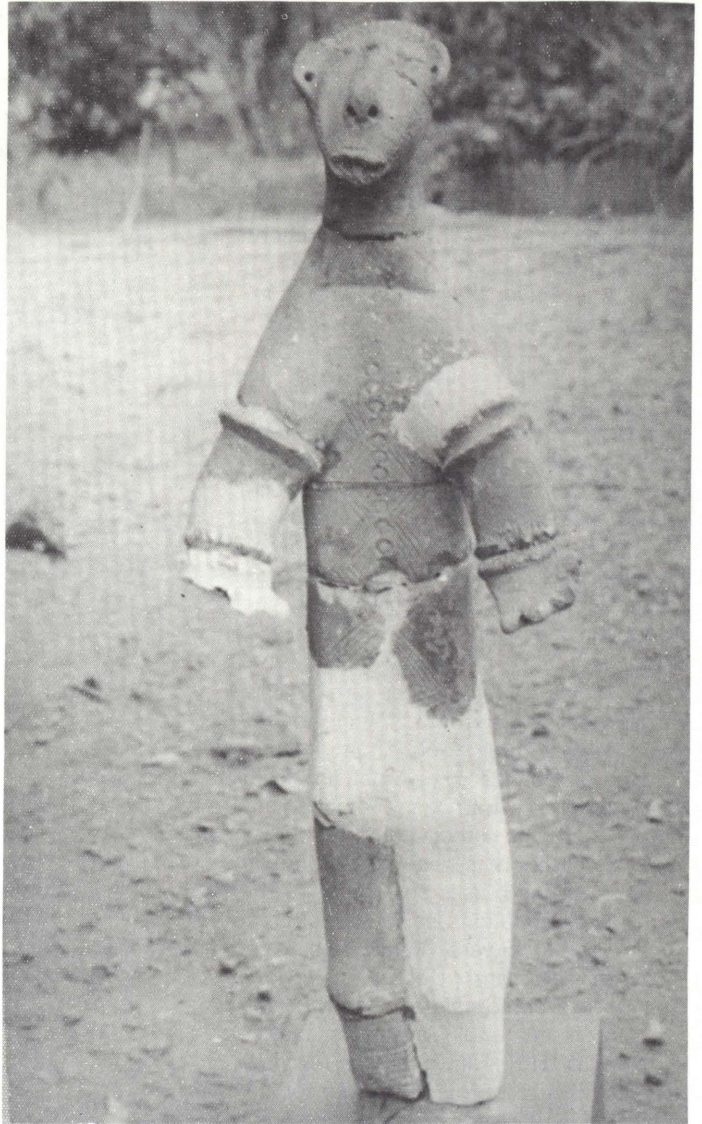
(*) Director of the National Museum of Mali, Bamako.



*Bamanan "Sogouinkun" mask
(Bougouni style)*



Dogon statue representing man's four ancestors



*Terracotta figure discovered in a burial site
at Bankoni*

ly under the Division for Historical and Ethnographic Heritage (National Directorate for Arts and Culture) in the Ministry of Youth, Sports, Arts and Culture.

The collections

The first acquisitions were as follows:

- 1951 - 1953: 8554 pieces;
- 1953 - 1954: 2831 pieces;
- 1954 - 1 December 1955: 2431 pieces;
- 1 December 1955 - 14 December 1956: 650 pieces;
- 1960: 15 pieces.

Purchases dropped in later years because of inadequate financial resources.

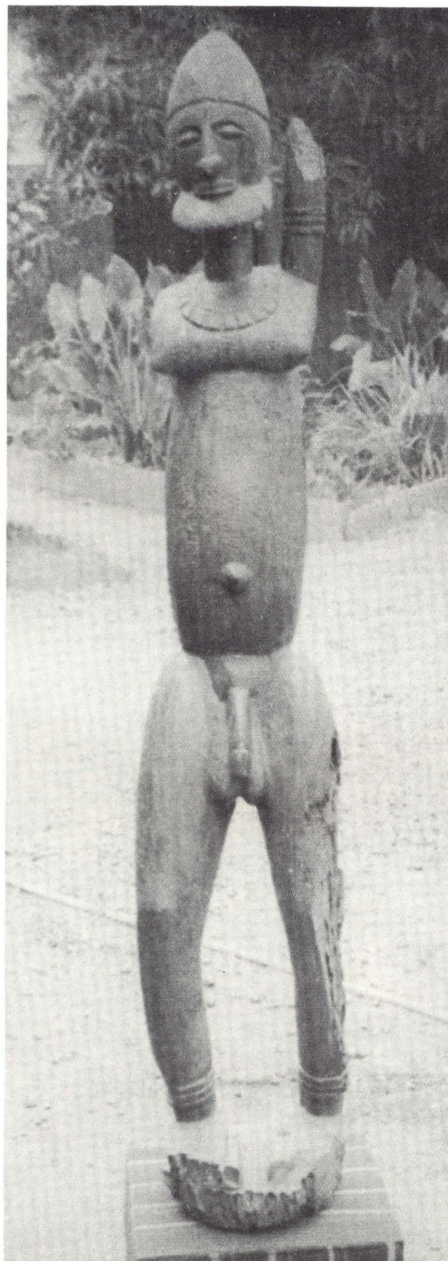
Most of the exhibits are of archaeological or ethnographic interest. The archaeological pieces come from digs or are found on the surface and the ethnographic pieces are purchased or donated. Most of these objects are now in other museums or private collections outside Mali and at the last count, in 1975, the National Museum only contained 1500 pieces.

The bulk of the collection is made up of archaeological objects—scratchers, harpoons, cutters, grinders, hand axes, needles, awls, scrapers, fragments of pottery, spindle-whorls, stones, millstones etc. Most of them come from Mali, although one or two are from Koumbi Saleh in Mauritania. There is also a small collection of statuettes, anthropoids and zoomorphs.

The ethnographic pieces are mainly masks, statuettes, musical instruments, vases, agricultural tools, hunting and fishing gear and so on. Most are from Mali and are of Bamanan, Dogon, Senoufo, Bobo and other origin. The Bamanan collection is the fullest since it contains all the masks and crests of the six major initiation societies—ndomo, komo, nama, ciwara, komo and korè. The Senoufo and Dogon collections have still to be completed. The Museum contains both original objects and a number of fairly faithful copies. Archaeological digs still provide objects for the museum and other pieces are purchased, but the collection is expanding far more slowly than at the outset.

The public

Almost 12 000 tourists from Africa, Europe, America and Asia, and 15 600 from Mali (including school parties), visited the museum in 1973/74. The national contingent is far too low and only an objective analysis will tell us the reason for what might be called this indifference to national culture. A number of objective factors come into play, the major one being the enormous rift that has always existed between the mu-



Dogon ancestral figure "Nommo"

seum and the local population. Another determining factor, historically speaking, is the huge hold which tradition has over the people. We have attempted to analyze this by dividing the population pragmatically into a number of categories, as set out below. It is important to realize that our classification is based on heterogeneous (religious, social, geographical) criteria and would not be valid for anything else.

— The preservers or guardians of the rituals of the secret societies. For them the museum is nothing but a subversive institution which was created with the express purpose of trampling ancestral traditions underfoot.

— Recent moslem or christian converts. They feel that a visit to the museum is a return to outmoded beliefs.

— Moslems. They look upon the museum as a pure resurgence of animism in its most absolute form.

— The intellectuals, divided into two groups—an enthusiastic elite who look upon the museum as a place for meditation, and the 'uprooted' intellectuals who falter between "blissful occidentalism" and a vague desire to establish their own culture. The first group feels that the museum can lead to confusion but should nevertheless be tolerated, if not encouraged. The second group sees the museum as a brake on the proper functioning of their so-called civilized society.

— Women—also divided into two groups. Women from the country who are still impressed by the myths surrounding the secret societies and see the museum as a house of sorcerers and taboos, and women from the towns who think the museum has nothing to do with them and ignore it completely or visit it half-heartedly.

— Young people. They feel that whatever is instructive cannot be bad and are the museum's most faithful supporters.

This is by no means an encouraging picture, but it does hold hope for the future in that it clearly shows what must be done. We must change the content and the emphasis of our National Museum, and we shall need everyone's help to accomplish this task. □

K.S.

European cultural centres in Kenya

Most EEC countries have close cultural relations with a large number of ACPs, primarily through cultural centres in the countries themselves. The many centres could well cooperate, in practical things at least, by pooling certain technical resources such as libraries, display rooms, etc. Some cooperation schemes are already working, if hesitantly, in some ACP countries. In Nairobi, the capital of Kenya, for example, there is "on the spot" cooperation between the heads of cultural centres from three different EEC countries—Germany's Goethe Institut, headed by Mr Dinkelmeyer, France's Maison Française, headed by Mr Compte and his assistant, Mr Colosso, and the British Council, headed by Mr Barrett. The three directors explain the roles of their respective cultural centres.

A variety of schemes and approaches

A brief rundown of the schemes and of the thinking behind the cultural centres reveals certain similarities and certain differences in the roles as their directors see them. What happens in Kenya is fairly similar to what happens in other ACP countries, and can to some extent be taken as typical.

Mr Dinkelmeyer described three types of activity at the Goethe Institut in Nairobi. A library—containing 6 500 books (70% German and more than 400 titles in English/Swahili), 700 records and a number of recordings and slides—provides the Kenyan public with a wide range of information on culture and current events in West Germany. There are 250 students following German language courses, mainly motivated by the

increasing influx of German tourists. And there are programmes of cultural events: seminars, experimental art and drama, concerts and recitals, films and exhibitions.

Mr Dinkelmeyer explained what he is trying to do: "we are no longer trying just to present a picture of our country. Our main aim now is to bring about a cultural exchange between Kenya and Germany, based on mutual understanding and genuine partnership. This exchange must be an increasingly varied affair and we are already trying to offer

local artists the possibility of displaying their work to the public, in Kenya now and in Germany later on. We have no desire to Germanize Kenya nor to embark upon any form of cultural neo-colonialism. On the contrary, we are trying to provide more and more technical and financial means so that Kenyan and other East African artists can express themselves and broaden their sources of inspiration through contact with one part of European culture."

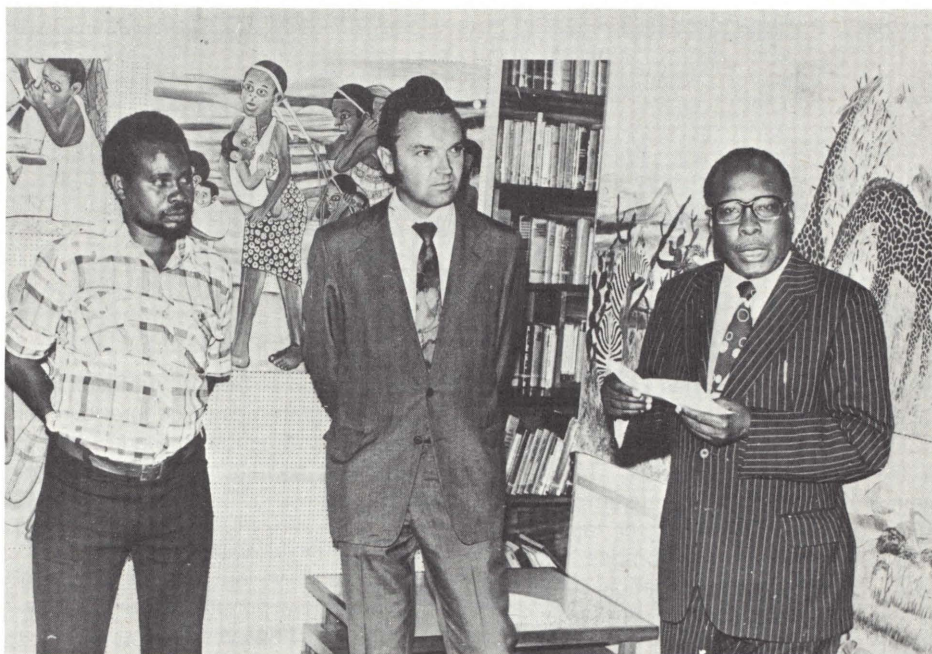
The Maison Française in Nairobi is the first French cultural centre in English-speaking Africa. Two exhibitions were running simultaneously recently—one called "André Malraux, l'homme et le destin" (André Malraux, the man and his destiny) and another presenting the works of "Paa Ya Paa", a group of



An exhibition of works by the "Paa ya Paa" group of artists at the "Maison de France"

mainly East African artists—showing that the way is already open for a meeting of African and European culture. Mr Colosso said, "the Maison Française must be a window on France in all its aspects and the Kenyan public should be able to see its economy, technology, culture, fashion and everything else that goes to make up modern French society. We have further to go in this field, as, at the moment, our Kenyan public consists mainly of students and a certain section of society that takes an interest in what is going on in France. As to special activities: a 6 000-volume library will be completed by a range of the main French daily papers and journals. There is a cinema showing three films (usually on a given theme) each week—French sound tracks with English sub-titles. There are French language classes organized by the Alliance Française (a private body housed at the Centre) and by the Centre itself; they include an advanced course and help with running courses for Kenyan civil servants, journalists, etc. And there is the cultural programme proper, with talks, ballet, plays, opera, exhibitions and so on."

The British Council does two separate things in developing countries like Kenya. It administers British aid for training and it runs cultural services (which only account for about 15% of its activities). Aid (funds attributed by the British Department of Education) for training is administered with the close collaboration of the British High Commission. The work mainly involves advising on education planning, running grant schemes in Kenya and the UK and drawing up general training programmes, mainly in English language and certain special subjects (such as ecology), including a number of seminars. Although the cultural programme is not the British Council's main activity in Kenya, it is extremely varied. It involves cooperation in sport via the training of referees, a long-term scheme to develop drama in schools, three libraries (in Kisumu, Mombasa and Nairobi—where there is also a film library), concerts and recitals, exhibitions on, for example, historical themes, documentary films and so on. "Our aim is to find themes and subjects which will be of genuine interest to the Kenyans and so it is their tastes which largely determine our cultural activities", Mr Barrett said.



Mr Dinkelmeyer (centre) with the Kenyan artist Ancent Soi (left) at an exhibition of his work at Nairobi's Goethe Institute

A "House of Europe"?

There is a certain convergence of opinion on setting up a European cultural centre. Messrs Dinkelmeyer, Compte, Colosso and Barrett all expressed a desire for cooperation, even though each of their programmes was different.

As Mr Colosso said: "we should not dissipate our energy or our financial and technical resources by continuing to operate as individual national representations since, ultimately, we all have European cultures and it is only our emphasis that is different." It should be possible for Europe to keep the originality of its various peoples and regions in a joint cultural policy vis-à-vis the rest of the world, he added.

Mr Dinkelmeyer's attitude was that, "even if we have not yet reached agreement as to the substance of our cultural activities, we should manage to combine a minimum of technical means—libraries, language laboratories, projection equipment and so on". But Mr Barrett thought that this technical—and thus financial—cooperation depended on policy decisions taken by organizations in the mother countries, since "he who pays the piper calls the tune".

A House of Europe could give the Kenyan public the opportunity to get to grips with a fuller range of European culture by including EEC countries which do not yet have cultural centres, or only put on the occasional event. This is a perfectly feasible suggestion, as is borne out by the fact that Switzerland already has a small corner of the Maison Française and Belgium will shortly be moving in. A European Centre could provide a much wider choice of activities, including, as Mr Colosso suggested, a restaurant and a European newspaper stall.

And, as Mr Barrett emphasized, bilateral European cultural schemes are already being coordinated in Kenya, primarily to avoid duplication in the training sphere. Why should this not be extended to the cultural programme proper? European cultural representatives in Kenya get on well and have already started collaborating on a film festival (cartoons and modern European cinema). These local, and as yet hesitant, efforts should be backed up by solid cooperation with the European-based organizations since, as Mr Dinkelmeyer said, cultural representation also gives rise to a desire for economic cooperation in the developing countries. So maybe we can look forward to a little more European integration. □ R.D.B.

Joginder Singh, three times winner of the Kenyan East African Safari rally

Joginder Singh—Jo to his friends—was born in 1932, but did not take up motor-racing until he was 26. He is a business man who runs a garage on Koinange Street, in the middle of Nairobi's shopping centre, and nothing like one's usual idea of a racing-driver. First and foremost, he is a family man who runs a business, only leaving it at weekends to take the wheel in meticulously prepared cars for his favourite hobby. His exploits—he takes part in nearly two rallies a month—have won him wide fame.

Impressive achievements

Jo—also nicknamed the "Flying Sikh" because of his inevitable white turban—is the only rally driver to have done the hat-trick in the East African Safari, one of the sport's most famous events known to even the most indifferent of observers.

Joginder Singh's victories are too numerous to mention here. And there is more to victory than winning—it is often difficult simply to complete the circuit.

Jo is a very likeable person and enjoys chatting over a cup of tea. It is his deep determination which allows him to make the best of his chances throughout any rally and to come out on top. Success, he says, is like this: "I don't want to list things in order, but I have always had good cars, determination and a bit of luck". In any sport, luck is on the side of the best-prepared.

Meticulous preparation of his cars and his skill as a driver have enabled him to complete the East African Safari 17 times out of 19 since 1959. In addition to beating all records with three wins, he has also been second twice, third once, fourth twice and fifth three times. Then he has also won the East African Championship four times and the Kenya Championship six times and was named

motor sportsman of the year in Kenya in 1970 and 1976.

Jo has also entered many rallies further afield, especially in Europe and Australia, but his lack of backing outside Africa, coupled with his business commitments, mean that he concentrates mainly on African rallies. "Style and driving conditions are very different in Europe—on snow in Sweden or on ice in the Monte Carlo rally, for example—and my trips are short and I don't have enough time to get ready to compete properly with local drivers", he said on the subject of rallies entered in Sweden, France, Austria, the Netherlands and Greece, in spite of the fact that his performance is always much appreciated by the connoisseurs.

A test of fitness and courage

A rally can be a severe test of physical and moral resilience. The 25th East African Safari rally in 1977—the "Silver Jubilee Safari rally"—was in two parts. First a 3 000 km circuit in north-western Kenya and then a second 3 000 km stretch in south-eastern Kenya, finishing up in Nairobi. The cars left at 4.00 p.m. on Thursday, 7 April and had to reach Nairobi by midday on Monday, 11 April. There was officially only a 10-hour rest period, on the Saturday, when the whole organization went down to southern Kenya. Average speed was therefore about 100 km per hour. The pouring rain gave the rally its nickname of "Noah's Ark" and pushed drivers and cars to the limits of endurance. Jo's co-driver on this occasion was his team-mate of the last four years, David Doig, a Kenyan coffee-planter.

Details of the route were published in November 1976. Drivers must go over the circuit at least once, and, in view of the changes that climate or other factors can cause, this must be done on a date fairly close to the rally itself. Logistic support along the route must be carefully prepared, as must the cars (standard models to which very few modifications may be made), and drivers must obviously be in peak physical condition. One might be tempted to think that with good backing, the necessary financing and experienced mechanics, the whole thing is

Joginder Singh in his Mitsubishi "Lancer" car



easy. But it is worth noting that Jo had to wait until 1975 for logistic support from his backer, Lancer Mitsubishi, after winning for the second time, as an independent entrant, in 1974. His first win, also as a private entrant, was in 1965, when he drove a Volvo PV 544 which already had 65 000 km on the clock when he and his brother Jaswant, then his co-driver, bought it and got it ready.

Driving teams have to know more than how to drive a car and read a map. They have to have an intimate knowledge of the workings of their cars. Nevertheless, they sometimes need to use their imagination as well as their experience during the rally to carry out running repairs that garage mechanics would call far-fetched under other circumstances.

Fame for Kenya

Joginder Singh says that the East African Safari rally is of considerable importance to the Kenyan authorities, since it draws attention to the country's tourist attractions and brings in a certain amount of foreign exchange. And Kenyan shopkeepers are pleased to see the influx of drivers and mechanics during the rally, and to a lesser extent during the preparatory period, plus the foreign journalists and the fans who do not hesitate to make what are often long journeys to watch the sport. The event provides publicity for Kenya well outside the rally public proper. The authorities are therefore highly cooperative when it comes to organizing the rally, without neglecting the security measures needed to protect ordinary road-users and the thousands of supporters who flock to watch every year. The rally is an open one in that it involves driving on ordinary roads and respecting all the rules of the highway code, with one exception—there is no speed-limit on competitors during the safari.

As to personal safety, Jo has written off a mere six cars to date and has been badly hurt once.

Technical improvements

Jo feels that, in addition to the advantages to Kenya itself, the rally also helps with technical improvements to standard design cars. These improvements, devised to make vehicles more durable in a rally, have mainly been to the strength



The East African Safari rally is run in all weathers and all conditions

of bodywork and one or two parts, to engine performance and—perhaps most important—to the suspension. Many of the technical innovations on all cars today were invented in tiny garages or obscure workshops.

Some driving techniques and safety mechanisms tried out at rallies can also be of benefit to the general public. But Jo does not think much of those pseudo-rally drivers who deck their cars out with superfluous stickers and flamboyant gadgets and try to look like real drivers by speeding and roadhogging. In his everyday driving, he tries to set an example and respect the highway code. Any factory willing to provide costly backing for one or more racing cars generally sees its turnover soar if there is a winner in the team. Figures rose by 60–70% after Jo's individual victory in 1974. Since 1975, the Flying Sikh has also been head of his factory's team, which means a vast amount of preparation and organization. For him personally, racing has helped him travel and taken him to nearly all the continents.

This year, Jo came fifth in the Silver Jubilee Safari rally and was among the favourites in the 25-car entry. He was 10th at the start, with only big names in front of him, a considerable handicap when it comes to improving position in

this year's driving conditions. The winning team, the Swedes Waldegaard and Thorzelius, were in the lead from the word go. This well-deserved victory is only the third by a foreign team.

But the Flying Sikh had the satisfaction of being among the 12 cars, out of the 68 starters, that reached the finishing post in Nairobi. He also has the satisfaction, as leader, of seeing his four-car team get the best team placing.

Jo is now busy planning more big rallies. In May he went to Abidjan in the Ivory Coast to prepare the logistics and go over the circuit of the Bandam rally scheduled for the end of the year. "I like this kind of rally", he says. In August/September 1977, Jo will be taking part in the World Cup rally from London to Sydney.

"My business is expanding all the time. It sometimes makes me lose concentration and prevents me from devoting all my time to rallies as some professionals can. But I still love the sport and I think I perform well," he said.

Jo is a redoubtable and much appreciated competitor. Only lack of time prevents him taking an interest in other sports.

His popularity in Kenya has brought him the name "Simba ya Kenya"—"The Lion of Kenya". □ R.D.B.

BOOKS

Hot from the press

Under the Lomé Convention, the ACP-EEC Council of Ministers, comprising representatives of 52 states of Africa, the Caribbean and the Pacific, plus those of the Community and its Member States, recently met in Fiji and adopted its first annual report. This is now to be published.

The report contains useful information on implementation of the Lomé Convention during the year following entry into force on 1 April 1976. It covers such subjects as trade cooperation, the stabilization of export earnings, sugar, industrial cooperation, financial and technical cooperation and institutions and also sets out details on extending the Convention to other states.

Authorities, international organizations, professional bodies, research institutes, firms and individuals concerned with the problems of development will have an important new work of reference in this report, which is available from the Secretariat General of the Council of the European Communities, Service Bibliothèque-Documents, 170, rue de la Loi, 1048, Brussels.

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Revue juridique et politique — indépendance et coopération. — Ediafric, 57 ave d'Iéna, 75783 — Paris.

The whole of the 1976 issue of the "Revue juridique et politique — indépendance et coopération" was devoted to the Sahel.

I. In "Some thoughts on the Sahel development project", Jean Audibert feels that there is good reason to hope that a real long-term Sahel development programme can be got under way fairly soon.

"Where projects are clearly defined, properly prepared and part of rigorous overall strategy, financing will present no problems, although difficulties will arise with presentation, negotiation and management skill."

II. "The Club des Amis du Sahel, a new framework for international cooperation

by Paul-Marc Henry, head of the OECD development centre puts forward "a new approach" to the difficult problem of international collaboration, with a view to achieving medium- and long-term regional aims while respecting the national sovereignty of the countries in question. Investments for major schemes will be made over "as part of a generation contract between the rich countries and the Sahel countries."

III. **Unicef aid for the Sahel before and after the drought.** Michel Bonfils, of the Unicef-Sahel team, describes the aid—a total \$13 million (or some CFAF 4 000 million) specifically to combat the drought.

IV. **Anti-drought plans produced by the Sahel States,** by Pierre Chauleur of the French Academy of Overseas Science. The author deals mainly with the CILSS programme produced in September 1973 (178 000 million, including 105 000 million for dams, as against the 637 000 million initially proposed).

V. "Some reflexions on the problems of drought in the Sahel." Maurice Rossin concludes that international cooperation is a matter of priority. He first proposes initial improvements to water engineering (good growing techniques that will exploit total rainfall), plus reafforestation and many small local improvements pending realization of the major hydro-agricultural schemes.

VI. "The Sahel tomorrow." J. Arrighi de Casanova points out that if all the water resources in the Sahel were used via wells, boreholes and other large-

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scale improvements (total estimated costs upwards of CFAF 3 billion, or \$12 000 million), there could be a cereal surplus of at least 10 million t.

VII. "The Sahel's survival factor", by Guy Maton. The author suggests there are 108 000 million m³ of water available and a possible 2.5 million ha of land that could be irrigated with surface water. This corresponds to some 15 million t of cereals and 550 000 ha of potentially improveable land (\$4 000 million at 1976 rates), which should satisfy needs in the year 2000.

VIII. **Deterioration in the peasant's situation in the Sahel before the drought,** by Michel Labonne, coordinator of the team that carried out the FAO prospective study in the Sahel. One of the most important claims is for "a change in our present concept of foreign aid" to agriculture.

IX. **The Sahel in the long term,** by OECD consultant Jacques Giri. This article summarizes the main points of his report for the constitutive assembly of the Club des Amis du Sahel in March 1976.

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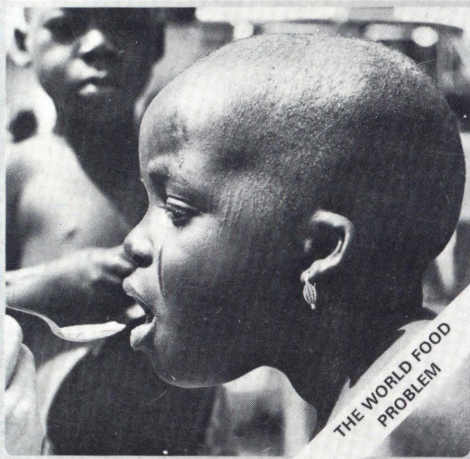
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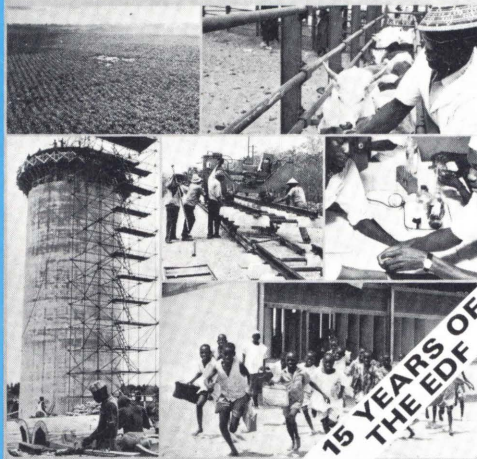
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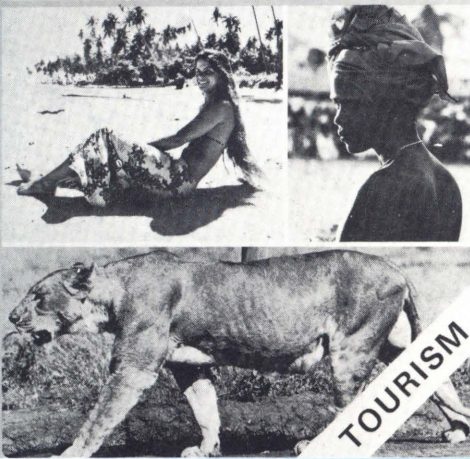
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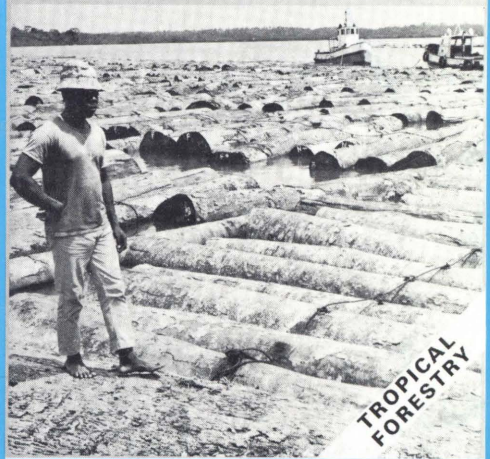
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