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**COCOA IN THE
ACP STATES**

THE EUROPEAN COMMUNITY

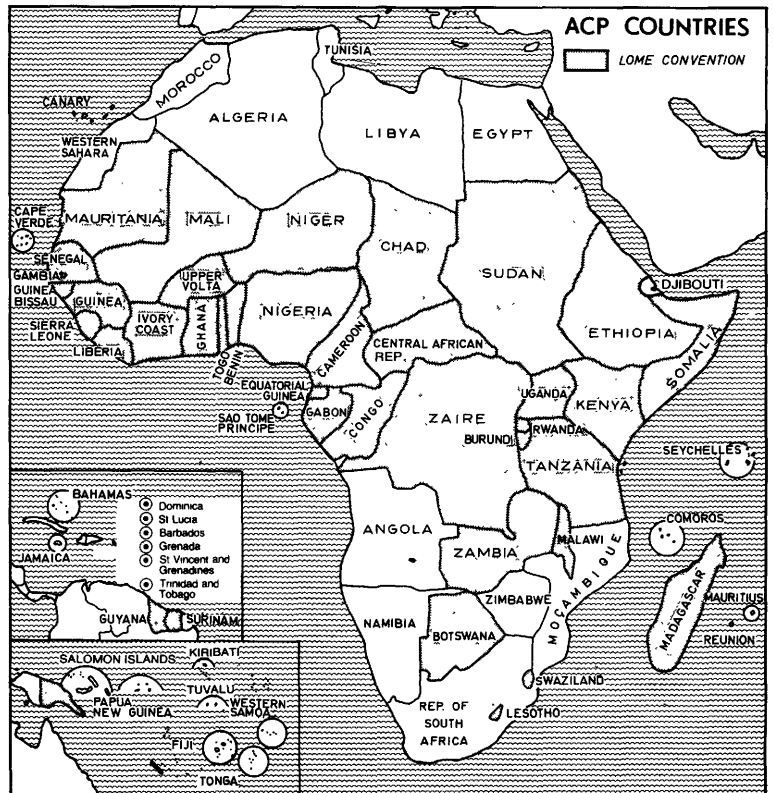
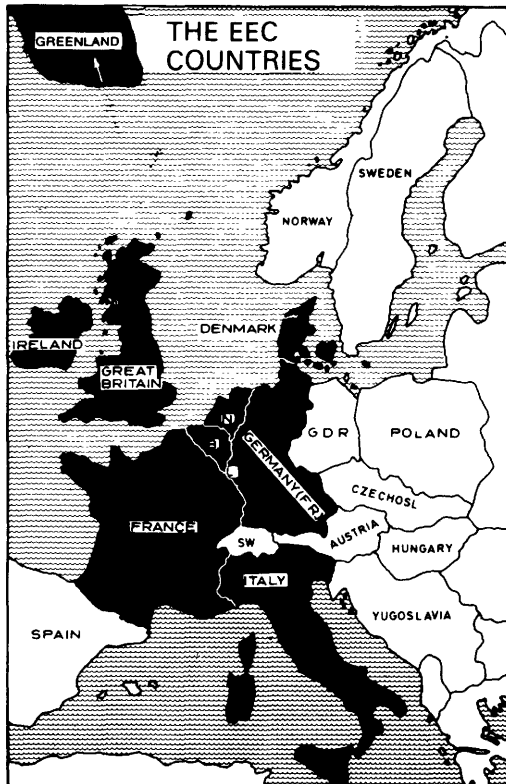
THE ACP STATES

BELGIUM
DENMARK
FRANCE
GERMANY
 (Federal Rep.)
IRELAND
ITALY
LUXEMBOURG
NETHERLANDS
UNITED KINGDOM

BAHAMAS
BARBADOS
BENIN
BOTSWANA
BURUNDI
CAMEROON
CAPE VERDE
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KIRIBATI
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MAURITANIA
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NIGER
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RWANDA
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ST. VINCENT and GRENADINES
SAO TOME PRINCIPE
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SWAZILAND
TANZANIA
TOGO
TONGA
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TUVALU
UGANDA
UPPER VOLTA
WESTERN SAMOA
ZAIRE
ZAMBIA



FRANCE

(Overseas departments)

Guadeloupe
 Guiana
 Martinique
 Reunion
 St Pierre and Miquelon

(Overseas territories)

Anglo-French Condominium of the New Hebrides
 Mayotte
 New Caledonia and dependencies
 French Polynesia
 French Southern and Antarctic Territories
 Wallis and Futuna Islands

NETHERLANDS

(Overseas countries)

Netherlands Antilles
 (Aruba, Bonaire, Curaçao; St Martin, Saba, St Eustatius)

UNITED KINGDOM

(Overseas countries and territories)

Anglo-French Condominium of the New Hebrides
 Antigua
 Belize
 British Antarctic Territory
 British Indian Ocean Territory
 British Virgin Islands
 Brunei
 Cayman Islands
 Falkland Islands
 Montserrat
 Pitcairn Island
 St Helena and dependencies
 St Kitts, Nevis and Anguilla

This list does not prejudice the status of these countries and territories now or in the future.

Cover: Cocoa pods (AAA photo)

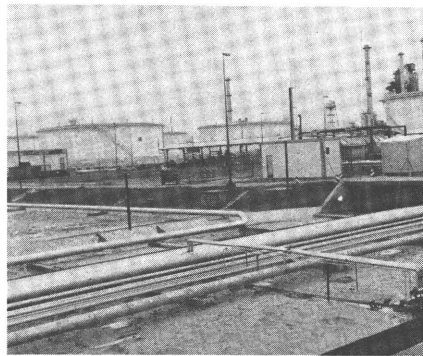
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Overview — If Michel Poniatowski thinks that "the future is written nowhere", he is nonetheless concerned with trying to foresee it. Another of his books, "*Les choix de l'Espoir*" (The choices of hope), published 10 years ago, seems to justify this ambition. His present job as head of the Institut de Prospective Politique and his responsibilities as the chairman of the Committee for Development and Cooperation of the European Parliament, combine to give further food for thought to a far-reaching mind. **Page 3**



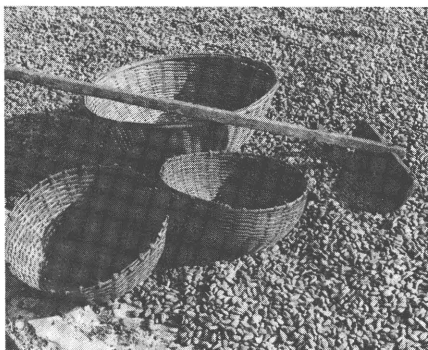
Grenada — A year ago, on 13 March 1979, a change of government took place in Grenada, which gained independence in 1974. The new socialist regime wants to reorganize and revitalize the economy mainly by mobilizing the population to participate in economic and social programmes. Externally, "the People's Revolutionary Government" wants a wide regional and international cooperation on the basis of "mutual respect" and "ideological pluralism". In a series of interviews with the *Courier*, the Prime Minister, Maurice Bishop, and the ministers of finance and agriculture outline the new policies of the government. **Pages 19-33**

Nigeria — When the military relinquished power last October in Nigeria, they left behind a strong but an oil-dominated economy. The new civilian government is determined to steer the country away from this heavy dependence, and to build a resilient economy that would draw sustenance from all sectors, particularly from agriculture and industry, as the *Courier* discovered in Lagos. **Page 35**



Europe — The new European Parliament directly elected in June 1979 has 57 women members, a higher proportion than in the national EEC parliaments. These European MPs are dispersed among all the political groups. The *Courier* begins a series of interviews with some of the women in the European Parliament, starting with the biggest group—the socialists. In this issue: Barbara Castle, Katharina Focke, Anne-Marie Lizin, Yvette Roudy. **Pages 50-63**

Dossier — More than three quarters of the world's cocoa is produced by five developing countries, four of which are ACP states—Cameroon, Ghana, the Ivory Coast and Nigeria. The EEC is the world's main importer, accounting for 50% of world cocoa bean imports last year. The commodity is therefore an important one in the ACP-EEC relationship. Since 1972 there has been an International Cocoa Agreement to which the EEC and the main ACP producers are parties. But the cyclical nature of cocoa growing and volatile prices have made the international cocoa trade difficult for both consumers and producers in the last decade. Our dossier considers some of the questions involved. **Page 70**



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A major innovation

Although world mineral reserves will not be running out yet awhile, the Community is already highly dependent on outside sources for its mineral supplies and it will go on being dependent. The OECD Interfutures group recently put its dependence, overall, at 75%, as against 90% in the case of Japan and only 15% in the case of the USA.

This dependence is heightened by the fact that many reserves of mineral raw materials are concentrated in a very few countries—44% of reserves are in the developed countries, 90% of which are in the USA, Canada, Australia and South Africa alone. While 33% are in the developing countries, seven alone have 77% of those reserves (Brazil 25%, Chile 19%, New Caledonia 8%, Indonesia 7%, Zaire 6%, Guinea 6% and India 6%). Lastly, 23% of mineral raw materials are in the state-trading countries, 82% of which are in the Soviet Union. The reserves of six raw materials (manganese, chromium, cobalt, platinum, tungsten and vanadium), for which the Community is virtually totally dependent on outside sources, are shared by only nine countries.

Commissioner Etienne Davignon recently announced at the European Parliament that the Commission had produced a report on the Community's supplies of 22 minerals. He also said that an analysis of the Lomé II provisions on investments in mining, a field of interest to both the ACP group and the Community, was scheduled with the European Parliament for next autumn.

Mines are a major aspect of economic development for the ACP countries, both because of the stimulating effect they have on

other branches of activity and because they bring in export earnings. But the sector is lagging behind as European firms have invested practically nothing in mineral prospection in Africa for the last six or seven years.

This is why one of the major innovations of the new Convention is the special system for ACP mineral producers. The Sysmin, as it is called, has two aims—to protect the existing facilities and develop mineral and energy potential.

Existing facilities will be protected by a 280 million EUA fund for copper, cobalt, phosphates, manganese, bauxite and aluminium, tin and iron ore (iron production covered by Stabex will only come under Sysmin after a transitional period of five years). The list may also be extended during the Convention by decision of the ACP-EEC Council of Ministers.

The system comes into operation when two conditions are met. First, the product has to have represented more than 15% (10% in the case of the least-developed, landlocked and island countries) of the total export earnings of the country concerned in the four previous years. Second, there must be a 10% drop in production or export capacity. When these conditions are met, the ACP country concerned can obtain a financial contribution, in the form of a special loan, from the EEC to finance projects and programmes intended to remedy the effects of the crisis.

There is also a series of measures destined to boost external injections of capital and technology aimed at high-speed development of the mineral and energy

sectors. The main things involved here are technical and financial assistance schemes, for research and investments preparatory to exploitation, via suitable instruments such as, in particular, risk capital. Provisions have also been made for the EIB to commit its own resources, over and above an amount laid down contractually by the Convention, on a case-by-case basis. A ceiling of 200 million EUA has been fixed for this.

An editorial earlier this year attempted to show, with the help of one or two simple figures, that the prosperity of some in the world today depends increasingly on the development of others, and that industrialized and developing countries form but one world.

This is a considerable change in outlook from the pre-war period when Europe, although still a checkerboard of rival states, thought it was the centre of the world, when the USA was isolationist, the USSR had its domestic problems, Japan was an emergent regional power and the concept of developing countries had yet to be discovered.

In what we now call the Third World, the ACP countries are certainly some of those most convinced of the need for growing cooperation, that 'interdependence', the new word of international relations. It may be a fashionable term but one we would do well not to forget, because it combines realism, commonsense and solidarity—not such a common combination.

The Sysmin, with its dual objective, is fully in line with this way of thinking. It is certainly one of the major innovations of the new Convention. ○ ALAIN LACROIX

Interview with Michel Poniatowski

Chairman of the European Parliament Committee on Development and Cooperation

Michel Poniatowski is a large, pink, smiling man, with the gravitas of his bulk but a twinkle in his eye. Well-known in France, where he was a minister and the President's personal representative as an itinerant ambassador, his career took a new turn last June when he was elected to the European Parliament on Simone Veil's Liberal list.

His forebears include Talleyrand, a Polish king and several marshals, from whom, perhaps, he derives his taste for writing about history in terms of prominent people. But his interests lie as much in the future as in the past. Many of his forecasts in *The future of the under-developed countries* (published in 1954) and *The choices of hope* (1970) now seem confirmed. In 1978 he published *The future is written nowhere* before setting up the Institut de Prospective Politique, a political think-tank, in September 1979. The following month he was elected chairman of the European Parliament's development cooperation committee.

The *Courier* met him in Arusha (Tanzania), at a meeting of the ACP-EEC Consultative Assembly joint committee, and discussed three subjects: the EEC and the developing countries, the new European Parliament after six months and Europe's place and role in the world. The interview appears under "overview", where an examination of current affairs allows a look ahead to the mid-term future.



Michel Poniatowski

I — The Community and the developing countries

► *The development of the Third World is certainly one of the major problems of the second half of the 20th century. Ultimately, one might say that it conditions peace and the future for us all. You have often stressed that "it is wrong to get rich with the poverty of others". Don't you think that all these problems are becoming world problems and that the interdependence of the industrialized world and the Third World is an overriding necessity in the world today?*

— Yes, I do. There are many sides to this issue and tackling it means looking at it from many angles. The first problem, and a very serious one, is hunger. And the second one is how to boost the development of the developing countries, particularly their industry. The third problem is the relations be-

tween the developed countries and the developing ones.

A world-wide problem of organization

I shall start with the problem of hunger. We all have the facts: 50 million dead every year, 450 million on the verge of starvation and 550 million more underfed and undernourished.

We do in fact have the potential means of feeding them all. The planet has enough arable land, enough areas that could be or are being used to grow food.

There is enough land, even if some of it is badly irrigated, to feed the whole of the present population of the earth and very probably even the 6 000 million people there will be by the end of the century.

► *So is the main problem wastage, wrong agricultural and commercial methods or a lack of storage facilities?*

— None of these. It's a problem of organization. To my mind, this is something that can only be dealt with on an international basis. It is a world problem and it is true that all our serious problems are becoming internationalized: take energy, for example, or commodities, the very important currency issue or trade.

The problem is one of world-wide organization and it involves using ways and means ranging from seed selection and the adaptation of these seeds to the soil, to irrigation, storage, domestic marketing, international marketing and so on. All this means money, a lot of money, and it means collective action.

To my mind, the only people making a proper effort at the moment are the

Europeans. Perhaps they could do more, but they are the only ones doing anything at all. I notice that the super-powers are the two countries that make the least effort as far as food aid and economic aid to the developing world are concerned.

I think we have to form a kind of task force to attack the hunger problem. It is something we can cope with. It hasn't got beyond us yet, although if we leave it a few years it will have done. It will be much more difficult to right the situation then.

Greater agricultural productivity

The second problem is the developing countries themselves. How can they advance? It is perhaps useful to ask why, in the 19th century, the USA and Europe, which were agricultural countries, turned into industrial powers. Well, they became industrial powers because their agriculture yielded a surplus which enabled them to purchase other goods from other countries and gradually build up industry. The basis of all this was the accumulation of capital in the agricultural sector.

I think this is something the developing countries should consider. They cannot build an economy and have progress and wealth unless they have the kind of agriculture that itself produces wealth, and which must often be fairly specialized to do so.

But as the international situation has changed somewhat over the last 100 years, I think there also needs to be a surplus generated by the industries surrounding agriculture, the chemical fertilizer plants, the agro-food industries, crafts, repair workshops, maybe the agricultural machinery manufacturers and so on. It is this agricultural surplus, plus the agricultural industrial surplus, that must be the basis for a more ambitious industrial programme.

Obviously the situation will differ slightly in countries with important raw materials. But I think that mineral wealth and agricultural wealth are similar and should be treated in much the same way, as I have just outlined.

► *So you think that properly structured industrial development in many developing countries has to be largely based on rural development?*

— On greater agricultural productivity. As things stand, agriculture produces food crops, which is a very good thing and should be continued. But, in addition to this, these countries must achieve the kind of agricultural

productivity that will enable them to export food products.

The international monetary system and the Third World

► *How do you see the role and the importance of the reorganization of the international monetary system for the development of the Third World?*

— Here again there are many facets to the problem. First you have the international monetary problem itself, that is to say the situation that has been created by the Bretton Woods agreements and the use of one national currency, the dollar, as a reserve currency throughout the world. No national currency can cope any longer with all the trade and all the payments made throughout the world. I should also add that the national currency in question has been managed in the light of national interests and we have seen what that can lead to recently. And let us not forget that soaring oil prices over the last few years have led to the creation of Euro-petro-Asia-dollars and that they amount to twice the amount of dollars in circulation in the USA.

So we have the dollars issued by the Federal Bank and, alongside them, the dollars issued by the 200 multinationals and they represent twice the dollars in circulation in the USA. So there is an ever-present threat of breakdown and crisis.

A situation like this can last six months or a year. Two years even. But we must realize that we have reached the end of the line and we have to reform the international monetary system. Personally, I think the best thing would be to have an international system like our European Monetary System, the same kind of thing. But I think it would be optimistic and premature at the moment and the way to relieve the dollar situation is to concentrate on four or five major regional currencies for the purposes of payment via special drawing rights with the probable addition of a gold standard.

► *So special drawing rights will probably become more important in the future?*

— Yes, if we go over to a system of major currencies taking over the role of the dollar.

\$ 100 000 million surplus for the oil-producing countries

The developing countries have a financial problem, and they are going through a crisis of a completely different

kind. The rise in oil prices poses them two problems. First, oil purchases. Many of these countries no longer have the means of buying oil and they are dangerously near bankruptcy. The second problem is that a vast imbalance is being created across the world by the mass of petrodollars, which gets bigger every year. This year, the oil price increase will have created an extra \$ 100 000 m. So, the international organizations forecast a \$ 100 000 m surplus in the balance of payments in the producing countries, a \$ 75 000 m deficit in the balance of payments in the developing countries (as opposed to \$ 45 000 m last year) and a \$ 45 000 m deficit for us (as opposed to \$ 30 000 m last year) in 1980.

There is an enormous imbalance because the machinery is silted up. But the machinery has to be repaired and the money has to be recycled between the various countries. This is what the World Bank, the International Monetary Fund and the main reserve banks are going to do.

► *We might add another figure to this list—the \$ 450 000 m debt in the Third World.*

— Yes, that gives an idea of the size of the problem.

Lomé—a positive act of will

► *Don't you think that the very positive factor that the Lomé Convention, in spite of its inadequacies, constitutes in international life is particularly remarkable when you look at the new Convention and compare it to the problems of UNCTAD last year and the failure of the recent UNIDO meeting in New Delhi?*

— Lomé has posed problems and attracted criticism and it is inadequate from certain points of view, particularly the overall amounts involved. This is true. But it is something positive. It is an act of will on the part of the countries of Europe and the countries of the ACP group. The initial result is a positive economic one, and it is considerable. It is goodwill displayed in political action, which is very important at a time when the countries of the world are tempted, by the superpowers themselves, to take sides. The superpowers try to force the countries to take sides and this, I have no hesitation in saying, is nothing other than a new form of colonialism, because if they force you to take sides, you are abandoning your sovereignty to whichever one you opt for. This is latter-day colonialism.

► *You have just attended your first joint committee meeting for the Lomé Convention Consultative Assembly.*

What do you think about the permanent dialogue between the Community and the ACP countries? Don't you think that this human contact can make it easier to express needs and to apply the new Convention as fully as possible?

— I think that the Convention is important because of what it actually involves and because of the good habits it creates in relations, as they facilitate a mutual understanding of each other's problems. And there is something very real that pleases me—the fact that Lomé is outside the big power blocs.

I am not saying that the countries that belong to Lomé are not attached to one or the other. What I mean is that the things dealt with in Lomé, the way they are dealt with and the thoughts that it engenders about the future are all outside the realm of the superpowers, outside the Manichean philosophy of a world divided into two giant camps.

II — The European Parliament: a dual role

► *In October 1979, you were elected chairman of the European Parliament Committee on Development and Cooperation. Do you think there is any difference in approach and method between the national parliaments and the European assembly?*

— That depends on which national parliaments you are talking about. I shall take the case of the French parliament, because it is one I know well. One of the biggest differences, no doubt, is that the influence, the weight perhaps, of the European Parliament is more in the political groups than in the special committees on budgets, agriculture, development and so on. I don't mean that the committees don't have an important and useful role to play.

They are just as important as in France. But the political groups play a more important part in the life of the European Parliament than they do in the national ones. In reality, at the French national assembly, once the officers, the president and so on, are elected, the running of the assembly depends on them.

In the European Parliament, there is an ongoing debate between the chair and the political groups. The committees have a technical job to do and it is an important one, but their influence on the general functioning of the European Parliament is not as great as it is in the French parliament.

► *We have never heard so much about Europe as since direct elections. Naturally there was a running-in period*

for the procedures, and for the MPs, particularly as numbers have gone up from less than 200 to 410. What is your overall assessment of the work the European Parliament has done so far?

— I think we are still running in and that the Parliament still has to find its place, its true role and its working methods. When I seen an Irishman tabling a motion on Corsica or on the Iroquois Indians, it's comical. It's not serious. But I do think that the European Parliament has an essential part to play in one special way. Europe is faced with problems that it will be forced to unite to tackle. This is what it is doing with energy, this is what it has done with currency recently and this is perhaps what it will do with hunger in the world. There are a whole series of international problems to which Europe is going to be forced to reply.

So we have to see what the real situation is. The driving force in this affair is the European Council of heads of state. They are the ones behind any joint European reaction. They no doubt find it difficult sometimes to define a position, but when you look at the events of the past few years, it is clear that it is they who have steered the machine in different directions. Naturally, there is the work of the Commission and the Council of Ministers.

The Parliament must not try to do other people's work but it can of course have a dual role. First, it can be a kind of European conscience, a constant reminder of the fundamental interests of Europe.

Second, it can carry out studies and run debates on fundamental problems affecting all the people of the Community, such as employment, or hunger in the world; these are problems which concern the Community as whole. And then the Parliament has to play the part required of it by the EEC institutions, which it does quite well. As the years pass, over the next 20 or 25 years, its scope will increase as the institutions are increasingly forced to take up the challenges facing Europe.

► *In any case, this is certainly what public opinion expects of it. It will have to make more of its ability to innovate, as Mrs Veil put it when she came to Belgium recently.*

— I think there is a certain amount of discipline to be learned so as to avoid using emergency procedures for any sort of subject. It is essential to have discipline in working methods.

► *What do you think about dual mandates, people being MPs in their national parliament and the European Parliament at the same time?*

— To my mind the two are quite incompatible. You have to spend almost three full weeks at the European Parliament if you want to do your job properly in the chamber, in the committees and in the working groups. What I see happening is national MPs who are also European MPs choosing between the two and being absent from one or the other.



A taste for the future as well as the past: Michel Poniatowski toys with science at his think-tank, the "Institut de Prospective Politique"

And what goes for dual mandates in Europe goes for dual mandates in the individual countries. There comes a point when you can do no more. I think, at best, people should have either a local or a national mandate combined with a European one, or a national mandate and a local one. But the sort of combinations that we are getting at the moment are doubly bad and, in the end, they prevent people from doing the job they have been elected to do seriously and this completely prevents progress and the recruitment of political elites. If one man has been elected to do half a dozen different jobs, he is preventing two or three other men from working in politics and I think this is bad.

III — The place and role of Europe in the world

► *On a number of occasions recently you have stressed the seriousness of the present international situation and pointed to the existence of two great military-industrial camps—the Russian army and the American army. How much weight do you think they carry in the decision-making process in the two superpowers and what role can Europe play in all this?*

— The influence of the military apparatus is contested by some but it is something quite genuine. In the sociology of the countries in question, the military is a reality and I think that its influence is increasing. Both sides' attitudes and the way they act show that military influence in the two countries is expanding. The army has always had its influence, of course, but in peacetime it is relatively weak. At the moment it is strong, there is no doubt about that. I should also like to say that, at the time of the Cuban crisis, for example, politicians laid down the law, but I am by no means certain that the ultimate decision in such a crisis would be taken by them today. I think the influence of the military would be stronger than it used to be.

I am also struck by the way people react to the superpowers. Only a few years back everyone chose what camp they wanted to be in, which of the superpowers they wanted to side with. But today there is an increasing tendency to adopt an attitude that is not exactly hostile, but reserved. There is a general feeling that the superpowers have not done such a good job of organizing the world in the past, that they are doing a very bad job at the moment and they are likely to make an even worse job of it in the future.

So there is a reaction. Not so much neutrality, but an attitude that is different from those of the superpowers,

because they sometimes agree. To my mind we are now witnessing the emergence of the feeling that enough is enough, on the part of many non-aligned countries and on the part of the European ones. The leaders of the non-aligned and the European countries increasingly feel that what we need is a voluntarist policy which follows a different path from the one people are trying to force us to take.

► *And this is where Europe has a role to play?*

— Europe and all the non-aligned countries. The two superpowers represent 500 million people between them, that's one eighth of the population of the world, and they want to have their way, to force their policies on the whole of the world. The result of their policy over the last 35 years is not all that brilliant, which is food for thought. It makes us wonder whether we in the European countries and the non-aligned countries ought not try and devise a deliberate policy.

► *What do you think of food being used as a weapon?*

— I think it is absolutely detestable to use food for political ends. It serves no useful purpose either, because all sorts of commercial tricks are possible to get round the obstacle. I should add that, if the USA had wanted to impose a really useful embargo in this sector, something I would have deplored, they could have done so far more effectively than by using grain.

They had phosphates. Massive quantities of phosphates are produced in Tunisia, Morocco, Chile and the USA and an embargo on US phosphates to Russia, which absolutely has to have them for its agriculture, would have been colossally effective. For reasons of popularity and internal policy, Mr Carter did not raise problems of this sort and made do with grain—which did not make a lot of sense.

► *It is commonly felt that, in any new international division of labour, the developing countries could concentrate on various old industries and the industrialized countries could concentrate on the more advanced ones. Don't you feel that the developed countries are automating and mechanizing the old industries and investing in them to make more profit rather than to create more jobs?*

— Yes. This is one of the very important aspects of what I mentioned just now, the relations between developed and developing countries. If you in fact go beyond political problems and diplomatic differences, the world con-

tains a community of advanced countries consisting of Russia, the two Europes, the USA, Canada, Japan and Australia. Whatever goes on in one country goes on in another and at the moment, under the effect of a series of technological shocks, these countries are progressing rapidly in various areas of advanced technology. With lasers we should be seeing fantastic progress, as we should with industrial genetics—what the Americans call bio-industry—and with telematics, information science and automation.

The old traditional industries are being mechanized and automated

It has been thought that the developed countries, with their expensive labour force, would leave a series of labour-intensive industries to the countries where labour costs less and where the products would be competitive. But spontaneously, although not deliberately, the old traditional industries are being mechanized and a high degree of automation introduced. This is what is happening in Japan and in the United States, and Europe will be following suit. The process has already begun. So the developing countries are going to have a fairly big problem on their hands because they are going to have to choose between building highly mechanized factories, competitive ones which create few jobs, and building factories which offer lots of jobs but are not highly mechanized and therefore not very competitive.

When the developing countries get to the stage of full industrialization, they will have to make the choice; for the moment, their main problem is to get their agriculture productive and competitive so that it can generate wealth and develop around a food and agricultural industry.

It is only at the next stage that they will be tempted to import less, to set up their own local industries and will be confronted with the choice mentioned just now—unless they set up strong protection for their advanced domestic industries, which should lead them to set up genuinely industrial industries not linked to agriculture over the next 20 or 25 years, rather as India, for example, is doing. When they make this choice, the developing countries could well seek more collective protection, which should lead them to establish a kind of common market like the European one.

There is also a problem here. All this depends on there being an educational environment, a cultural one in which technological training is provided. And

this means investments, increasingly large ones, because it is increasingly expensive to train staff for advanced technology.

Creating a think-tank

In the current period of crisis, certainly the biggest problem is that the developed countries are progressing ever faster with their technology than the developing countries. We absolutely have to find a way of solving the problem, otherwise there will be discrepancies which will inevitably lead to crisis, conflict and enormous difficulty. I don't think the problem is being viewed clearly at the moment and we need to start considering it seriously right away.

Ten years ago I wrote a book, *Les choix de l'espoir*(1), containing a description of the problems we would have today with computers, biology and genetics. When I tried to sell the book to political leaders at the time, to the heads of the unions, the professions, the firms and so on, they all said "that's 10 years ahead."

"We've got plenty of time to think about that and things aren't necessarily going to develop that way". And so on. And no one did think much about it and the result is that we are now faced with the very problems I was talking about. I think this is one of the things the European Parliament or even the Joint Committee of the ACP-EEC Consultative Assembly could be looking into. I mean, there is a need to set up some sort of body to reflect on the situation, to look ahead to the problems.

Refusing to be "involved in a suicide of someone else's invention"

► *The idea of a European defence policy, long dormant, has crept back*

(1) Michel Poniatowski is the author of:
 — *L'Avenir des Pays sous-développés* (The future of the under-developed countries); Editions SEFI, 1954;
 — *Histoire de la Russie, de l'Amérique et de l'Alaska* (A history of Russia, America and Alaska); Horizons de France, 1957, reissued by Librairie Académique Perrin, 1978;
 — *Talleyrand aux Etats-Unis* (Talleyrand in the United States); Librairie Académique Perrin, 1967, reissued 1977;
 — *Les Choix de l'Espoir* (The choices of hope); Grasset 1970;
 — *Cartes sur Table* (Cards on the table); Fayard, 1972;
 — *Conduire le changement* (Managing changes); Fayard, 1975;
 — *Cadoudal, Moreau, Pichégry*; Librairie Académique Perrin, 1977;
 — *Henri IV*, a television film;
 — *L'Avenir n'est écrit nulle part* (The future is written nowhere); Editions Albin Michel, 1978; Livre de Poche paperback edition, 1979.



Michel Poniatowski presents his latest book to the President of Senegal, Léopold Sédar Senghor

into the news. What do you think about it?

— At the moment there is a weak superpower and a strong one. The weak one is the USA. The USA is still an economic, financial and military superpower but it is not a political superpower, it has abandoned its positions the world over and it is even being attacked in its zone of influence, in Central America, for example. So we have to support the weaker superpower if we are seeking to maintain a balance, for it is in the interest of the countries of the world for there to be a balance of power between the giants.

► *This is the old British idea of European balance.*

— Exactly. We have to support the USA, the weaker superpower. We also have to support it because we belong to its philosophical and moral camp. We are in the same camp as regards our philosophy of man.

That is how things stand at present. So if you ask me the question now, my answer is that we should lend the USA our support so it can re-establish balance.

But in the longer term and bearing in mind what I said just now, that is to say bearing in mind that the superpowers manage the world with a view to their own interests and their own balance of power and that they have not always organized the world properly in the past or the present, I think it is not in our

interests, if we are involved in an association in which there are absolute risks of nuclear war, to go as far as actually taking part in that war. The major risk in relations between the superpowers is that they avoid any direct nuclear confrontation and choose a third zone to battle it out.

And Europe makes an extremely useful third zone. The USA might want to destroy its industrial potential, in case the Russians get it, and the Russians might want to take over all or part of the industrial area that they are tempted to destroy in order to have most of it. So, if the USA and Russia want some sort of nuclear confrontation, they may well be tempted to go and fight it out in some third area, Europe or somewhere else.

I don't see why we should be part of any nuclear super-suicide on the part of the giants. If they want nuclear confrontation, that's their business, but we have to do our utmost to ensure we aren't part of it because in the end, the survivors are the winners. But I should like to remind you that, in this European defence issue, there is no immediate problem of military conception. I have always maintained that this is a problem that is seen in the right perspective and that, increasingly, the Europeans will, over the next five, seven, eight or 10 years, feel their solidarity in face of this external nuclear threat and refuse to be involved in a suicide of someone else's invention. ○

Interview by
 ALAIN LACROIX

The second Lomé Convention, the European Community and the North-South dialogue

by Klaus MEYER(*)

Lomé II as the centrepiece of Community development policy

A new chapter opened in the eventful history of Europe's relations with the Third World, which after centuries of conquest and colonialism is now on the way to equal partnership, when a new Convention was signed in Lomé, the capital of Togo, on 31 October 1979, between the European Community and its member states and 58 developing countries from Africa, the Caribbean and the Pacific(1). The new Convention (Lomé II) took over on 1 March 1980 when the present Convention (Lomé I)(2) expired. It will enter into force after ratification and after being debated in the European Parliament. It will run for five years.

The negotiations for the new Convention were relatively short, but difficult and marked by disagreement. In presenting its draft for the Community's negotiating brief in February 1978 the Commission had been guided by the idea of maintaining what was achieved in Lomé I but in a broadened and improved form. When the Council of the European Community adopted the negotiation directives in June 1978, its decision followed broadly the same lines. At the first ACP-EEC ministerial conference in July 1978, however, the ACP spokesmen drew a very different picture of future relations. By means of radical changes to Lomé I, the estab-

ishment of a new version of Europe's Marshall Plan, the creation of a large number of funds for the different development sectors, the extension of the export earnings stabilization system to every conceivable product and the establishment of an industrial fund, the future of the ACP states was to be secured in the face of the world economic crisis. There was concern that real interests should be protected and that the developing countries should have greater security, faced with an insecure world. But there was also a great deal of polemic and much that was of a more academic nature from diplomats and professors, far removed from the daily burden of responsibility for resolving development problems. After intensive and wide-ranging negotiations at ambassador level in Brussels—conducted on the Community side by the Commission—and four ministerial conferences, the divergent basic ideas were finally reconciled, numerous problems of detail—some false, some genuine—were resolved and the text of a new Convention was worked out.

The result of these negotiations was accepted, after quite a bit of hesitation on the part of the ACP states, and then—but only after a last, almost violent attempt a few hours before the signing ceremony to amend the article on the protection of investments—was signed by all the 58 ACP states.

The European Community was inevitably on the defensive from the outset and virtually throughout the negotiations, as it had only a few proposals of its own to put forward and even in those cases—for example on the improvement of the investment climate and the protection of investments in the ACP states—its attitude was very hesitant and half-hearted. For the European Community, therefore, the essence of the negotiations lay in deciding which of the ACP states' requests could be accepted in the light of the Community's own possibilities and limits and, if so, in what form and to what extent.

Although the wording of Lomé II is new in many respects, it continues the



Klaus Meyer

broad lines of Lomé I. Stability and continuity, without which any development policy can achieve at most but a temporary effect, were assured. To that extent it is legitimate to speak of consolidation. At the same time, however, the preceding Convention was improved and extended.

Like its predecessor, the new Convention is the centrepiece of the Community's development policy. This policy, embracing black Africa and a number of Caribbean and Pacific countries (ACP), is supplemented by cooperation agreements with the Arab states, food aid operations spanning the whole world, financial and technical cooperation with Asia and Latin America and a global system of tariff preferences. This provides the European Community with a widely spread system of relations with the Third World, which consists on the one hand a special contractual relationship with a group centred on black Africa, and on the other hand takes account of the usefulness to Europe of a presence in all developing countries throughout the world.

The content of the new Convention

Trade cooperation

Duty-free importation of practically all ACP products into the Community has been maintained and partial improve-

(*) Dr Klaus Meyer is director-general for development in the Commission of the European Communities, Brussels, and negotiated on behalf of the Community.

(1) See summary of the Convention in: EA 21/1979, page D578.

(2) See Hans-Broder Krohn: *The Lomé Convention between the European Community and the ACP States. A new phase in Community development policy*, in: EA 6/1975, page 177, and the summary of the Convention on page D164 of the same issue.

ments have been made to the concessions in the agricultural sector. In future 99.3% of exports from the ACP states will be free of customs duties, charges having equivalent effect and quantitative restrictions. The rules for applying the safeguard clause have been further tightened up, so that it can now be invoked only in wholly exceptional cases. The Community does not ask the ACP states for reciprocal preferences, but only for most-favoured-nation treatment in relation to other industrial countries. The decisive factor here is that the infant industries in the ACP states cannot be exposed for the time being to the full blast of European competition.

This "open frontier" policy vis-à-vis the ACP states is an essential element in the liberal trade policy maintained by the Community despite the crisis and economic difficulties. Those who not only wish to export but have to—and this applies to the European Community—must also import, in order to enable their partners to earn the necessary foreign exchange to pay for a rising level of purchases. The developing countries already account for around 20% of the Community's trade. Whether in a long- or short-term view, they represent important markets and it is in their mutual interest to take care of them.

Financial and technical cooperation

Community aid under the new agreement amounts to 5 600 million EUA (almost US \$ 7 500 million), an increase of 62% compared with the first Lomé Convention. This amount embraces all types of financing—grants, special loans of 40 years duration, with a ten-year grace period and an interest rate of 0.45-1%, loans at reduced rates of interest and loans on market terms. Hence there are appropriate types of financing for every purpose and for each sector.

The proportion of this aid which is drawn from public funds, comprising the fifth European Development Fund (EDF), was increased by 48%. This increase is sufficient to maintain the real value of the preceding development fund under Lomé I (fourth EDF). Resources made available from the European Investment Bank, on the other hand, were raised by a much higher proportion, namely 126%.

As the ACP states are among the least developed countries, where bank resources can be deployed only with difficulty, if at all, the reverse would in theory have been a more logical procedure. The possibility foundered, how-

ever, on the limitations of the Community budget and national budgets, particularly those of the United Kingdom and France.

This amount of 5 600 million EUA (US \$ 7 500 million) represents a considerable and honest effort on the part of the member states. Looked at in another way, however, it means that the Community and its member states are now spending altogether no more than 0.45% of their gross national product on development, which does not match up to needs and is well below the 0.7% target set a number of years ago.

The Commission will also continue under Lomé II its policy of multiplying these resources by means of "co-financing", i.e. joint financing with other donors, particularly the Arab funds, or with private banks. The Commission's proposal to draw on the resources of the Community budget was not accepted by the member states, with the result that the cost of the aid had to be allocated among the member states in accordance with a special key.

Germany's share under the new agreement rises from 25.6% to 28.3%, which makes it higher than the shares of France (25.6%) and the United Kingdom (18%). If the aid had been financed under the Community budget, however, Germany's share would have been around 31%.

It is in the field of financial and technical cooperation more than any other that the basic principle underlying the Lomé Convention—the idea of partnership—will have to prove its worth in the future. This concept was strengthened in the new agreement. It is clearly laid down that responsibility is to be shared at the various levels of cooperation, from the programming of aid at the beginning of the period covered by the new agreement, through the identification and preparation of projects to their final execution.

The sectors and priorities for which the aid is to be earmarked are decided by the individual ACP governments. This does not mean, of course, that the Commission may not express its views on the best use of the aid, notably at the programming stage at the beginning of the period covered by the agreement. On individual projects within the framework of the sectors and priorities, however, an explicit decision of the Commission is required, which is given after examination on a case-by-case basis by a committee composed of representatives of the member states. Community aid, therefore, is neither paternalistic—since the Community alone does not decide what is good for the states concerned—nor does it give

the partners a free hand in following unspecified wishes. It is rather a means of helping states to help themselves, with the aim of ensuring that resources are used effectively and efficiently.

Financial aid is no more linked to economic or political conditions than are any of the other instruments. In this respect Community aid follows a different path from that of the World Bank or the International Monetary Fund, which in many cases—as they must, given their nature as banks and their role as custodians of the world monetary order—impose strict and frequently detailed economic policy requirements on developing countries. The Community regards the ACP states more as equal partners who are responsible for their own economic destiny and must know best how they wish to shape their future. No development programme can take this responsibility away from them.

Human rights

For the Community there is only one limit: the violation of basic human rights. It is true that this question, which was raised by the Community at the very beginning of the negotiations, is not mentioned in the text of the Convention. Certainly its inclusion would have been welcome in the interests of the advancement of international law and the extension of human rights clauses to agreements and conventions of an economic nature. However, the negotiations set off an intense debate among the ACP states and served notice that this question is no longer taboo.

From now on it can be discussed among Africans and with Africans, as the resolutions of the OAU in July 1979 and the Lusaka Commonwealth Conference in August 1979 show. The statement of the ACP spokesman, the deputy Prime Minister of Barbados, Bernard St John, at the signing of Lomé II, also contained a clear declaration of faith in human rights.

For its part, the European Community has made it clear that under the new Convention it will not stand idly by in the event of violations of human rights in an ACP state. One possibility, which would not infringe the contractual obligations entered into by the Community under the Convention, would be to review aid with a view to ensuring that it is used exclusively and directly to benefit the needy population.

Stabilization of export earnings

For most ACP states the export of tropical agricultural products is vital. A

decline in earnings from products as a result of poor harvests or unfavourable market trends can be a paralysing blow and reduces the capacity of the countries concerned to buy manufactures from Europe. A system for stabilizing export earnings (Stabex) was set up under the present Lomé Convention; it involves compensation for a drop in the earnings from certain products—to which the country concerned is automatically entitled—with no strings attached to the use of the compensation payments by the recipient country, and the principle of repayment in the event of improved sales. This system is essentially maintained under the new Convention. New products, e.g. rubber, have been included in the list, which now embraces 44 agricultural products.

This will provide, for the duration of the new Convention, a minimum level of security for the countries in the Third World whose livelihood is very insecure. The Stabex system operates as a kind of social security system in preventing sharp falls in national income.

The funds available under the Stabex system have been increased from 375 million EUA (US \$ 500 million) to 550 million EUA (US \$ 735 million).

Mineral products, mining and energy projects

Since the request made by the ACP States during the negotiations for the extension of the Stabex system, as it stood, to include mining products was unacceptable to the Community, a new system was devised that was adapted to the special circumstances surrounding mineral raw materials. This system takes account of the heavy dependence of certain ACP states on exports of mineral raw materials and also of the supply interests of the Community. In contrast to Stabex, there is no question of automatic application here. Assistance is decided on a case-by-case basis and has the objective of maintaining a profitable mining capacity in the ACP state in question when the continued existence of such capacity is jeopardized as a result of natural disasters, grave political events or a fall in export earnings.

Aid is project-related and the new fund established for this purpose has had 280 million EUA (US \$ 375 million) allocated to it. In addition, there are special agreements providing for the development of the mining and energy potential of the ACP states, for which 200 million EUA (US \$ 270 million) is available—in addition to general EDF resources—in commercial publicly-guaranteed credits from the European Investment Bank.

In the case of mining and energy projects that are of special importance to all the partners, there is the possibility of agreements on specific projects between the Community and an individual ACP state. Although this possibility is provided for in the text of Lomé II, further preliminary work in the Community is required if an operationally effective instrument is to be created. It will then be possible to improve the investment climate for such investment operations, which by their very nature are long-term undertakings.

This new chapter in the Convention is intended to enable specific Community action to be developed to halt the dangerous decline in mining investment, particularly in Africa.

It is no secret that the development of domestic energy sources in the developing countries—hydroelectric power stations, solar energy, wind energy, gas projects, coal and oil—is a matter of extreme urgency. The Third World's deficit on energy imports is approaching the \$ 60 000 million mark, and the discovery, development, opening-up and exploitation of new energy sources in the countries of the Third World are in the interests of both the developing and the industrialized countries, since the total usable quantities of energy available to the world are thereby increased.

It can therefore be anticipated that the promotion of such projects will be of special importance during the life of the Convention.

Private investment and investment protection

Private investment is one of the factors for stimulating development—at least as far as the newly industrializing countries are concerned. Such investment not only promotes industrialization but can also help considerably towards the emergence of technology and knowhow in the countries of the Third World. The frequent references to “the transfer of technology” often miss the point that technology cannot be transported like merchandise from one place for use in another. It is more true to say that technology arises from the social development of the country itself and must be generated and supported by that process.

The new Convention clearly reflects the importance of private investment for the industrialization of the ACP states and the intention to promote such investment by means of suitable measures. This provides a general point of reference for the improvement of the investment climate, although its practical significance may differ considerably from case to case.

The specific question of investment protection agreements was one of the most protracted and difficult points in the negotiations. First of all, it was only with great difficulty—because of internal competition considerations—that the Nine had been able to agree on a cautious compromise formula, and this was challenged by the ACP states.



Klaus Meyer during a visit to an EDF project in Rwanda, with President Habyarimana and the Commission's delegate Dr Dunkelshühler (right)

While the Community countries feared competition from their neighbours, the problem on the ACP side was the memory and experience of dishonest economic practices, which they had had enough of, and also the concern to maintain their sovereignty intact.

In the end, the solution adopted—particularly at the urging of the smaller Community member states, which have fewer real possibilities for concluding such agreements—was the incorporation of a “most-favoured-nation” clause in the new Convention: this states that when there is a bilateral investment agreement between a Community member state and an ACP state, investments from all the other member states of the Community must enjoy similar treatment. In each case, however, this right must be given practical effect by means of an appropriate instrument (e.g. an exchange of letters)(1).

Industrialization

The Convention contains an ambitious catalogue of intentions as regards industrialization but, since the African ACP states in particular are among the world's least developed countries, this represents more of a long-term target programme.

All the financial promotion instruments of the Convention can, of course, be employed for industrialization purposes, such as training, management, promotion of small and medium-sized firms, domestic processing of raw materials, technology and research, infrastructure for industrial firms and sales promotion.

Agricultural cooperation

The new Convention contains a separate chapter on agricultural cooperation, reflecting the fact that up to now a third of the financial resources have been used for agriculture in the ACP states. The new chapter underlines the unique significance of agricultural development as a matter of survival in the Third World.

At the present time, it is only the grain surpluses of the industrialized countries that help to bridge the gigantic supply gap in the Third World; 80% of world grain exports come from North America, which thus has a key position for grain similar to that of Saudi Arabia for oil.

The uncontrolled development of the major cities in the Third World—according to World Bank estimates four out of five Latin Americans and one out of

three Africans will be living in these vast cities in the year 2000—makes the rapid and sustained development of agriculture in the Third World a matter of life and death.

It is not only the supply of foodstuffs and new export possibilities that are dependent on agricultural development. This development is also one of the main prerequisites for industrialization—as indeed was recognised by the German economist Friedrich List in the nineteenth century.

Developing countries need both expanding agriculture and a labour-intensive process of industrialization based on appropriate technology to stimulate growth via a two-way interchange.

Institutions

The idea of partnership on an equal basis and of the clear rejection of any apartheid in the Lomé policy is most clearly visible in the joint institutions: the Committee of Ambassadors in Brussels, the joint Council of Ministers—which can take any decisions that may still be necessary for the implementation of the Convention—and the Consultative Assembly of European and ACP members of parliament.

The political forces of Europe and the ACP states will have regular meetings within this Consultative Assembly, and this is particularly important following the direct election of the European Parliament.

Model for a new world order

With the independence of the European colonies in the '50s and '60s the countries of the Third World began to appear on the world political and economic stage as independent actors with their own policies and own conflicts; together with the emergence of China from isolation and the development of the Soviet Union into a world superpower, this will prove in future to be one of the most decisive events of our time. We are thus in transit from the closed system of the post-war period to a new world system of mutually dependent states, with all the instabilities and uncertainties that characterize such transitional periods.

It is in the Third World, which is becoming of ever-increasing importance for the economic and political fate

of Europe, that 77% of the world population lives. Despite this, the Third World accounts for only 21% of world GNP. Over the last 25 years, the population of the Third World has doubled, and in the year 2000 the population of the Earth will total some 8 000 million people. The developing countries will account for 90% of world population growth.

The efforts undertaken in the Third World as regards food production, the absorption of the increasing population masses in their rapidly growing cities and the creation of new jobs (500 million) will have to be very considerable if catastrophe is to be avoided.

The world is currently having a preview in Indo-China of how inhuman the foreseeable solution of such problems can appear.

The cheerful assumption that only one “correct” development strategy is required to solve every problem is more and more regarded with scepticism. From being in a danger of confusing ends and means, an awareness is once

(1) Article 64(1) of the Convention—in which the “most-favoured-nation” principle for investments was originally laid down, as reflected in the summary of the text that appears on page D584 of EA 21/1979—was amended at the last minute at the urging of the ACP countries and was given the following wording: “The Contracting Parties agree that the treatment of investment coming from Member States to the ACP States shall be governed by the provisions of the joint declaration contained in Annex IX of the Final Act.” The version that was finally approved of the joint declaration referred to in Article 64 reads as follows:

1. Where an ACP State has entered, or enters, into an intergovernmental agreement relating to the treatment of investments with any Member States, the ACP State concerned recognizes that the right of non-discriminatory treatment of investments coming from Member States of the Community in ACP States takes effect from the entry into force of the Convention.

2. (a) The application of this right shall be based on bilateral inter-governmental investment agreements which shall serve as reference agreements.

(b) As regards such bilateral inter-governmental investment agreements concluded before the entry into force of this Convention, the application of non-discriminatory treatment shall take into account any provisions in the reference agreement. The ACP State shall have the right to modify or adapt this treatment when international obligations and/or changed de facto circumstances so necessitate.

3. For the purpose of applying non-discriminatory treatment on the basis of paragraph 2(a) the Contracting States shall proceed to bilateral inter-governmental Exchanges of Letters or other appropriate form required by law of a Contracting State.

4. Any Contracting State has the right to ask for such an agreement. The agreement when concluded shall come into effect without delay in accordance with the law of the ACP State concerned.

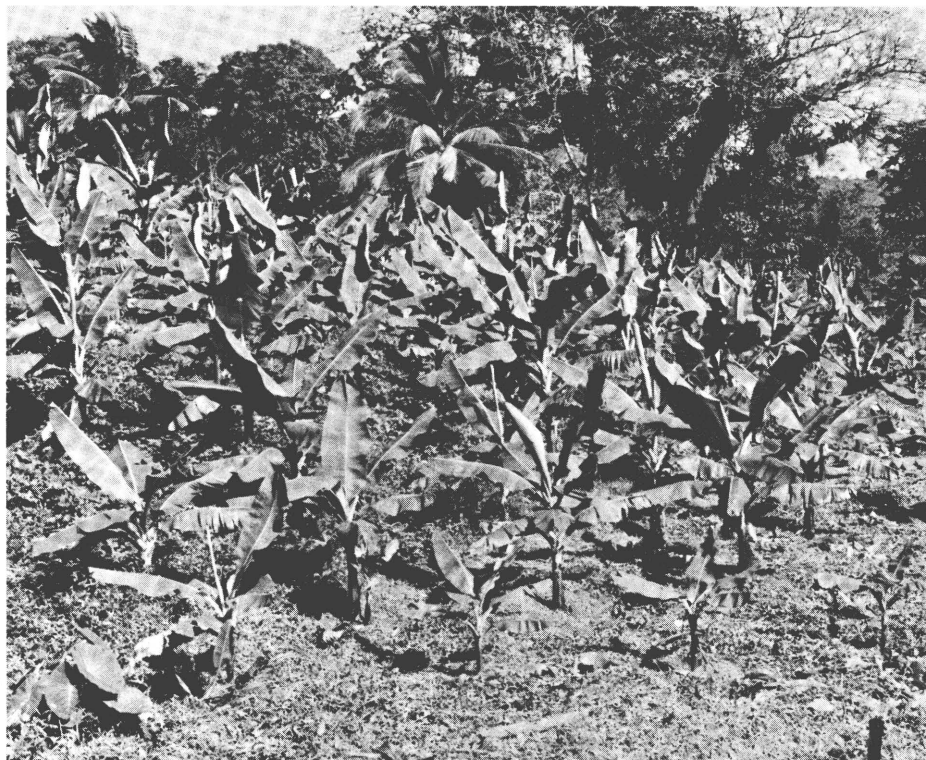
5. Such agreements shall cover disputes relating to investment arising only after the entry into force of the new Convention.

6. The treatment of investment made before the entry into force of this Convention shall be examined by the two parties in the light of the provisions of the agreement of reference.



API — Kingston

Jamaica's bauxite is covered by Sysmin and its bananas by Stabex



API — Kingston

again setting in of the dramatic realities which have to be changed by the development process. The speech given by World Bank president Robert S. McNamara in Belgrade in October bears eloquent witness to this doubt whether there can be an overall master plan based on growth rates. The problems faced in the Third World are clear and no one has yet found a satisfactory answer to them.

The fact that the bilateral or multila-

teral donor organizations provide highly developed and often technically perfect machinery with a high degree of efficiency should not make us lose sight of the problem that there is not even a minimum of legal security and continuity in the North-South relationship. Financial aid, customs preferences, food aid are provided as a unilaterally autonomous act—where they are provided at all. (The state-trading countries do not do anything and the United States is unin-

terested.) The developing countries are completely dependent on goodwill and understanding—and also on political chance—in the donor countries. The major North-South conferences make little contribution towards a genuine and practical solution of the problems.

On the contrary, they and their resolutions often direct political and spiritual energies into a dead-end. Basically, the relations between the North and the South still represent a very archaic, even medieval state of affairs, in which the barons distribute gifts and there are occasional crusades to major meetings producing a great flow of words but no tangible results.

However important new substantive development strategies may be, this "organizational" side is also of decisive importance. North-South relations must enter a phase where real discussions become possible and where, at the end of such negotiations, there are binding agreements with a practical content.

Only then will we get to modern times in the North-South dialogue. The Law of the Sea Conference that has been going on for years in the United Nations shows that the Third World does indeed have the will and capacity to develop relations based on international treaties, even when powerful interests are at stake.

The new Lomé Convention is, like its predecessor, the only model that provides an example for a new North-South approach. For the first time, it puts relations between rich and poor on a legal basis, setting out rights and obligations and providing benefits that can be claimed as of right. Everything the Lomé Conventions offers:

- survival aid via Stabex and emergency and disaster aid, which reaches its destination in a matter of days;
 - contributions to increasing and stimulating all types of productive forces via technical and financial cooperation;
 - free access to the European Community market, one of the largest in the world,
- all this is guaranteed to the ACP states.

Over the coming decades, the world is faced with the task of putting the global interdependence of states on a more stable basis so as to achieve a world order which can be accepted by the countries of the Third World as one that is at least tolerable and will take them out of the deep uncertainty in which they now live. It can be said without exaggeration that the Lomé Convention is a contribution to and an initial model for the solution of this momentous task. ○ K.M.

ARUSHA

Consultative Assembly Joint Committee discusses Mrs Focke's report on Lomé I

The Joint Committee of the ACP-EEC Consultative Assembly met in Arusha (Tanzania) on 25-28 February under the joint chairmanship of Gérard Kango Ouedraogo, president of Upper Volta's national assembly, and Giovanni Bersani (EPP, Italy), vice-chairman of the European Parliament's development cooperation committee.

Most of the meeting was devoted to an exchange of views on Lomé I, shortly before its expiry, with a view to the new Convention. The discussion was based on the report by Katharina Focke (socialist, Germany) and on the introductory paper she read.

The meeting, which took place four months after Lomé II was signed, was an opportunity for serious work. The Tanzanian authorities were represented by Mr E.H. Jamal, the finance minister, and President Nyerere received EEC development commissioner Claude Cheysson and ACP-EEC Council chairman Zamberletti, besides seeing a delegation from the European Parliament socialist group, led by Mr Glinne. The meeting was attended by 53 European MPs and representatives from 31 ACP states.

St Vincent and Grenadines became the 59th country in the first Lomé Convention on 27 February 1980 and delegates warmly welcomed this announcement.

The inauguration ceremony

Speeches were made by:

— Mr E.H. Jamal, Tanzanian finance minister;

— Gérard Kango Ouedraogo, chairman of the Joint Committee and president of Upper Volta's national assembly;

— Giovanni Bersani, chairman of the Joint Committee.

The first two speakers stressed the importance of the success of the two

Lomé conventions in an international environment where the dialogue between industrialized and developing countries had met with failure, the worrying nature of which had been discussed by the Brandt commission. They felt that the results of Lomé I had sometimes been disappointing, particularly as far as trade was concerned, the specific sectors of sugar, rum and bananas calling for particular attention. Mr Ouedraogo emphasized this point and, like Mr Bersani, insisted on the need for the member states of the Community to ratify the second Convention rapidly.

The speakers both deplored the fact that, because of Lomé II negotiations and the burden of work on both ACP and EEC secretariats, the ACP-EEC Council of Ministers had failed to meet its obligations to submit an annual report to the Consultative Assembly for the past two years. They asked the Council to attend to this matter as soon as possible, so that the annual meeting of the Consultative Assembly, scheduled for June this year, could be held under normal conditions.

Exchange of views on Lomé I on the eve of expiry

When she presented her introductory paper on this subject, Mrs Focke, the general rapporteur, echoed other speakers by placing greater emphasis on what she felt to be the drawbacks and disappointments of Lomé I than on the positive results.

She first situated the problem within the framework of developing/developed country relations in a world where the energy crisis has created problems for every country (value of imported energy products in the developing countries in 1979 = \$ 40 000 million; value of official development aid = \$ 20 000 million). She then commented on the main headings of Lomé II.

In trade, Mrs Focke said, the opening of the Community market had not been

enough to encourage the proper development of the ACP export trade. She insisted that efficient trade promotion measures, other than attendance at international trade fairs, should be introduced, as this was something that was "absolutely vital" if purely tariff provisions were to be effective. She said that the Community concessions on beef and veal and tomatoes were not as good as the ACP group would have liked and there were still problems with rum, bananas and sugar, the future of the last product being a model for ACP-EEC economic relations.

She felt that the safeguard clause in the new Convention was an improvement, but that the consultations associated with it should lead to structural changes in the Community. Lastly, she said, trade promotion should be developed right from the production stage and it should include intra-ACP trade, particularly regional transactions.

Mrs Focke was very positive about Stabex, although she thought that it was not really clear what effect the system had on the economies of the recipient countries and therefore asked the ACP-EEC Council of Ministers to evaluate this. She also wondered why, in Lomé II, the Stabex system could not include more products and be extended to include intra-ACP trade.

The results of industrial cooperation, she felt, were not as good as anticipated. Coordination between the Commission, the EIB and the CID has been inadequate and greater attention needed to be given to small and medium-sized businesses.

She thought the provisions on minerals were a compromise and wondered whether they would yield the results the negotiators expected.

As to financial and technical cooperation, Mrs Focke emphasized that it was time to define management methods between the partners that would speed up and make more efficient the implementation of the financing programmes. She also stressed the usefulness of co-financed projects and renewable energy projects.

She commented briefly on other aspects of the Convention and, in particular:

— emphasized the importance of regional cooperation, a field where a genuine and a greater effort was called for under Lomé II;

— noted that the 4th EDF had concentrated on agricultural and rural development (36% of all commitments) and



The official stand during the meeting of the Joint Committee. From right to left, Mr E.H. Jamal, Tanzania's finance minister, Mr G. Bersani, Italian co-chairman of the committee, and Mr G. Kango Ouedraogo from Upper Volta, also co-chairman of the committee and president of his country's national assembly.

asked for greater attention to be paid to ensuring reliable food supplies in the ACP countries;

— considered that the creation of a technical centre for agricultural and rural cooperation was particularly promising, as was the possibility of providing ACP countries with teams of consultants to perform certain tasks in this sector.

At the start of the general debate on Lomé I and Lomé II, there were speeches by Mr Zamberletti, Professor Malima (Tanzania's state minister for planning and economic affairs and president in office of the ACP Council of Ministers) and Mr Cheysson.

Mr Zamberletti reported on the main activities of the ACP-EEC Council of Ministers over the past year and stressed that it would be a good idea to hold a thorough discussion of those aspects of the Convention which had not yielded satisfactory results, such as trade and industrial cooperation. He invited members of the Joint Committee to do their duty and suggest to the Council of Ministers what means it might adopt to improve the running of the second Convention.

Professor Malima also invited the Joint Committee to draw on their experience of Lomé I to suggest implementation procedures for the new

Convention, with a view to avoiding delays which might interfere with the drive for development. He noted here that it was the duty of all MPs everywhere to ensure that their countries ratified the Convention quickly. He stressed agricultural and food production, observing that this sector could not be separated from industrial cooperation, as one provided support for the other.

Mr Cheysson said he thought that Mrs Focke had only omitted two things from her report. She had not referred to the important part that NGOs could play in ACP-EEC relations, especially at the more personal, village level; and she had not put enough emphasis on the financial contribution which co-financing could make to ACP development (47 co-financed schemes, worth 3200 m EUA in Africa so far).

Mr Cheysson dealt with ACP-EEC trade, noting that a considerable effort had to be made to ensure that the ACP group benefited from the free access to the Community market and observing that the value of ACP exports to the EEC had risen from 8500 m EUA in 1975 to about 14 000 m EUA in 1979, and that the ACP group had a positive trade balance (of 1 800 m EUA) in the first half of 1979. If ACP-EEC trade was to be improved, a major effort was called for with trade promotion and (via

industrial cooperation and investments) with production, as only 3.6% of ACP exports to the EEC were manufactures.

Mr Cheysson said how "astonished" he was that some ACP and EEC states were reticent on investments, which were an essential means of increasing production. Furthermore, in order to promote ACP production, the free access to the Community market had to be protected and industrial restructuring, which should be engineered in the Community to reflect the growth of imports from the ACP group, should be investigated with the economic operators.

Mr Cheysson also stressed the importance of investing in energy, particularly renewable energy, the long-term aim being to ensure that any new project in the ACP countries was self-sufficient in this respect.

The commissioner said how important reliable food supplies were and observed that the EEC Council was not anxious to authorize the Commission to make any multiannual commitments on food aid, in spite of the fact that the ACP countries needed to know about these deliveries so they could include them in their long-term planning.

He appealed to the Joint Committee to get the European Parliament to exert pressure on the Council with a view to altering its policy on this matter.

He said that more attention should be paid to regional cooperation, which could be backed up by the creation of an ACP data bank. He referred to Mrs Focke's criticism about the slowness of the 4th EDF payments, recognizing that they ought to be speeded up and saying that 43% of commitments would have been paid over by 29 February 1980.

Mr Cheysson mentioned the unity which Lomé had forged among the ACP countries and the strength of the ties that bound the group to the EEC and ended by suggesting that the Convention was ahead of its time in North-South relations.

But its example had not been followed and it would be in danger unless progress was made with these North-South relations.

Other members of the Joint Committee reacted favourably to the Focke report in general. They too were a little disappointed with the outcome of Lomé I, particularly as far as trade, industrial cooperation, regional cooperation and financial and technical cooperation were concerned (the ACP representatives were especially worried about the slowness of payments).

Declaration on southern Africa

The Joint Committee also adopted a declaration on southern Africa, which, in addition to the usual condemnation of the South African regime (and of all states and firms which, by their activities, lent it support), couched in practically the same terms as at the Consultative Assembly of October 1979, expressed the wish that the elections in Zimbabwe would be free, just and fair and constitute the basis for a democratic government.

Michel report on respect for and protection of the rights of migrant workers and students

This report was adopted without difficulty. However, an amendment to article 4 specified that the draft resolution, in spite of the reciprocity mentioned in the wording, was primarily aimed at practical measures to help ACP migrant workers.

The amendment removed the danger of a barrier to social progress for ACP migrants being raised on the grounds that the ACP states provided no such reciprocal arrangements.

The Committee also asked the ACP-EEC Council of Ministers for an annual report on implementation.

Jaquet report on the new institutional provisions of the Convention and possible amendments to the rules of procedure of the ACP-EEC Consultative Assembly

This contained two motions for resolutions. The first, which the Joint Committee adopted as it stood, noted the progress with institutional provisions as compared to Lomé I and regretted that the possibility for all members of the Consultative Assembly to pose written or oral questions to the ACP-EEC Council had not been explicitly included in the new Convention.

The second proposed that a Joint Committee bureau be set up to ensure better contact with the other organs of the Convention and that three other joint working parties be set up in the Joint Committee to ensure that this committee was involved in the implementation of Lomé.

Cooperation in the fisheries sector

The resolution stressed that the ACP countries should keep full control over

their resources, which should be exploited in a properly balanced manner that took account of the need to preserve stocks.

Sugar

The desire to maintain the traditional position of ACP sugar on the EEC market was confirmed, as were the "irrevocable" commitments which the Community had made. The Committee felt that the EEC Commission's proposals on the revision of quotas for European sugar producers in 1980-85 were a significant step towards the reduction of sugar beet surpluses in the EEC and fully compatible with the EEC's commitments on access to Community markets for ACP sugar.

The resolution said that the quantity of sugar which the ACP countries supplied had not increased over the last 15 years.

The EEC was invited to apply the provisions on "force majeure", so as to maintain the global volume of ACP sugar exports. Lastly, the EEC was invited to investigate ways of encouraging the sugarbeet producers to switch to something else.

Hearing of representatives of economic and social circles

The Committee took the following decisions. The next hearing would be in Geneva on 30-31 May 1980 (the eve of the annual session of the ILO).

It would be run by a delegation comprising the two co-chairmen of the Joint Committee, 12 representatives of the ACP group and 12 from the EEC.

The theme would be the role of small and medium-sized firms in the development strategy — industrial development, rural development, in connexion with the problems of technology (transfers and, most important, adaptation) and with the problems of specific training.

The first half-day would be devoted to an introductory paper on this subject, around the theme of industrial and trade development under Lomé II. The Committee said it hoped that Mr Cheysson would give this paper.

Agenda for the next meeting of the Joint Committee and the Consultative Assembly

(Luxembourg, 2-6 June)

The agenda for the next meeting of the Consultative Assembly would contain the motions for resolutions produced by the Joint Committee:

- on the annual report of the ACP-EEC Council of Ministers (Focke report);
- on migrant workers (Michel report);
- on the institutional provisions and the rules of procedure of the Consultative Assembly (Jaquet report);
- on fisheries.

The meeting would be preceded by a Joint Committee session which would look at the revised Focke report and three "strategic" topics, for which three mixed working parties would be set up:

- energy (particularly renewable and alternative energy);
 - financial and monetary problems;
 - problems of the least-developed, island and landlocked countries.
- A.L.



A group of Masai dancers welcome participants at the Arusha ACP-EEC conference

Women: the fight for equal opportunities

"The present situation of women in the world is the result of a series of different types of discrimination which go back a long way. Women represent 50% of the world's population and one third of the official labour force; however, they are responsible in fact for about two thirds of the total hours worked, only receive one tenth of world income and own less than 1% of the world's property".

This conclusion of an ILO report, "Women at work", summarizes best the cumulative consequences of the different forms of discrimination women suffer from and which have been tackled both on the national and international levels since 1975.

We are now halfway through the UN decade for women which started with the Mexico City conference organized around the theme: "equality, development and peace".

A world plan of action was launched in order to reach, at the end of that decade, a world order where the status of women would be fully equal to that of men.

The Copenhagen conference

From 14 to 30 July this year a new women's conference will be held in Copenhagen, the Danish capital, in order to assess what has been achieved during those five years of the decade and to prepare a programme of action for the second part.

The Copenhagen conference will be selective in the number of items it will focus on in order to come up with an action-oriented programme. Three basic areas of a woman's life will be examined: employment, health, education. Particular attention will be given to the role of women in the southern African liberation struggle.

In March Lucille Mair, secretary-general of the Copenhagen conference, former Jamaican ambassador to Cuba and deputy permanent representative of her country at the UN, paid a visit to the

EEC and to the ACP ambassadors. She exchanged ideas on the advancement of women in general and on the ways and means of improving the situation of women in the developing countries. The *Courier* took the opportunity of her visit to talk to her about the Copenhagen conference and women's issues in general.

"We are working too much in the dark"

An assessment of the first five years of the decade is not easy because the period has been too short and perhaps most of all, as Mrs Mair stressed "because of the inadequacy of the national data-systems on women's issues, particularly in developing countries."

"One of the major shortcomings of the decade is that we don't know enough yet about the situation of women. We really need more complete data-systems to avoid working in the dark which we have to do too often now. We are not able to plan properly for further evolution", Mrs Mair added.



Lucille Mair (Jamaica), secretary-general of the World Conference of the United Nations Decade for Women which will be held in July in Copenhagen (Denmark)

In order to overcome this lack of data at the Copenhagen conference, which has already been thoroughly prepared in five regional conferences (for Africa the meeting took place last December in Lusaka), a detailed questionnaire on the three basic-items—employment, health, education was sent out to the governments.

A record response of 94 countries (by early March) allowed the organisers to draw up what Mrs Mair calls "a bird's eye view of what positive developments there seem to be, but a very clear view of the negative areas of women's status".

Excessive work loads put a burden on health

Women play several roles in their daily lives, and more than men. This makes a review of their health so complex: to a certain extent, the fact that an increasing number of them join the work force is a positive aspect; however, they cannot give up their traditional activities, so their increased work load has negative implications for their health.

"Generally the picture is rather mixed but tends to be negative. Because of the advances and development of modern health care, life expectancy has increased throughout the world and in fact women live longer than men. Behind this nice facade we had to probe some more: we found that, particularly in the rural communities in developing countries where proper health facilities are generally lacking, the question of malnutrition and the maternity conditions are critical.

"We also identify an increasing state of constant physical low-grade illness and of poor health condition in general because of an increased work load. Another aspect of the health sector is the fact that women are not really involved in the upper levels—decision making—of the services providing health care". In Mrs Mair's view the health status of women is generally inferior to that of men.

Despite longer life expectancy and lower mortality rates for both infants and mothers, this overall picture covers growing disparities between the state of health and the qualities and spreading of the health services, and certainly between the situation of women from developing countries as against that of women from industrialized countries.

“The number of illiterate women is mounting”

In the field of education the overall condition of women also shows a mixed picture: “more girls are going to school and reach the upper levels; however, their dropout rate is alarmingly high and they are generally limited to the traditional sector and fail to enter, particularly, vocational and technological training”, Mrs Mair explained.

“Unfortunately illiteracy has not really been taken in hand: the number of illiterate women is mounting relatively, compared to that of men”, she added. There is evidence enough to show that only the women of the socio-economic middle and upper class have achieved any real progress as far as access to education is concerned.

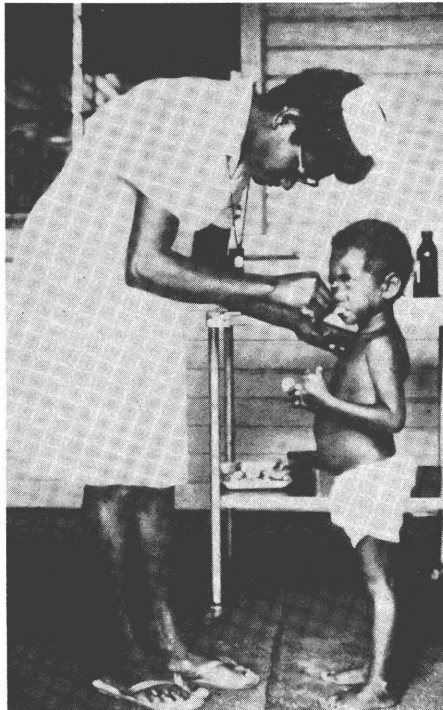
The lack of participation in more modern, job-oriented forms of education definitely has a negative effect on the kind of jobs women can assume once they join the formal labour force.

Women are working, but...

Things like equal pay for the same job—and consequently equal pension rights—may seem fair enough at first sight, yet they are not so easily accepted nor introduced. Considerable numbers of women have added to their



This mother in Ghana gives an example of the multiple roles women have to play in their daily lives: mother, housewife, farmer, etc.



Most women are limited to doing a “woman’s job”. Above, a nurse in Papua New Guinea and a factory worker in Kumasi (Ghana)



traditional housewife-mother role a job outside their family structure. Statistically this may seem encouraging but a breakdown of the increased figures gives less reason for satisfaction to women, both in developing and developed countries. Generally women remain segregated in jobs identified as “for women”, usually situated at the unskilled or low technological level.

Their poor technological training means that if, for instance, they take up a job in the agricultural sector of a developing country, they haven’t the skills to make their job less burdensome.

Another side of this “technology coin” is that, particularly in industrialized countries, it is “excessive technology which is creating problems for women who wish very much to work but find that they are being displaced by machines,” Mrs Mair pointed out.

Women are therefore the category of society which is most vulnerable to being hit by unemployment. The unemployment rates of industrialized countries are increasing far more rapidly for women than for men.

However difficult it may be to measure the satisfaction of one’s daily life it is a fact that in Eastern European countries women make up a larger part of the labour force (up to 40-50%) and have access to a wider range of jobs, which can also be of a higher level, such as managerial and engineering responsibilities. However, even there feminist action groups have recently

accused society of being too male-oriented.

A higher degree of priority

This is overall a rather negative picture of women’s opportunities in our present society, but to a certain degree it is counterbalanced by the evidence of a growing interest in, and increasing action on, their legitimate struggle for equality.

“Legislation has definitely moved in the right direction and only few countries have maintained mechanisms which really inflict harsh discriminatory measures on women”, Mrs Mair stressed. The remaining situations of inequity are constantly taken “under fire” by women’s organizations and most governments have installed structures and mechanisms to deal with that kind of problem. “It is perhaps not yet a top priority but the level of priority given to our problems is certainly rising”.

For Lucille Mair, one of the most positive trends is the creation of a whole network of communications and exchange of information on women. This has grown rapidly over the past few years throughout the world and “gives momentum to our progress and forwards a more sound planning of our issues”.

Within this growing swell of involvement, Mrs Mair is aware of the threat of a gap between the women who fight against discrimination and the large mass of women they are fighting for,



Mrs Mair speaking to the ACP ambassadors on discrimination against women. Right, Raymond Chasle (Mauritius) current chairman of the ACP Committee of Ambassadors and left, Tiéoulé Konaté, the ACP secretary-general

and therefore she stresses the importance of grassroots organizations of women, where the real problems they are facing can be tackled.

She also emphasises that the Copenhagen conference is not meant to be some sort of jamboree or talking shop but that women now "try to be professional in the way they examine their problems, without relying on myths and emotion".

The struggle of women in Southern Africa

Lucille Mair takes a particular interest in the role women have played historically, and still play in the liberation struggle in southern Africa. She represented her country at the 1977 world conference on apartheid, held in Lagos. "Their role is so considerable that I really hope we will be able to highlight this in Copenhagen. One recent analysis has stunned us by showing the important role women take up in the resistance movement against racial discrimination there. We don't really need to appeal to these women to join that resistance as they are up to their eyes in it already. What we should do now is see where the international community can assist those women".

Discrimination against women in southern Africa is not really different from what women elsewhere suffer from, but the intensity of it is perhaps more pronounced than anywhere else

given apartheid and overall racial discrimination. It is, however, interesting to note that the latter doesn't prevent black and white women cooperating more than men could do there.

Women committed to the liberation struggle in that part of the world encounter more obstacles than do men, as indeed the system of separation of families often means that women carry alone the whole burden of the



Despite lower mortality rates, "mortality conditions are critical" in much of the developing world

family. Also they are often clustered in refugee camps where they suffer great material and physical distress.

International support for those women should be accorded with an eye to the future as, indeed, those women "will be part of the task forces who will have to reconstruct those countries after their liberation". Three levels of possible aid are therefore proposed: "help them concretely to ameliorate their day-to-day situation, assist them in their liberation struggle and finally equip them to be part of the reconstruction process".

Needless to say this issue drew special attention from the ACP ambassadors when they met with Lucille Mair. In a preparatory report for Copenhagen, Zephania Kameeta, SWAPO's secretary for health and welfare, perhaps described the situation best: "a liberation of the country which doesn't also include the liberation of women is only half a liberation... When I, as a man, participate in the liberation struggle of women, then I also liberate myself".

The North-South interdependence of women

"We have not tried enough to project how the world economy impinges on national economies in ways which touch women directly in their daily lives", Lucille Mair explained. UN reports say that there is evidence enough to show that "the major constraints on the participation of women in national economic development directly derives from the international situation and have to be seen against the overall background of relations between developed and developing countries".

Women in the North definitely suffer from the world economic recession which puts a brake on any progress in their condition, but, as Lucille Mair stressed, "the economies of the developing countries are so fragile that the whole socio-economic structure there is threatened to decline—even to collapse—in ways which would seriously affect women in their access to food, work and shelter". So, she emphasises "from the women's perspective, the interdependence of our respective economies is clear; we see Northern economies as vulnerable as Southern economies and if this is clearly perceived then our mutual needs become increasingly evident".

Women from the South and women from the North will therefore join hands in Copenhagen to seek equal opportunities and to try and abolish discrimination within the next half of their decade. ○ ROGER DE BACKER

GRENADA

Towards a new socialism?

Grenada's change of government on 13 March 1979—not a coup d'état, as was widely reported until now—appears to have been the direct upshot of a regime having lost touch with the population. "All the conditions for a revolution were there", said one of the top officials from the finance ministry, who was familiar with the workings of the old regime.

St George's, which as the capital should be the showpiece of the country, is in a state of general dilapidation. The roads are full of holes, the houses are in bad repair and the plantations look as though they have been abandoned. Yet Grenada, a volcanic island, is particularly fertile and suitable for many crops.

But the proclamation of a "socialist" government, and a "revolutionary" one at that, has not failed to cause concern in the area and among certain classes of the local people. The worries are based, for the most part, on mistrust rather than on the real situation as it is now, one year after the change.

Public opinion in Grenada displays a genuine interest in "change", even if it tempers its optimism with one or two reservations as to the "ultimate objective" of the government. So, as leading St George's businessman Geoffrey Thompson, who positively wished to be quoted, told the *Courier*, "we are optimistic about the new regime... even though we are not yet clear what it means by socialism."

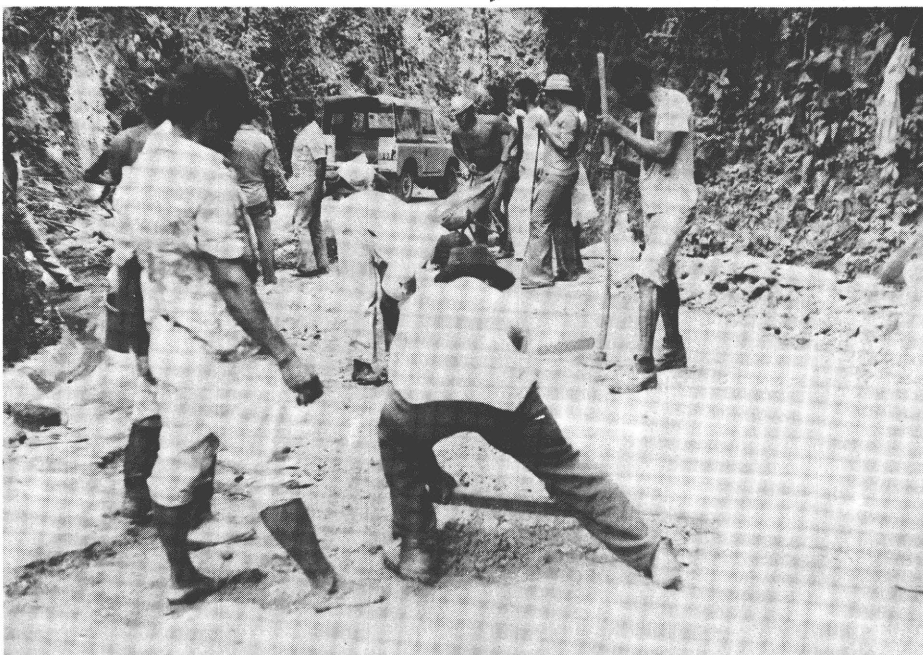
"If the government adopts socialism plus a large private sector, the effect on investment might be positive... With the previous government, we had no coherent planning and the private sector was disorganized as a result and this made working very difficult." This opinion was echoed by another businessman who laid greater emphasis on "human rights in this country".

He said that none of this family had been in the previous government but felt "the old regime got no aid because it never tendered any development programmes.

"We are almost working better than previously. The country is governed more intelligently now."

The government's economic strategy

Faced with this low-key vote of confidence from the business community, the People's Revolutionary Government (PRG) intends strengthening its position by practical economic and social achievements, the absence of which was one of the weaknesses of the old regime. Its strategy, as can be seen from our interviews with the Prime Minister and the ministers for finance and agriculture, is essentially to increase agricultural production and productivity by introducing and integrating modern technological methods and knowhow, combined with measures offering incentives to the farmers. It also involves diversifying the economy so as to reduce the dependence which led the country into serious difficulties, improving the communications infrastructure so that agricultural produce can be better distributed, etc. Both national and international transport facilities are essential to improve and provide support for the productive sectors of the economy. Poor infrastructure and high transport costs hamper the establishment of export industries. Hence the urgent necessity of an international airport at St George's.



Local work-gangs repairing roads in St George's

The importance of an international airport

A new international airport in the capital is one of the PRG's major projects. It is of historical, economic and political importance.

Historically, Grenada will be the first Caribbean country to have built its own international airport.

All the other countries in the area with international airports got them during the colonial period.

Economically, the authorities consider the airport as the means to get the export trade going again (and reduce the cost of imports) and boost tourism, which should be one of the key sectors of the economy.

The airport is important politically, too. Grenada will, it is thought, feel that it no longer depends on others for its contact with the outside once it has a direct link with the world.

The role of the West

When talking about the airport, particularly in the general political context of the country, a private individual who seemed to have the ear of the authorities said: "I have asked the representatives of the USA, Canada and the UK to propose aid for the new airport. This will enable the government to show where it stands in relation to

cooperation with the West." The West he felt, should not "systematically decry all countries that call themselves socialist, because you can't change the music unless you come to the party."

Positive Western action in respect of Grenada's new government would stop both sides from sticking rigidly to their positions, particularly since the government, as PM Maurice Bishop said in a speech on the aims and priorities of the country, "places great hopes in financial and technical cooperation with bilateral sources and with specialized national and international organizations."

No nationalization

Cooperation must obviously be based on reciprocal guarantees between donors and recipients and there is a tendency to think that governments that call themselves socialist always nationalize private concerns. The PRG does not think that nationalization is vital. On the contrary. Although in some countries powerful multinationals sometimes affect the action of the state, the situation in Grenada is different.

All Grenadians own land (so land will not be nationalized either) and the government is convinced that coercive economic and financial measures are pointless.

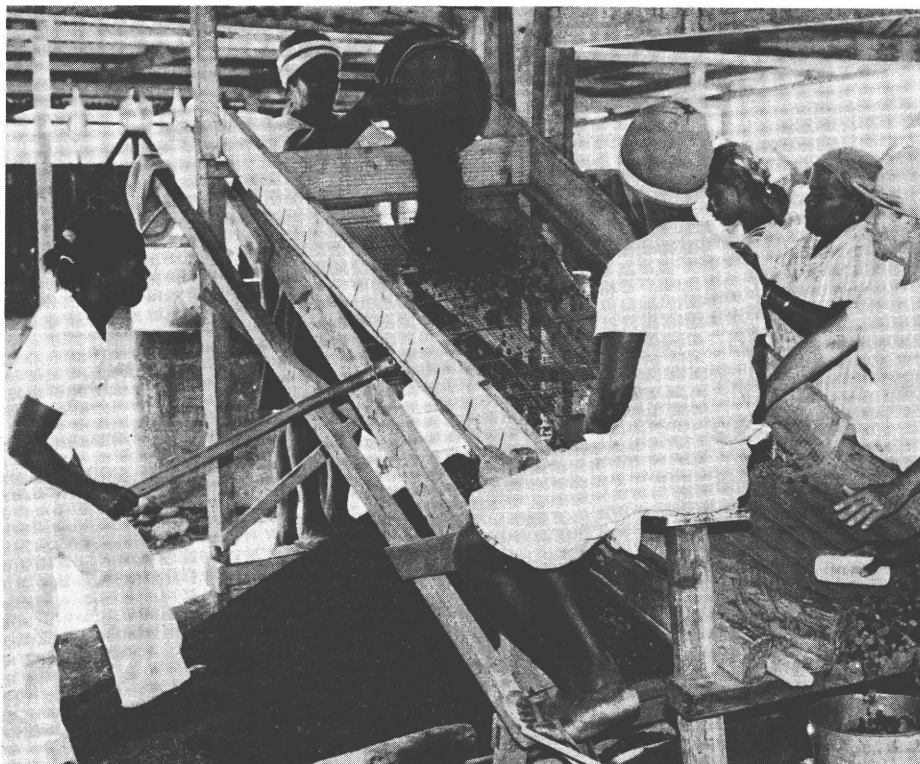
It is felt that negotiations on precise bases and parameters with sincere partners will be the best way of attracting private capital without weakening the national economy it is hoped to build.

At all events, the new regime intends to "mobilize and involve" most of the citizens in the drive towards the economic and social objectives (see following interview with the Prime Minister).

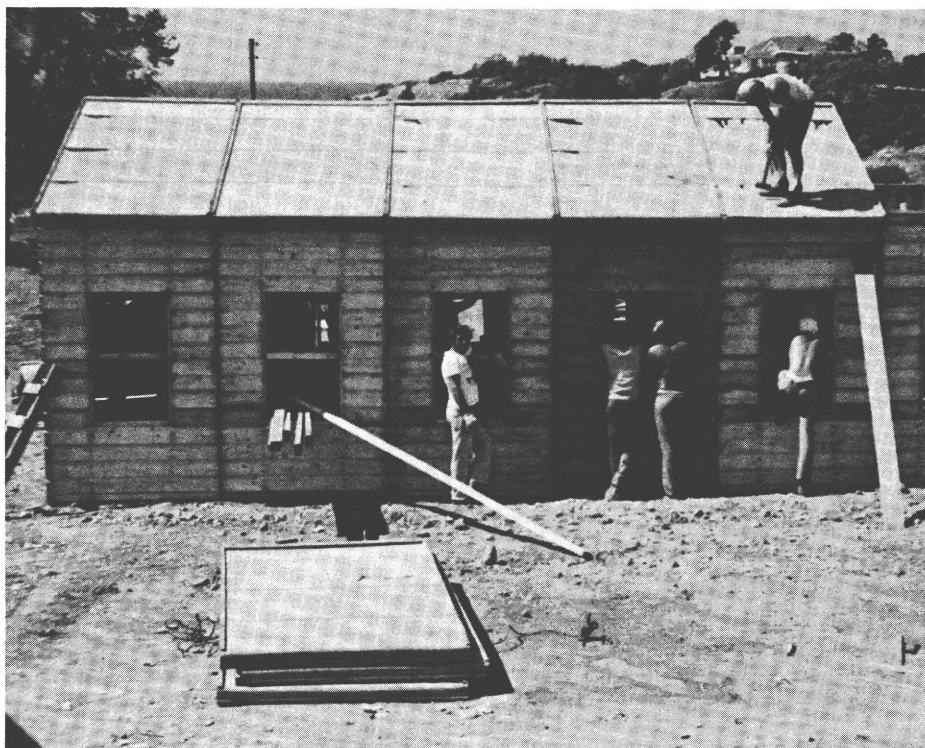
Similarly, on the subject of monetary policy, a local bank manager said: "we enjoy a large freedom and good relations with the government. There are no restrictions on foreign transactions and the new bank set up with state participation is only a fellow-competitor as far as we are concerned."

"The Canadian Imperial Bank was closed for external reasons to do with the bank's own management."

Socialism is thus taking shape in Grenada and the authorities are aiming to prove that it is "innovatory" and works for the good of the people. But success, it is felt, will depend on how it makes out with health, education and unemployment and on the government's skill in presenting itself, by



Working in a state-owned quarry at Queen's Park (St George's)



With Cuban aid, the first hangars go up on the site of the future St George's-Point Salines international airport. It should be finished in 1983 and will have landing strips 7 872 feet long (nearly 2 1/2 km)

offering flexible assistance, as a good partner for the private sector. If it fails here, it is felt, it will lose its support and there could well be a sharp swing in the opposite direction. It is also felt that, although psychologically everything is in the PRG's favour, it should tone down its claims so as to avoid a hiatus between its ordinary day-to-day activities and the grander hopes

speeches usually engender. However, the general impression is that the new government has a greater chance of success than failure.

As one businessman said, "I have no external investments and I will continue to invest here because I believe in the future of Grenada". ○

LUCIEN PAGNI

Grenada one year after the revolution

Interview with Prime Minister Maurice Bishop

After celebrating the first anniversary of the revolution in Grenada, on 13 March 1980, together with a number of such foreign figures as the heads of government of Jamaica and Nicaragua, the Prime Minister outlined the new government's policies to the *Courier*.

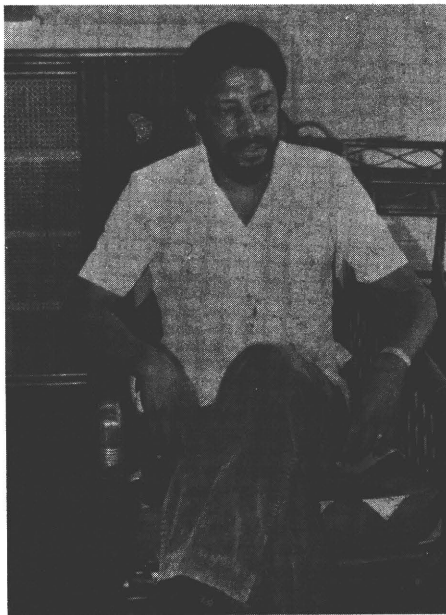
► *Prime Minister, your take-over has been generally welcomed by the people of Grenada and "revolutionary socialism" is the government philosophy that you are offering them. In what concrete ways will it change things, in the short and in the long terms?*

— We take a very practical approach to this question of how we view socialism. I think for us the essence is to see socialism as being about man. Therefore, what we are stressing and hoping to achieve is to improve the quality of life of the people of our country in an individual and a collective sense. We are also, of course, aiming to break with our traditional dependence on colonial metropolitan masters; likewise, we are hoping to instil in our people a strong sense of individual and collective self-reliance. And we are trying to lay the basis for what we regard as participatory democracy in our country.

In terms of basic needs, therefore, we are aiming to reduce unemployment, find more housing, provide more social amenities—piped warm water, more electrification—improve the quantity and quality of education and of the medical attention our people receive and, of course, generally build a productive sector for the first time in our country.

In the short run I would say that we can certainly expect to see—we have already been seeing—a great deal of community involvement of our people. We can also expect to see and have again already seen a new sense of national pride, respect and dignity—for the first time in the history of our people—a feeling of being proud to be Grenadian.

In the longer term we will expect to develop a system of effective planning, including laying the material basis for that planning—statistics and whatnot. We will expect to begin to deal with the



Maurice Bishop

question of infrastructure, laying down better roads, providing water on a more regular basis and so forth. We will expect social amenities to be provided on a more consistent and equitable basis. And finally, we will certainly hope to establish a strong productive sector in agriculture, agro-industries, fisheries and tourism.

"Participatory democracy"

► *So "participatory democracy" is the cornerstone of the kind of development you are aiming at in Grenada. What does the expression mean, not only theoretically but in practical economic and social terms?*

— We would like to see our people more involved on a regular, daily basis, as opposed to only once every five years, in taking part in decisions about their lives—being involved with the government in helping to build the country; being involved, for example, in community projects of a social character, building community centres, repairing roads and villages, unblocking drains, irrigation, we would like to see them doing this in their own organizations and we feel that this is the essential

meaning of "participatory democracy", as applied by us.

In terms of its economic and social fall-out, we think the potential is quite enormous. Consider, for example, the establishment of the village health committees which we have been trying to create around the country. These health committees aim at decentralizing medical attention and medical care. Right now, about 80% of the health budget will be spent on the two hospitals, which in turn will cater for about 20% of our population. So 20% of the health budget is spent on the 35 medical clinics around the country, which in turn look after about 80% of the sick. That clearly is a wrong use of priorities.

Therefore we are trying to establish a system of primary health care that will place more emphasis on the use of the medical stations around the country, bring medical attention to the people where they live and not force them to travel to a hospital for what should, after all, only be specialized care. The village health committees have been established to push this process forward and to assist the integrated teams of doctors, nurses, para-medics and technicians that we are trying to build.

These village health committees will also monitor the quality of health care and will be involved at the same time in collective hygiene, sanitation and education about basic medical problems. Obviously, that has tremendous social consequences, not to mention its democratic aspects.

Likewise, the aim of the community education councils that we have been establishing is to get the people in the community as a whole to be involved in the question of the work study programmes that we are trying to build. We are now looking at the question of curriculum reform and also, very importantly, trying to get people to regard the schools as their own, thus making them primarily responsible for their repair, repainting, etc. In January, for example, we closed down the schools for two weeks for a massive repair and beautification programme. In that period more than 60 primary schools around Grenada were cleaned up and repaired, which had the effect of saving the government, and therefore the taxpayers, more than \$ 1 million. So that again is a concrete aspect of participatory democracy.

Let me give you a final example. This year has been declared the year of education and production. For educa-

tion, the reason is because we feel that there are too many people in our country who are functionally illiterate. We do not believe that a nation can survive on the basis of being half-educated. Therefore we have launched a drive to wipe out illiteracy in Grenada, and one basic institution that we are using is the Centre for Popular Education, which will be responsible overall for coordinating the programme. There again we are relying essentially on volunteer teachers, children in secondary schools who have the skills and time and can be utilized during the summer months. These more fortunate members of society have the ability to read and write and to transfer what knowledge they have. We hope to mobilize all these people, starting from 1 May, to wipe out illiteracy.

So these are some of the concrete programmes which, as we see it, will have a definite social and economic implication.

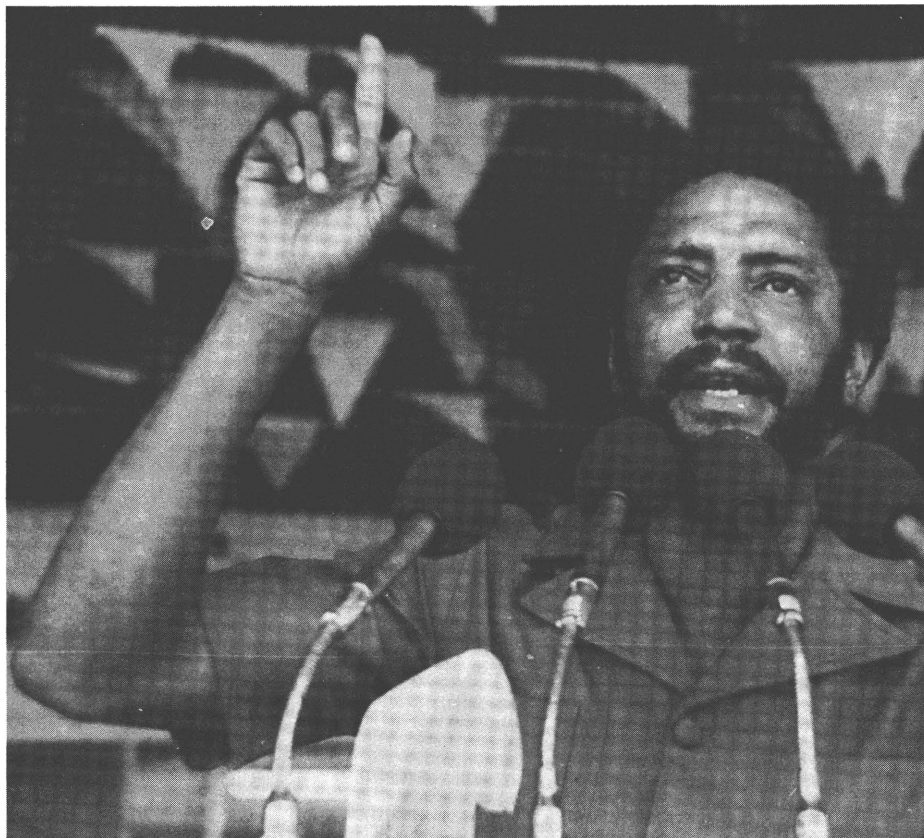
Many of the community centres were built with the assistance of the European Economic Community, and in all cases the Community input has been very strong. In St Patrick's, where one new community centre is being built, the extent of community mobilization and involvement has really been quite extraordinary. People are putting in their own voluntary labour and are able to get something concrete out of it, which clearly will be socially and economically relevant to the building of the country and the economy.

The community mobilization brigades have had a similar effect. Before the rains came back, in November, we had a situation where on many Sundays something like 85% of the villages in Grenada were out being involved in voluntary community work, cutting overhanging branches, cleaning up drains, repairing roads, repairing community centres, repainting important areas of the village and suchlike.

I regard that as a particularly important achievement, because we believe very strongly that ours is the only government in the English-speaking Caribbean today that has been able to mobilize people for this kind of community effort on a voluntary basis. Most governments, quite frankly, could not get even one village to come out and do voluntary work. In Grenada we have been able to get unity among our people, get them involved and helping to build the country back up. We regard this as a very important step.

Reorganizing and encouraging agriculture

► *Grenada is a fertile country yet its agricultural economy has been limited*



"We would like to see our people more involved in taking part in decisions about their lives"

to a handful of export products for a long time, and supplies on the domestic market tend to be erratic. What do you see as the best ways of encouraging and reorganizing agriculture?

— I think, in terms of reorganization, we would stress the cooperative possibilities. We believe there are these sectors that are going to build a national economy: a state sector, a private sector and finally a people's cooperative sector. One of the key areas in relation to reorganization, as we see it, is the people's cooperatives, which we hope to establish more and more of. One or two have been established. It's a very early experiment for us, but we believe that this is going to be one important way of mobilizing the human resources of our people to begin to utilize the land and to tap its full potential.

In relation to the land presently owned by the government, we have been attempting to remove waste and inefficiency and to wipe out the corruption on the estates which has been a major problem in the past. The government still subsidizes the estates it owns, but that is something we inherited and are now beginning to end.

We have also established programmes under which government estates work according to a plan. Production targets and quotas are being allocated and we have found, on that basis, that there has been some improvement in

overall production. It has also helped to ensure less inefficiency and waste. We also feel the building of more feeder roads is a prime requirement, to make it easier for farmers to get their produce from the land in areas where there are no roads, and secondly because it is important for bringing more land into cultivation. We have discovered that much of the land that was previously felt to be unfarmable can in fact be cultivated, but it has been a real problem to open up the forests so that people can reach that land and get involved.

In terms of encouragement, the key question to us relates to prices. All countries that produce primary products face the serious disadvantage that the cost of manufactured goods, of machinery and capital equipment, keeps skyrocketing while the price of agricultural produce and primary products generally continues to either remain the same or decrease.

The price of bananas has gone down in Grenada from 18 cents a pound some months ago to 11 cents, which has clearly not encouraged the farmers to produce. So the question of prices to us is the key factor. In 1960, for example, what we could have gotten for one ton of cocoa might have bought a car; today, what you can get for a ton of cocoa might not even buy two tyres of the same car.

The only way we can address that kind of difficulty, as we see it, is to

join with the rest of the Third World in pressing for the new international economic order which we feel to be essential, and also by attempting to find new markets abroad so that we can begin to cut out the middlemen and deal directly with the countries that are the final purchasers of our products. The cocoa and nutmegs we sell, for example, do not necessarily go to the countries to which we sell them in the first place, but to some other country. We are looking to see in what ways we can change that.

Another important question as regards incentives is the government's ability to guarantee purchasing whatever the farmers can produce. That, again, has been a historic problem. Gairy's government would have told the farmers, 'go out and produce tomatoes', and then there were gluts. No arrangements had been made to export to neighbouring countries and the farmers were just left with useless tomatoes.

We have been trying to work on that problem through the creation of a new marketing arrangement and also through arrangements with the neighbouring countries—Trinidad and Barbados, for example, for lettuce, tomatoes, pumpkins and things like that. We have an offer right now from West Germany, for two tons of lettuce a day. The question is, how do we get the lettuce to West Germany?

All of this is linked to the question of shipping and air transport. For example, the mangoes that we send to Trinidad: last year the cost of sending them by plane kept going up from week to week, literally from week to week, eventually making it uneconomical. When we then

looked at moving them by sea, we discovered that most of the vessels did not have refrigeration facilities.

Garanteed markets

So there are very serious problems. But we are looking at them. We are trying to guarantee to the farmers that what they produce, we will buy, and then we in turn will sell either locally or externally.

Take coffee, for example. The farmers in Grenada were told some years ago that they should begin to plant coffee, as our country is ideally suited for coffee production. They were told they would get a good price. They went out and planted the coffee. When the time came for buying the coffee, the Gairy government offered them 10 cents a pound.

The result was that most farmers just cut their trees down. We have now moved to the point where we are offering farmers \$ 2.50 a pound for the coffee—that's 25 times what they were getting before—which has had the effect of getting a lot more farmers once again interested in coffee production. We see this as important, because we believe that there are good possibilities for us to process our own coffee in Grenada and, in fact, next month we will be opening our own coffee-processing plant.

Fertilizer is one of the major problems where the farmers are concerned, and we have discovered that the type of fertilizer normally used is good for the initial growth of a tree but not good for maintaining it afterwards. Different types of fertilizer are required. We are trying to find them and, of course, to

increase the quantity available, so that farmers will have a ready supply. The same is true of the propagation of plants. We are now building up seed stocks in several different areas. Last year, for example, we discovered that many of the imported varieties of corn seed did not catch on when they were planted and since then we have planted whole areas with the varieties that do take, so that from this year we expect to be in a position to provide a variety of corn seed that guarantees some results.

► *I understand that the last government acquired a lot of estates and that the Grenadians didn't seem to appreciate that. What's going to be this government's policy here?*

— We believe that there is more than enough land presently owned by the government. The last government spent a lot of time acquiring people's land. That in itself is not objectionable, if it is done in an orderly way. The problem was that it was done very often for arbitrary reasons, for victimization, and people were never paid for the land.

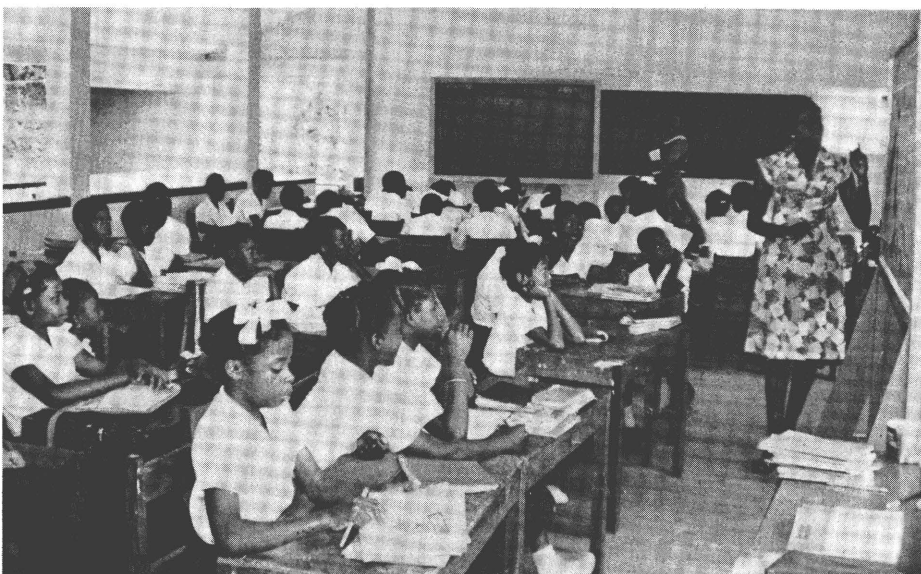
We do not believe we need any more land, but the question now is to bring under cultivation the land that is presently owned by the government, and to develop it in an orderly and phased way. So we have no plans at this stage for any nationalization or acquisition of land. If and when it becomes necessary to purchase more land, our intention would be to do this by negotiation and pay the owners a just price.

"We welcome foreign assistance"

► *Grenada's financial resources are still too limited for the fulfilment of your economic and social policies, so what will be the role of foreign donor countries in the development programme in general?*

— There are several areas in which we can obviously do with assistance from foreign donor countries: for capital projects, agriculture, agricultural expansion, agro-industry, in fisheries, in building new hotels in the tourist sector. Likewise in infrastructure: roads, water, water supply. It would add relevance, too, to the community-oriented and social-oriented projects in education, health, in the provision of community centres, the care clinics and suchlike. In all of these areas we would feel that foreign assistance can play a key role.

But while we regard that role as important and necessary at this stage, and while we see it as assisting us in



Pupils in St George's

"We do not believe that a nation can survive on the basis of being half-educated"

our all-over developmental process and developmental objectives, we feel that the key role is our own, our people's. We believe very firmly in promoting deep inside our people a spirit of individual and collective self-reliance, a spirit of saying that we are determined to break out of the historic dependence that we have inherited and in developing a sense in our people of always seeing the primary responsibility for building their country being theirs, being ours, and not being that of someone from outside Grenada. This is why we have spent so much time in community mobilization and community involvement.

This is why our people responded as they did in the first two weeks of January in the school repair programme. This is why 85% of villages a few months ago were involved in these Sunday community projects on a voluntary basis—because we believe that, in the final analysis, it is only the people of a country who can build that country. In our view money itself is not development, that is quite clear. There are several countries around the world—I wouldn't care to give examples—that have illustrated this great truth: that you can have a lot of money but your people continue to be unemployed, continue to lack housing, continue to be illiterate, continue not to receive medical attention, continue not to have pipe-borne water. The money is there but it is being channelled in a way that does not bring benefits to the masses. We do not see that as being a proper development approach.

Therefore, our key approach to this question of foreign assistance is to say yes, we welcome it, yes, we believe it has an important role to play. But in the final analysis the most important role of all will be the part played by our people. Just to give one example: we were able to double, in nine months of 1979, the absorptive capacity of the economy, moving, I think, from somewhere around \$ 8 million being spent on capital projects in '78 to over \$ 16 million being spent in 1979. One key input was the amount of voluntary labour put in by the population. So we are very, very clear in our minds that, in the final analysis, the real responsibility for building our country rests with our people.

The international airport: a key project

► *To take an example, the international airport here is a very important project. How can foreign donors help?*

— I think in several ways. We have been discussing the question of energy



A board on the new Point Salines airport site puts over the message of unity and progress

supplies, with Middle Eastern countries in particular and with Venezuela. It is a key to getting the airport moving, or rather keeping it moving. The provision of greater storage capacity is again a key question. We have storage for diesel oil on Grenada for about 400 000 gallons only, which is what—12 000 barrels? Nothing. Clearly we have to greatly improve on that. The project will require perhaps 60 000 gallons of diesel oil a month in the initial stages. So the whole question of energy supply at concessional prices and, linked to that, the question of the provision of storage facilities, is very important. Then we need to ensure that we have sufficient cash resources, on a day-to-day basis, to meet all our requirements in building the airport, in terms of jobs, in terms of the purchase of the necessary materials, at a later stage of course as regards the terminal itself and the radar and communications system. There is the infrastructure leading up to the airport: roads, electrification, water, all of which are basically lacking right now in that area, and also the question of developing not just the airstrip and the terminal but the whole area around it, since the airport is being built on the last peninsula in Grenada and represents a key area which has tremendous possibilities for full development. So I think in several areas like these we are certainly willing and are indeed very anxious to sit down and discuss with friendly governments the possibilities of their participation and cooperation in the project.

► *Not only for financial but for technological reasons it might be of interest to diversify the countries contributing to the construction of the airport...*

— Yes, I agree with that, I think diversification there is important and we are in fact trying to achieve that.

“We need to strengthen and to deepen our ties with the EEC countries”

► *Cooperation with the EEC seems to be considered a positive element in*

your foreign policy. Could you give an analysis and an evaluation of the links you intend to maintain with the Community?

— EEC cooperation is extremely important to us. We see the EEC countries as being the third major block in the world today. We believe the Community is in a key area of the world and it is very important for us to maintain very close links with it. We see the EEC as having tremendous possibilities for assisting the development of many Third World countries, including, of course, countries from this region and including Grenada. Our position is that we need to strengthen and to deepen our ties with the EEC countries. For this reason we have, only this month, established an embassy in Brussels. An ambassador has now been appointed from Grenada.

This was done notwithstanding our very scarce resources—obviously, we are a poor country—because of the tremendous importance we attach to maintaining links with the EEC countries.

► *For both large and small countries, regional cooperation now seems both a means and condition of development. How do you view it? Do you feel that regional cooperation in the Caribbean should first of all bring together the countries that have the most in common, for instance their history, or that it should extend to all the countries in the region?*

— As a matter of practical politics I think we are going to find that the start will naturally be made by those countries that share a common tradition of language, culture and history and geographical proximity. I think this is a fact of life. The English-speaking Caribbean countries have always had a closer sense of unity and identification with each other than with the French-speaking, Dutch-speaking or Latin-American countries in the region. All the signs are that that is the way it is going to continue for some time, for obvious reasons. Some of the leaders in the region still feel deeply and still continue to exhibit the policies of narrow nationalism, isolationism, chauvinism which we inherited from our colonial past. Therefore, I think as a matter of practicality that cooperation in the region is likely to be based on historical ties and similarity of language.

Regional relationships: “We see the people of the Caribbean as one”

We, however, believe very strongly that it is important for us to move rapidly

to break down all artificial barriers that separate us. We see the Caribbean Sea as one. We see the people of the Caribbean as one, regardless of whether they speak French, Dutch, Spanish or English or, more recently, American.

To us it makes no difference, and therefore our perspective is one of moving rapidly to break down these artificial barriers that divide us and to begin to establish the closest possible ties with all of our neighbours, not just in the Caribbean but also in Central and South America. I've recently been to Ecuador, one of the Andean Pact countries, to Nicaragua and to Panama. We already have good relations with Cuba. I will soon be going off to Mexico. Several of our ministers have gone to Costa Rica and to the Dominican Republic. Our position is one of openly attempting to break down whatever differences or barriers now separate the English-speaking from Latin-speaking countries in the region.

We believe, at the economic level, that there are possibilities too for pushing this process of closeness further, organizations like the Latin American Economic Organization and an energy organization we see as important, likewise, the organization for banana producers is an important organization that can help to build some of this regional unity between the English-speaking Caribbean countries and the Latin American countries.

Politically, we see the Organization of American States, in particular, the umbrella organization tends to bring together all the independent countries of the region, as an important expression and another vehicle of ensuring that we are able to maintain a constant line of communication and contact with these countries. But we feel that there are other ways.

The question of culture, we feel, is very important, cultural exchanges and visits from different groups in these countries. Likewise, we see finding ways of making travel easier and cheaper as a priority. Because, in the final analysis, what is important is for the people of the region to get to know each other, to get to go to each other's countries, so that whatever inhibitions they had implanted from the colonial days can be removed on a systematic basis.

Regional cooperation under the Lomé Convention

► *Lomé II sets aside considerable funds for regional projects in the Caribbean, as in the other ACP regions. In*



Maurice Bishop with Jamaican PM Michael Manley

Aiming at wider regional cooperation in the Caribbean "in a spirit of ideological pluralism"

what areas do you see EDF-supported regional projects going ahead first?

— I believe there is funding of a fairly substantial character, perhaps somewhere around EC\$ 200 million. I would say the question of LIAT, the regional airline, is one of the priorities, as regards people continuing to travel to each other's countries, trade, and the possibility of obtaining new markets.

I would say, too, that WISCO, the West Indian Shipping Corporation, is very important from our point of view. The expansion of agriculture and intra-regional trade is a real priority for assistance. The University of the West Indies is another very important project because that has relevance to the question of the training and the education of our people/ and therefore to the creation of the skills, expertise and human resources that will be needed if the region is to push forward.

The fourth and final example I would mention quickly is the Caribbean Food Corporation, because that again, with its tremendous possibilities for import substitution through the creation of more possibilities and more mechanisms to ensure that more food is grown locally and regionally, we believe is an extremely important project which also would need assistance from the EEC countries.

Democracy in Grenada

► *The proclamation of the revolutionary government in Grenada caused a certain amount of anxiety in the Caribbean, and also further afield, as regards the future of democracy in your*

country and of your relations with neighbouring states. What reassurance can you give?

— First of all, I think the country has never had more democracy than now. I mean that very sincerely. The extent of national unity, pride and dignity is a direct result of this new feeling of democracy and genuine sense of involvement of our people. The elements of arbitrariness and victimization for people who are public servants have been removed. That has been very important.

The ending of police and secret police—"mongoose"—brutality in our country has been extremely important too. The fact that the women of our country are now able to develop their full potential, and for example no longer suffer sexual exploitation in return for jobs, has been an extremely important factor. Our proclamation of equal pay for equal work has laid one of the important objective bases that can ensure the full liberation of the women in our country, and therefore laid the basis for the equal participation with the men in the country for rebuilding Grenada.

The workers now have rights which they formerly did not have, for example trade union recognition now allows them to form or to join a trade union of their choice. That too has been important. The farmers too feel very relieved because now the cooperative bodies that they have formed since 1946 and which had been acquired by the dictatorship, starting in 1969, have now been handed back to them. The people as a whole know they have a genuine voice.

They know they can participate through the various organizations I was describing earlier and also through the regular rallies, public meetings, press conferences and national broadcasts. We attempt to keep in touch with our people, to tell them the facts about the country, to be honest with them at all times.

The people themselves have thrown up several hundreds of new organizations—sporting, religious, political, youth, women's, cultural—since the revolution, thus providing the opportunity of institutionalizing all the new energy which is now being unleashed.

So we believe genuinely that democracy in our country is at its highest point. In terms of the social and economic aspects of human rights, for example, take our achievements in education: the extra number of scholarships for primary school children to go to secondary school, the reduction by one third of secondary school fees, the provision of hot meals to primary school children in several schools, the number

of university scholarships abroad we have been able to find. In the area of health, consider the 17 new doctors who came back in the first six months of the revolution and who have since been able to put a tremendous amount into the quantity and quality of medical attention. Look at the work we have done in improving the pipe-borne water supply, the four new housing schemes we have established, including a housing repair scheme for the poorest section of our society, the agricultural workers.

All these we see as being a reflection of our genuine concern for the human rights of our people, for the rights of the most oppressed and deprived sections of our population, and therefore an expression of our approach to democracy. On the specific question of elections and the constitution, for example, our approach is as follows: we remain committed to the holding of elections in the country, but we believe that our people do not see it at this time as a priority to be held tomorrow morning or next week, that for them the real concern at this point would be to stabilize the economy and bring real benefits to the people as rapidly as possible. And that is what we are working on first and foremost.

What we would like to see in relation to the constitution, for example, is the establishment of a constitutional commission made up of distinguished representatives from the region, who would study different models and come up with a specific draft which would then be presented to a consultative assembly of our people, made up of all the people in the organizations and different groups all around Grenada.

They would spend several months discussing the draft, at the end of which time the commission would go back and, bearing in mind the amendments, proposals, objections, deletions, additions, etc. write over the original draft, present that to the government, and then the government, by popular plebiscite, would get that constitution approved. Thereafter under this new constitution we would see the holding of elections. That would be our primary approach; but I do not want to say that is our only approach, I do not want to give any specific commitment in terms of a timetable within which this would be achieved or to say conclusively that that is the only basis on which elections will be held in Grenada in the immediate future.

“Recognition of the principle of ideological pluralism”

On the question of relations with neighbouring states, our position is very



Since the March 1979 revolution, “the women of our country are now able to develop their full potential”

clear. We believe that relations with all countries must be based on the fundamental principles of mutual respect for sovereignty, legal equality, non-interference in each other's affairs and recognition of the principle of ideological pluralism.

We believe these are fundamental principles. It is these principles that characterize our relations. So we do not have any difficulty at all about dealing with any government in the region; we can deal with all of them. We are convinced that what we are doing in Grenada is a genuine new experiment that is aimed genuinely to construct a new civilization in our country. We believe that this will have relevance to the people of the entire region.

But we believe equally that it is essentially a matter for each people in their particular country to determine what process they want to build and what path they want to follow. We in Grenada do not believe that that is a matter of concern for us.

Grenada's relations with Africa

► *Official international documents indicate that Grenada's population is about 90 % of African descent. And this is not particular to Grenada in the Caribbean. Yet relations between the Caribbean and Africa are still limited to economics, especially under the Lomé Convention. Do you see ways to widen contacts with Africa, in order to improve human relations as well as economic links?*

— Well, first of all, it is not really true to say that it is only limited to economic links. Our party, the New Jewel Movement, had been honouring African liberation every year right from its inception, indeed even before we officially formed it in 1973. The first occasion on which we honoured African liberation here in Grenada was in 1972, and that has been done every year since then in May. We intend to continue that.

That has given us the opportunity of establishing links with several different progressive individuals and organizations from Africa, and from North America also, who have been attempting to build relations and ties with African countries. We have, for example, been members of the Caribbean Support Committee for African Liberation since 1972 and have always expressed our firmest support with the peoples of Africa in their struggles, with the people of Guinea Bissau, Angola, Mozambique and more recently, Zimbabwe, Namibia and South Africa.

That has always been our position and you will find that the consciousness of the Grenadian masses on these questions is quite high.

However, we would certainly like to see our relations and links deepened with the African countries. We have considered establishing an embassy in an African country that could fan out from there to maintain contacts on official level with other African states. What has kept us back so far is simply lack of resources, but it is one of our foreign policy priorities.

We believe that there are a number of possibilities. One, we think, would be finding a way of developing a direct air connection between Africa and the Caribbean. The governments of Trinidad and Nigeria have been discussing this; we certainly hope it comes about soon. We think it will be a very important first step. Secondly, we believe it is possible for us to look into the area of cultural exchanges with those African countries with whom we have close relations; there are several of them, particularly among the front line states. We have been holding discussions on this question.

We believe that in all these matters the key question is always how to get people from one country to another. In trade there are possibilities and again I think it is going to depend largely on the development of a link, whether by air or by sea, so as to make trading possibilities easier. Discussions have of course been going on, within the non-aligned movement and elsewhere, on precisely this question, and we would see it as an urgent priority. ○

Interview by L.P.

Bernard Coard, Minister of Finance, Trade, Industry and Planning

The process of trying to build a new economic and social development

In the following interview, Bernard Coard, the vice-premier and finance minister, describes Grenada's new economic and social policy.

► *Minister, as well as being responsible for finance, you also look after the planning of Grenada's economic and social development. What sort of planning do you have in mind, now and for the future? Will it be a fixed framework of legislation or a more flexible approach based on incentives?*

— Right now we have a Ministry of Planning which deals in only one kind of planning, project planning, but we hope to develop the ministry over the next two or three years to cope with programme planning and macro-economic planning. Project planning covers the whole process from project identification through project-formulation, pre-feasibility studies, feasibility studies, getting the necessary funding and ensuring project implementation by the executing agency, whichever ministry or department is responsible for actually implementing a particular project. So from project identification right through to project implementation is the concern of the Ministry of Planning.

The planning process

In this respect it works in very close collaboration with all other ministries and departments, seeking with them to identify projects and programmes which require both local and external funding, and helping them at all stages in the development of the project, obtaining the necessary funding and implementing the project.

That is the kind of planning which we have now and which we are trying to perfect by building up the necessary professional staff to do this more efficiently.

In addition to that we are building the necessary infrastructure, for example, a proper information system to make more global planning, macro-economic planning, possible, and with that in mind we are trying to develop our statistics



Bernard Coard

department into a more serious outfit. A year ago we inherited a statistics department which was really a shambles. No adequate statistics of any reliable sort have been kept on the different aspects of the Grenadian economy. So we are trying to do that: keep statistics on the economy, accounts, finances, health, demography and so on.

In addition to that, with the assistance of the Organization of American States we have now set up a computer centre and are going to computerize all the statistical data sources of the government on a regular basis, training people in the different ministries and departments to assist in this process. We have a trained staff running the computer centre, developing the necessary programmes and systems to implement this. This, too, will make a big difference, because planning must be based on accurate information and regular and up-to-date collection of statistical data.

In addition to that, however, we need a much greater understanding of how our economy functions, what are its inter-related parts, learnt not from a text-book but from how it actually operates in Grenada. We do not have that kind of information in any reliable form now and that, too, would be a critical

ingredient in the planning process in its more macro-economic sense.

► *Planning would not be based on an overall blueprint for the economy?*

— You can call anything a plan. You can call it a 5-year or 10-year or 15-year plan, but those are games for school-children. You are really fooling yourself if you believe that that is planning, unless you have control over all the variables, or most of the variables. In a situation where you have an open, dependent economy, on which fluctuations in the world economy have a devastating effect to a degree that you cannot fully predict and cannot control; and when you don't even have reliable data upon which to base anything, talk about planning is merely to impress people.

Maybe you can fool them, but you are not fooling yourself. We don't believe in indulging in that kind of game, of saying that we are into 5- and 10- and 15-year plans, when it is not physically possible. If at some stage we can diversify our economy so as to prevent some of the shocks by putting our eggs in more baskets, both in production, through agro-industry and manufacturing, and in exports and imports, then we will begin to create part of the basis for planning. If also we are able to have a greater degree of predictability over the variables which operate within our particular economy and if, in addition to that, we develop the kind of information systems which serve our purposes, then we can begin to talk seriously of a 5-year plan. Even so it will have to be flexible. It will have to be within a framework which has some relationship to reality, rather than something which is fixed in an artificial way and which in reality doesn't work out the way one says it will on paper.

Building up a technical corps

► *How important will external financing be in carrying out the plan as you've described it?*

— Very important, as far as we see it. Basically, we see three very important variables in our attempt to develop the country. By far the most important is the mobilization, total involvement and organization of the people, their becoming more serious, more committed to work—questions of discipline, motivation, seriousness. This we see as the single most important variable in the

task of building any country, especially a poor, underdeveloped country. Fortunately we can say this is the area in which we have had the greatest success in the past 12 months of our revolution and we hope to maintain that, because we see it as the highest priority of our process of nation-building.

The second variable is the question of developing a corps of technocrats, highly skilled professionals, in the fields of accounting, finance, engineering, management, trade and industry—economics generally—planning, health education, the whole range of skills that are required.

Now we are seeking to do this both by trying to harness and utilize more efficiently Grenadians who already have ability and who are already living in Grenada at the time of the revolution, and secondly by harnessing Grenadians living abroad who are helping many other countries to build their own processes. I am talking about advanced countries now; that is, North America and Britain and some of the larger Caribbean territories. These people are highly skilled and highly experienced; having them back home would make an enormous difference in pushing the process forward.

Thirdly, by getting outstanding Caribbean professionals who have a great range of skills and experience and are willing to come here and work in Grenada and help to build the country for us.

Fourthly, by sending out some of our brightest young people on scholarships in several different countries outside so that as quickly as possible, four, five or six years from now, they will begin to return home with the necessary skills in chemical engineering, civil engineering, mechanical engineering, veterinary science, different branches of agricultural science, management studies, economics and so on, all the different areas which are vitally necessary for us to push the economy and society forward.

I have been trying to put your question on external financing into a broader framework. Given the fact that we are poor and are trying to do the best we can for ourselves by mobilizing our people and building a technical corps, what we need in addition to that is the assistance of countries, such as those of the European Economic Community, with the kind of finance which could make all this possible.

Allied to our people and the technical skills we are building to push the economy and society forward, this aid would actually get projects and programmes off the ground, actually do something about our social infrastruc-

ture, health education and so on, and our economic infrastructure, roads, water, electricity telephones, our housing stock and so on. Overall we could then really develop the country, expand the productive base of the economy and therefore create the basis for self-sustaining growth in the years down the line.

► *How fast have Grenadians been coming back from abroad since your government took over last year?*

— We have had nearly seven dozen back. Dozens have returned home, plus dozens of people from other Caribbean territories coming in to assist us. Many more Grenadians are writing home every week asking to come back and help. So that side of things is going extremely well.

The international airport: “we are still anxiously looking forward to countries to assist us”

► *One very important project here is the international airport. What role can foreign donor countries play in building it?*

— It is very important. The international airport which we are trying to build is the single most important economic project in the history of Grenada, quite frankly, because it means opening up our entire tourism sector in a big way and, in particular, it means opening up the whole of Western European tourism to Grenada. It also, because of that, means a tremendous boost for our farmers and agricultural workers, because it will open up our agricultural sector, which will be supplying the necessary foodstuffs for that expanded tourism sector.

The same goes for our construction workers. Hotel construction, restaurant construction, all the different construction work ancillary to building the airport, quite apart from the work in actually building the airport, will be of great benefit to our people. It will benefit our handicrafts people, those engaged in furniture-making, people engaged in the various agro-industrial activities in the country, cottage industries, all sorts of people will also benefit.

We are trying to build the kind of tourism sector which is integrated with the rest of our economy—what the economists call inter-sectoral linkages. We won't sell handicrafts coming from Taiwan and Tokyo and Hong Kong but handicrafts made by Grenadians right here, and furniture made in furniture factories right here, and so on.

So the airport has enormous potential, not just for bringing more tourists in but also because it's going to make a tremendous difference in boosting all the other sectors of our economy. But we still have to raise well over one third of the cost of the airport.

We have been able to obtain pledges from a number of different governments—six, to date—which in all will account for close to two thirds of the total cost of the airport. We hope. There is still another third, maybe a half, which requires funding, and so we are still anxiously looking forward to countries to assist us.

► *Have you already approached the United States? The European Community? Perhaps Great Britain?*

— Not the European Development Fund. The EDF has a very special allocation for Grenada and the amount is fairly modest; it's only EC \$ 12.5 million. Now, that's a fair amount of money for us and we are of course extremely grateful for it. But the policy of the EDF, and I think correctly, is not to put all that amount into one project but rather to have it in several different projects, including micro-projects, so that it has the greatest impact within society and the country. So that particular funding is not really available for this purpose. Presumably the only possibility, therefore, would have to be outside of the framework of Lomé II.

Individual members of the EEC may wish to assist and in fact we are approaching a number of them right now, but obviously, because of the stage of discussions, I can't go into details. We are approaching them individually on this. Hopefully, too, it may be possible for the European Investment Bank to assist with some kind of loan in this respect.

► *The latest figures we have on Grenada's foreign trade show a constant deficit in the balance of trade since 1970, with a big rise in food imports. Has this pattern changed in the last year, and what progress has there been in diversifying agriculture for greater self-sufficiency?*

— Frankly, our pattern of trade has not changed dramatically in the last 12 months. As you can imagine, you can't change something that is so structural, and has been going on for 400 years, overnight. It will take a few years. What we have done is to start a process that will lead eventually to some change in that kind of structure by trying to develop the agricultural sector more fully, diversify agriculture to do some import substitution—40% of our import bill is food, which is ridiculous because

the volcanic ash which comprises our soil gives us one of the richest soils in the world. We have abundant rainfall. We really have ideal climatic conditions for agriculture. Yet one third of our arable land is lying idle and about 35/40% of our people are idle. We are very concerned about that and the Ministry of Agriculture has been busy trying to bring all idle land under cultivation and to move into an import-substitution type of agriculture. We are developing more of our cash crops as well for export to Trinidad, Barbados and England.

We export egg plants, mangoes and some other things to Britain and also to some of the other islands, and we hope to expand that programme as well as to expand our traditional cocoa, nutmeg and banana exports. So basically we hope to diversify as well as to expand our exports so as to lessen the gap on that side.

Developing our tourism will also assist, of course, not on a visible trade balance but on the overall balance of payments, as will import substitution, i.e. growing more of the food we consume. We could cut out \$ 40 million a year which we presently import in the form of food. This is our strategy, but it will take several years to bear fruit.

The main manufacturing sectors

► *The industrial sector is still limited in Grenada. What economic sectors could its expansion be based on, and what is the government's general industrial policy?*

— Basically, as we see it, there are three kinds of manufacturing enterprises that one can develop in a country. One is the agro-industrial kind; that is, manufacturing enterprises based on local agricultural agro-based raw materials. Our foods, our vegetables, can be canned, bottled and preserved. You can have juices, nectars, wines, liqueurs, jams and chillis made out of them. Our sugarcane can be the basis of a whole range of different products, not only sugar, molasses and rum but a range of other things.

Our nutmegs and mace are used as spices and in perfumes and so on, which are presently manufactured and refined abroad. We sell the product raw. The same for cocoa: you can make chocolate and all kinds of beverages out of it, but again we send it abroad raw. From bananas you can make food chips and all sorts of things. All these different agricultural commodities, plus a lot of our other cash crops, such as coconuts and cotton, can be used for processing.



A beach at St George's

Tourism is a big economic hope for Grenada but will be integrated with a more diversified economy

So we hope, over a period of years, to develop an agro-based industry in the enormous range of agricultural commodities which lend themselves to this process.

Locally-based industry

The second kind of manufacturing one can engage in is based on local raw materials of a non-agricultural character—clay, sand and limestone, which can be used for building materials and become the basis for a cement industry; mineral water, which we have, and you know the popularity of mineral waters in Western Europe and North America. There is a range of other products—not gold, silver, not exotic or tremendously valuable minerals, not oil, but raw materials which have a value, which can be turned into something useful none the less.

We have a special kind of red gravel which can be used to make attractive tiles, and so on. With the assistance of a number of countries and international agencies, including UNIDO, we hope first of all to map out geologically all these different resources, modest as they are, to build modest but important manufacturing enterprises based on them.

The third kind of manufacturing enterprise, of course, is based very little on raw material. You import the raw material as well as the capital and put your labour to it and your local water supply, so in that your value-added is perhaps the least of all.

You import everything but manufacture it locally, then you use some of it locally and export some of it. We have some of that too, a garment industry and a few other light industries of this type. But I think the first two kinds of industry are the ones which we favour in terms of priorities. We are not going to disregard the third type, but we are going to lay the greatest emphasis, obviously, on industries which are based on access to local raw materials.

“Seizing property without compensation is not part of our policy”

► *In a statement, the PRG said state participation in the country's economy will take various forms depending on local needs and circumstances. Can you elaborate on this?*

— Basically, our approach to the ownership structure of the development of the economy is one in which we seek to have a state sector, a cooperative sector and a private sector: a mixed economy, in other words. The relative proportions within any particular sector, whether agriculture, forestry, fisheries, agro-industries, non-agro-based industries or tourism, would depend on specific circumstances rather than some kind of overall plan. We prefer to examine things case by case.

A lot of the foreign investment that we have at the moment or will get in the future will be direct investment into a particular enterprise, such as putting up

a hotel. Some of it will be joint-venture with local capital.

Some of it will be joint-venture with the government. Some of it will be a combination of foreign and local capital plus state participation. In other words, we take a case by case approach to the question of what kind of mix we have, based on a whole variety of different factors—technological availability, capital imports, etc.

► *What is the government's position on nationalization?*

— We see it as an extreme measure to be used in a special case. I don't know whether one would even call it nationalization. I am talking about, for example, things that happen in other islands and in the United States and in Britain; in Grenada and other islands, and I think in Britain, it's called compulsory acquisition. In the case of America it's called eminent domain or something like that.

In other words, if, for example, the only place in the whole country where you can build an airport happens to be in a particular spot, in our case Point Salines—and all the experts over 25 years have told us that there is only one place in Grenada where you can build an international airport, where there is enough flat land, enough space, the right cloud cover, the absence of cross-wind problems etc.—and the people there don't want to sell the land, obviously the government will have to compulsorily acquire that land. The owners will be fully compensated but it will have to be compulsorily acquired, otherwise the country cannot have an international airport. If that's what you mean by nationalization, yes, you will have situations like that.

But, in other words, if you mean confiscation of people's property, that is out. Our position on that is quite clear. We are not in favour of compulsorily acquiring people's property.

But where the national interest is involved, we will have to do it, like every other country does, but with full compensation. Seizing property without compensation is not part of our policy.

► *Grenada, the "Island of Spice", is known also as a tourist paradise. What are the prospects for the tourist industry? Do you see it becoming as important to the economy as it is, for instance, in Barbados?*

— Well, I don't know about as important as in Barbados, because Barbados really only has two sectors: tourism and sugar. Sugar used to be the number one, now it's tourism. I don't think it is going to be quite like that. We have cocoa, nutmegs, bananas; we are trying to develop a range of cash crops: foods, vegetables, agro-industries, light manufacturing industries and tourism. We would want to develop the fishery industry. So we would probably have a more diversified economy than Barbados.

We hope so. But tourism will certainly be an extremely important part of it. It will be a major, if not the major, foreign exchange earner and we feel it has tremendous potential.

The international airport is the most critical activity which the government is undertaking.

We are developing a plan for tourism over the next 20 to 30 years, with the assistance of both the Canadian government and Canadian private invest-

tors, for the whole southern part of our country, which is the tourism area in particular.

The EEC mission: "a great deal of understanding of our problems, aspirations and hopes"

► *You headed the Grenadian team during the EEC aid programming mission here. What are your impressions of this exercise, and what were the criteria for choosing the priority development sectors under the EEC programme?*

— I will just say that we were very happy to have the mission here. We found them to be very responsive to the needs of the country and very concerned about our development effort. From that point of view, I thought that the mission visit went extremely well. We had very fruitful and very cordial discussions. There was a great deal of understanding on the side of the EEC mission of our problems, aspirations, hopes and plans, and we were able to discuss with them in great detail our priorities for the economic and social development of the country.

We showed them a bit of the country while they were here. Generally speaking, I must say that we have found the European Development Fund extremely responsive to the needs of the people of Grenada. The EEC has a man on the spot here in Grenada, Mr Ferrari, who has been of tremendous assistance to the government and the people of Grenada in getting programmes off the ground and implemented so as to carry out the desires of both the EEC and Grenadian people.

There is also a delegate from the EEC in Trinidad, Mr Watterson, who comes to Grenada very frequently and is in constant contact with the government along with Mr Ferrari; and then there was the mission from Brussels. We find that when we write to Brussels we usually get quick responses. So we found it extremely valuable and extremely fruitful to be able to go through the whole programme of assistance for the next five years with the mission, determining the priorities and so on.

► *What do you think of Stabex, which has been carried over from Lomé I and improved in Lomé II, and the new system to support mineral production in Lomé II?*

— We, not being mineral producers, are a little unable to judge just how use-



A professional training programme will help modernize fishing, which should become an important sector in view of Grenada's well-stocked waters

ful that particular section would be for the mineral-producing countries. So it would be difficult for me to really comment on that adequately.

With respect to the Stabex scheme generally, it is extremely useful for the less developed countries to have a scheme that provides a compensatory mechanism in times of natural disaster, or any kind of hardship which could lead to a sudden and unexpected drop in the agricultural production of key export commodities. It provides a certain kind of insurance and is therefore very important.

► *Do you expect to benefit from the Stabex?*

— Possibly. We have had serious flood rains over the last three and a half months, from October to January, which caused tremendous damage to our country, our roads and bridges, our topsoil fertilizer and, of course, crops—damage of well over EC \$ 40 million. And this, we expect, will have its effects on our cocoa crop, for one thing. The effects will not be felt immediately, because of stocks, but a little further down the line, at the end of the year and early next year. If we do have a significant drop in production because of the flood rains, the Stabex mechanism would then come into play. So there is a real possibility of Grenada benefiting under this particular aspect of the Lomé agreement.

► *How about nutmegs?*

— I don't think nutmegs come under Stabex yet. We have applied for it.

► *The Commission, I think, is not at all opposed to including nutmegs in the Stabex...*

— Yes, I understand that too. But it is a question of whether nutmegs have actually been included at this point. In fact, our people are checking that out now.

Four revolutions in one

► *Minister, as the number two of the government you tend to be considered as the ideas man, the "guru". Can you summarize your ideas on the individual in relation to politics and scientific and technological progress?*

— Basically, we see our whole process of trying to build a new society in Grenada as a link to the question of putting the people in the centre of the whole process. The people are the key to the whole process there. Not machinery, not equipment, not cash, but the



"The maximum flowering of talent": the cultural revolution is part of Grenada's four-in-one revolution

people. The full development of the human personality, the full realization of the creative potential of the individual, is central to the whole process of building a new society, and not just the question of better wages and working conditions, better housing, better water supply, etc. although these are critical. That is why we lay a great deal of emphasis on education, health, sport and culture; and not just on formal education, but also on adult education, evening education, on the elimination of illiteracy, and so on. The whole question of science and technology is therefore part of that process.

As our Prime Minister put it, in his speech at the youth rally on 2 March: there are four revolutions which are being built within our one revolution. One is a political revolution, to change the whole order and to involve greater participation by the people in the whole process of building the country. The second is the economic revolution, the revolution to make the country generally economically independent and developed through diversification, expansion and again through the greater participation of all those who have to take part in the productive process, which a change of attitudes towards work.

Thirdly, the cultural revolution, the whole question of letting the talent of the people flower, all the different youths and women and other people who want to put on dramatic performances of all sorts and dancing and singing—you name it, art, sculpture, the whole works. To have the maximum flowering of talent and encouragement of that talent; building open-air stages, providing opportunities for people to perform on stages; providing more

opportunities for people to record and to cut records; having more of our local talent being able to perform on local radio and TV, this type of thing. Essay competitions, poetry competitions and so on, the cultural revolution.

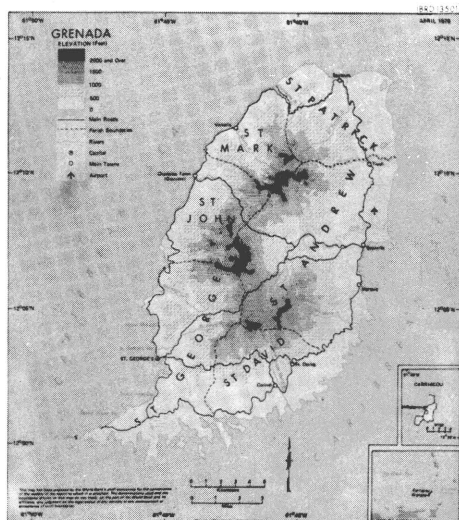
Fourthly, and just as critical as the others, is the scientific and technological revolution. The advanced countries today are advanced partly because of their great attention to the whole area of research and development, the whole area of science and technology. Japan was able to develop in an extraordinarily short space of time this century, again, largely because of tapping existing technology and building on it; and the competition that now goes on between, let's say, the United States and the Soviet Union, Japan and West Germany and France and Britain, has a lot to do with the question of constantly trying to outdo each other in the area of technology. Different companies compete with each other, such as the multinationals.

This area of science and technology is very crucial to the developmental process. There, as well, education and culture and the healthy development of the individual is central to the process of the scientific and technological revolution. We see that as very important.

That's why we lay so much emphasis on technical and vocational training, on university training, on higher education for our people; why we lay so much emphasis on all our youth who have the capacity to go on to university education and technical education generally. And we are happy to report that we have had great success in that area in the past 12 months. ○

Interview by L.P.

Grenada profile



Area: 344 Km²

Population (1979): 110 400 of which 47% are less than 15 years old; Birth rate: 2.32% (1978)

Capital: St George's (pop. 7 500)

Main towns: Gouyave (pop. 2 920); Grenville (2 100) and Victoria (2 000)

GNP (1977): EC \$ 134.3 million (US \$ 49.7 million)

Income per capita: EC \$ 1242 (US \$ 460)

Exports (1978): EC \$ 45.8 million (US \$ 16.96 m)

Imports: EC \$ 96.3 million (US \$ 35.67 m)

Trade pattern:

— **Exports:** UK 42%; Federal Germany: 22%; Netherlands: 10%; Belgium: 5%

— **Imports:** UK: 25%; Trinidad and Tobago: 24%; Canada: 9%; USA: 8%; Barbados: 4%

Tourism: Hotels: 18 (965 beds); apartments (guest houses): 6 (114 beds)

Rainy season: July to November

Currency: EC (East Caribbean) dollar (EC \$); US \$ 1 = EC \$ 2.60

(Source: Ministry of Finance — Facts and Figures, September 1979, Grenada)

The EDF and Grenada Community aid under Lomé I

Table I — Total EEC aid

	(in '000 EUA)
1. Indicative aid programme (99% committed as of November '79)	2 000
2. Regional projects (*)	6 500
WISCO	1 200
Common services for the islands of the East Caribbean Common Market (ECCM)	1 500
CARD (agricultural research)	350
CTRC (study and promotion of tourism)	—
3. Stabex	—
4. Exceptional aid	—
5. Food aid (internal prices)	—
— 400 tonnes of milk powder — 1976 programme ² (fob)	380
— 200 tonnes of milk powder — 1979 emergency programme (cif)	240
6. NGOs	—
7. Special EEC aid	—
8. EIB	—

State of progress of the indicative programme

(as of November 1979)

	(in '000 EUC)	
1. Road repair programme		
— studies	20	committed
— east coastal road	1 440	committed
— increase	11	committed
	1 471	
2. Construction and equipment		
St George's Hospital	200	committed
— increase	6	committed
	206	
3. 14 microprojects	223	committed
4. Training	80	committed
5. Balance	20	committed
	323	
Total	2 000	

Projected indicative aid programme, 5th EDF (Lomé II)

1. Transport and communications:	48%
This mainly covers the construction and repair of various roads to allow the full exploitation of agriculture	
2. Training and social development:	11%
The EDF will support government education efforts in primary schooling and training in managerial skills (intermediate, advanced, technical) as well as adult education in urban and rural areas	
3. Agriculture and fishing:	11%
Grenada has very rich territorial waters. Technical training will be given to Grenadian fishermen to enable them to modernize their activities	
4. Microprojects:	8%
Improvement of cultural and social activities in community centres, mainly in Carriacou and Petit Martinique	
5. Health:	8%
Curative and preventive medicine	
6. Technical training:	7%
Practical technical training for skilled workers and provision of experts for projects and defined priorities of the government	
7. Miscellaneous	7%

Source: Directorate-general for development, Commission of the European Communities

(*) Concerns proposed regional projects that will benefit Grenada. The direct economic impact on Grenada can not be measured.

Unison Whiteman, Minister of Agriculture

"We can attempt to produce most of our food locally"

The minister of agriculture, tourism and fisheries sums up the food and agriculture situation and looks at Grenada's prospects over the next few years.

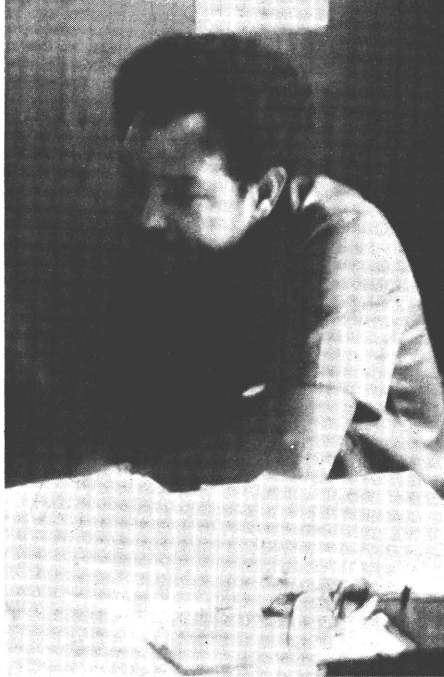
► *Minister, could you give an outline of the trends in agriculture, tourism and fisheries, preferably with a few statistics?*

— I think we can look at the picture firstly from the point of view of the traditional sector, and secondly from the point of view of the new sectors of the economy that we have started to develop since the revolution.

Traditional agriculture

From the point of view of the traditional sector, our production of cocoa last year was seven million pounds, which was a slight improvement over previous years. Our production of nutmegs was about six million pounds, which again was a slight improvement over previous years. The country has now recovered fully from the ravages that we suffered in 1955 from a hurricane, so our nutmeg production has now reached the peak of previous years. For bananas, on the other hand, the situation has not been bright. We are now approaching a period of decline both in quantity and quality. One reason for this is that in recent years we have been suffering from what is known as Moko disease; unfortunately, the disease is spreading and the industry is in a very critical situation. Eradicating the disease quickly is a serious problem.

Moreover, the price the banana farmer is getting is quite low. While the cost of production for bananas is EC \$ 0.165 per pound, in recent months the farmer has been getting as little as 11 cents per pound, so banana production is hardly worthwhile now. If you look at the share of the banana dollar that the farmer and worker are getting—after all, the farmer does frequently have to pay his workers—you can see that frequently he is getting less than 10% of the final price of the banana dollar. I think we will have to reassess the future of bananas in the coming period.



Unison Whiteman

We would like to be able to maintain the banana industry because, after all, it is the third major industry in the country. It is a matter of being able to wipe out the disease and build a future for the industry.

In tourism, we have been able to maintain our position. In some areas there has been a slight decline. I think during the November/December period there was a slight downturn in hotel occupancy, but it has picked up and is now slightly better than normal. In some areas—in the more expensive luxury hotels—there was a slight downturn, while the occupancy in guest houses has been quite high.

New tourists

For the first time people are coming to Grenada from relatively new countries, Scandinavia in particular. Students and youths are coming to see what is happening in Grenada, and they are quite excited about what they see. So I would say that, especially with the airport, we expect tourism to pick up in the future.

► *How about fisheries?*

— Fisheries will have a good future in Grenada. We have started a training school and we hope that in the coming years we will be able to train perhaps 200 young people to make a living in the industry. We expect that in the coming months we will be able to get a modern fleet of fishing vessels, and that we will be able to fully tap the fishing resources of the country.

Our catch today is about five million pounds of fish per year and there are just under 2 000 people involved in the industry, using traditional methods. We gather from our Fisheries Department that we are not fully tapping the fish resources in our waters; in fact, our maximum sustainable yield of fish could be several times our present catch. So it is important for us to develop the industry with better training, better extension services for the present fishermen and better ice-making facilities. That is a chronic problem—how to develop our ice-making facilities given our limited resources.

And we are currently importing over \$ 3 million worth of processed fish—salt fish and smoked fish. Only last week we completed a project in Grenada whereby we have started to process our fish, so I think this year we can start producing local smoked and salted fish. If we can do that it means that we will be able to provide a better market for our present fishermen, because it will no longer be necessary to import so much.

► *Unemployment is said to be high in Grenada, especially among the under-25s. What job possibilities can your three sectors of the economy offer?*

— I believe the unemployment rate has been about 50%. Since the revolution we have been able to provide about 2 000 new jobs in the productive sector, and we believe there is potential employment for about 300, maybe 400, people in fishing and fish processing. I would say that a number of people can find jobs in the new sector of agriculture, that is, the sector where, for the first time in our history, we are starting to tackle the question of food production in a more systematic way. We are developing a new sector of agriculture, growing new crops both for the market and for export.

For instance, we have been producing thousands of heads of lettuce, which is a new crop, for export. We are producing onions on a much larger scale now, peanuts and egg-plants for the export market for the first time. We have shipped over 30 000 pounds of

egg-plants to Britain over the past few months. We are just starting a pumpkin project and will be shipping thousands of pounds of pumpkins every week.

Hot peppers too. So in this new agricultural area we hope that a few hundred people—particularly the youths—will be able to find jobs.

Another agricultural area that we plan to develop is fruit, mainly for the agro-industrial programme. We plan to put 10 000 acres of hillside land, the sloping land which is now largely under-utilized, under fruit. We now have available almost 100 000 fruit plants for this year's planting season: avocados, citrus, mangoes, guavas, golden-apple—that kind of thing. We see that as a great sector as the economy moves forward, and we believe that that kind of programme will be able to employ quite a number of people.

Tourism will expand as soon as the airport is ready, and we feel that quite a number of people will be able to get jobs in this industry as well.

I would like to mention that forestry is an area where there is great potential. A careful survey has shown that Grenada can develop its forests, through a programme of harvesting and reforestation, and that we will be able to provide half our requirements of wood and wood products and start a furniture industry. Based on the plan that we are now developing, we believe that another 200 or 300 people can get jobs in that area as well.

► *Making a total of about 700?*

— Yes. I would say that in the coming two years we will be able to employ another 700 to 1 000 people in these four sectors.

Training

► *To what extent are the trends in employment due to a lack of professional training, in your own opinion as well as in the light of Ministry of Employment figures?*

— To a certain extent there is a lack of professional training. I can give you one or two concrete examples. When we were about to start the forestry programme last year we could not find an engineer to design the road in the forest for us, because the engineers we have were tied up in other road and housing projects. It took us several months to locate an engineer, which delayed the project. We are having a problem in setting up a small factory in True Blue, in the south of the island. We purchased equipment from Miami and it came in about a month ago. The building is ready. But there is nobody



Grenada is one of the world's three main producers of nutmegs

who has the skill to set up the equipment.

One of our ministers is in Jamaica right now and that is one thing he will try to get from the government of Jamaica—someone to come down and set up that factory for us.

So there are cases where lack of high-level training is keeping back our development. But I would say that, all in all, it is usually more a question of equipment, if I were to make a guess, rather than training.

You can usually phone the CDB or the government and say, "Can you send down someone for a week or two to guide a project?" But getting equipment, machinery, is usually a much more severe strain on our development programme.

► *Can the EEC help in this?*

— Yes, certainly, EEC help has been decisive in our entire development programme. We are really grateful for the EEC's tremendous help. I think it is really good. For instance, to return to the question of training and equipment, we did get an engineer for the forestry programme within months, but we have still not been able to get a tractor. The tractor that we were using to cut the road broke down, and although there are a number of privately-owned tractors in the island, almost everyone of them is missing a part.

We do not have standardized equipment and it is taking us months to get another tractor to continue the cutting of the road. A new tractor, I understand, costs over a million EC dollars and we are very poor: our resources are very limited. That is the kind of problem we face.

► *Agriculture in developing countries very often fails by a long way to do as well as it could in theory. Could Grenada do better and reach self-sufficiency in most food products?*

— I don't see us reaching self-sufficiency, neither do I feel it is a necessary objective. But I think we can and should attempt to produce most of our food locally, for instance, salted and smoked fish. Our waters are full of fish, and it is a relatively simple technology. We are a tropical country, we have a lot of sunshine and therefore we can produce a lot more food. But there are some products that we will always have to import, for instance, wheat flour.

I think what we can do in the case of flour is to find a way of combining some of the local crops into the flour, for instance, manioc can be integrated into wheat flour; you can use between 5 and 10% cassava flour and 90 to 95% wheat flour to make flour of very good quality. At the same time, that would provide employment and income for farmers. Industry will provide a small amount of employment and, of course, every job counts really in our small country.

Historically we have never consciously made an attempt to grow as much food as we can and I think there is a lot of potential. But the traditional sector will always continue to be vital to our survival in Grenada—our cocoa, nutmeg and bananas—and I think what we will have to do is to try to find better prices for these things in future. The terms of trade have been shifting against us over the years and I think we have to examine to what extent it may be possible to do some semi-processing of some of these commodities.

► *What about livestock?*

— Livestock represents one of the great weaknesses in our agro-industrial programme. We have very few animals in the country. It is something that we inherited. We got some very heavy rains in the November to January period and we lost a lot of our top soil; in fact, we calculated that we may have lost perhaps over an inch of top soil throughout the country. Therefore it is important for us to find a means of replenishing the fertility of the soil, and the manure of the livestock is important in that regard.

However, we just don't have the means of buying animals. We estimate that we will need to import 4 000 head of stock over the next five to ten years. We have enough land for it, we have the means of growing the grass, but the real problem is getting the stock. It's a headache. ○

Interview by L.P.

NIGERIA

Conducting the economy along "the path of irreversible growth" »

On 1 October 1979, Nigeria returned to civilian government after 14 years of military rule. The smooth, efficient and determined manner in which the change was accomplished bore witness to the political maturity of a country that saw three military coups d'état and a civil war.

Coming at the end of a decade which also saw a phenomenal expansion of Nigeria's economy, the eyes of many must be fixed on the new government to see whether or not it can build on this enviable economic legacy.

And the task of overseeing not only the administration but also the country's economy rests on Alhaji Shehu Shagari, who was elected President of Nigeria in August last year.

Tough and imperturbable

Shagari has brought into the job a political experience that spans 20 years. He took part in the negotiations for Nigeria's independence and served in several federal government portfolios in the first civilian government and under the military regime.

He is noted for his conciliatory powers, toughness and imperturbable temperament, qualities that have enabled him to overcome his first major difficulties and which, no doubt, will be invaluable during his 4-year term of office.

On installation as President on 1 October 1979, Alhaji Shehu Shagari did not dispose of a majority in both the House of Representatives and the Senate. Now he has one, following alliances between his party, the NPN (National Party of Nigeria) and two others, the NPP (Nigerian People's Party) and the PRP (People's Redemption Party).

He has thus been able, after three months of screening, to get the full list

of his cabinet approved by the Senate, as stipulated by the constitution.

He has appointed a Council of State made up of traditional rulers and former heads of state, and has entered into dialogue with all the political parties, to ensure the smooth functioning of the reborn democracy.

Nigerians, he insists, should have freedom of political belief and of speech without fear of victimization. He has pledged to ensure that the fundamental rights of the individual as guaranteed by the constitution are upheld "to the letter". The real business of governing Nigeria has begun.

The National Economic Council

One of the first steps of the President was to give effect to a provision in the constitution which requires that there should be a National Economic Council whose responsibility is to advise him on the economic planning efforts or programmes of the various governments in the Federation.

Made up of state governors, the governor of the Central Bank and chaired by the vice-president of the Republic, the establishment of the Council was no doubt an illustration of the President's concern for the economy, particularly in view of the fact that some of the states are controlled by political parties other than his and have, as a result, different views and emphases on development.

Inaugurating the Council, the President acknowledged that the military succeeded, by and large, in giving a new sense of direction to Nigeria's economy and in laying a good foundation for the drive towards balanced growth and self-reliance.

"The momentum created by them", he said "should not be lost. If anything, it should be regarded and accepted as a challenge to conduct the economy towards the path of irreversible growth".

But can the new government live up to its appointed task?

Oil: a catalyst while it lasts

Clearly Nigeria owes its gigantic economic strides of the last decade to oil, but it is equally true that the judicious policy pursued by the military regime contributed to the maximum use of the resource as a stimulant for other sectors of economy. Some of these measures include: the setting up of the Nigerian National Petroleum Corporation (NNPC), which acquired a 60% stake in the industry; the selling of extra oil accruing to the NNPC to third parties, in efforts to diversify sales amongst as many companies as possible and the offering of new on and offshore exploration rights to new companies with the notable concession that they were allowed to recover their costs plus a certain profit margin fixed by the government, if they struck oil. The result was increases in production enabling Nigeria to take full advantage of OPEC price increases of recent year.

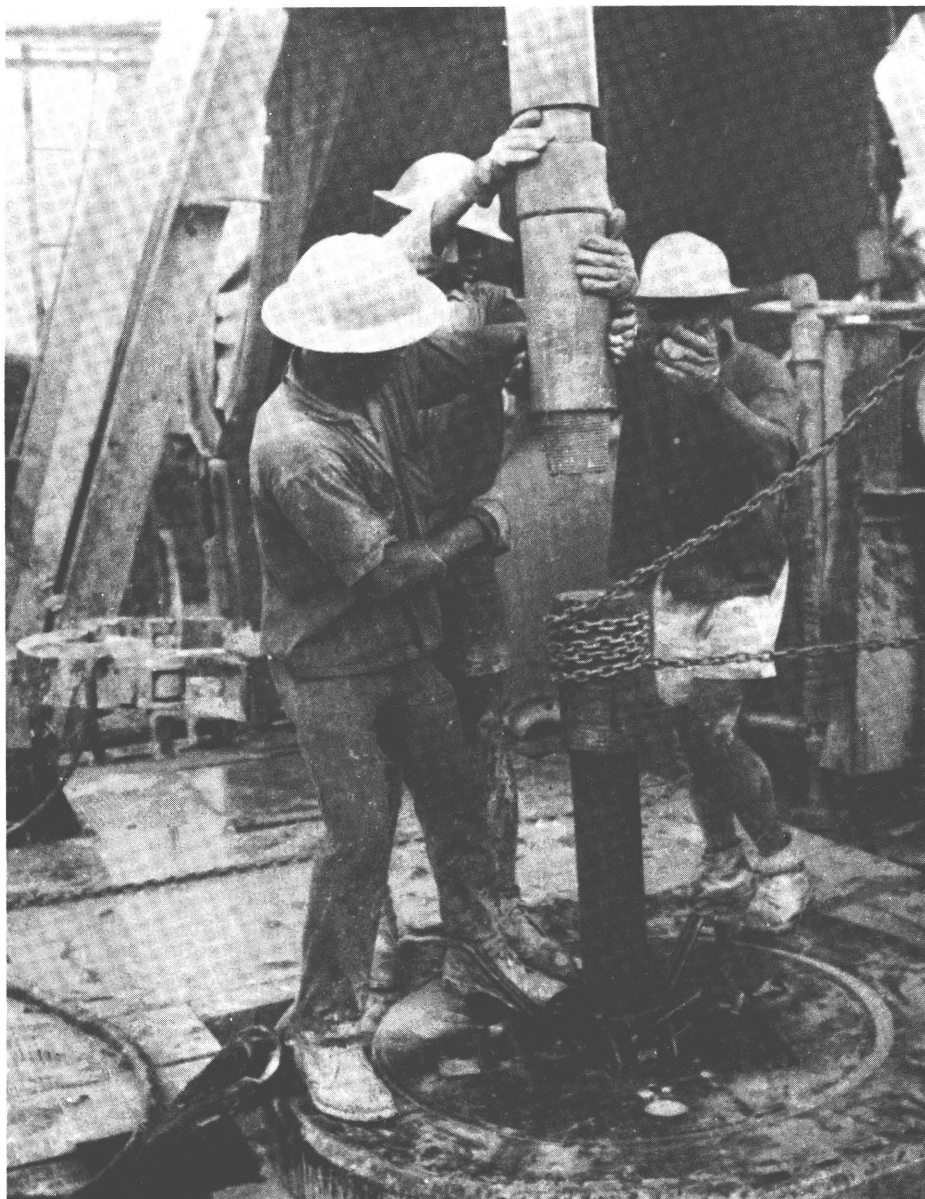
Ask any oil expert in Nigeria which of the measures taken by the military government he appreciated most, and he is most likely to point to 1978, when crude petroleum output fell drastically by 10.5% due to a slump in demand. The government's reaction was to cut prices below OPEC's official rates, thereby reviving demand in speculative buying and saving Nigeria from major development disaster, as far as the financing of vital projects were concerned.

Although oil is expected to earn some \$ 20 000 m this year, the planners of the 1980-85 development plan are aware of the need to avoid an over-estimation of revenues in marking out national economic goals in the next five years.

By whatever method, however, one may chose in judging the new government, all indications suggest that it will be as dynamic and prudent in formulating its oil policy as was its predecessor.

For example, the first major exploration contract signed under it gives Agip a 50:50 share with the NNPC, in the case where it finds oil, nearly a 20% increase on normal equity participation for foreign oil companies. More incentives, understandably, are being contemplated.

Recoverable oil reserves vary from OPEC's estimate of 18 200 m barrels to a US government survey of 35 500 m barrels, enough to last at least 20 years. However, the Nigerian authorities are not losing sight of the fact that it is a "depletive, irreplaceable and transitory" resource.



Oil drilling

Plans are afoot to end its dominance of the economy

Oil, in the view of the President, is an "asset which should be effectively used while it lasts as a catalyst for the development and transformation of the entire economy.

"The nation must be rescued from its dependence on oil, so that when it ceases to be the dominant factor, the economy would have become so resilient that it will grow and prosper, drawing strength and sustenance from other non-petroleum sources".

Revitalizing agriculture

Of these other sources, agriculture is considered to be of paramount importance. Before the advent of oil, it accounted for well over 80% of foreign exchange earnings: Nigeria was the world's second largest exporter of

cocoa and a notable exporter of such products as groundnuts (seeds, oil and cakes), palm oil and kernels, cotton, rubber and hides and skins. Today, agriculture accounts for less than 7% of earnings and the country, which was once self-sufficient in food, is now a major importer.

This would give the impression that agriculture has declined in Nigeria. It has not. It has simply stagnated for the following reasons:

— The civil war of 1967-70 in the then Eastern Region, and the great Sahel drought of 1973-74 in northern Nigeria, seriously affected farming in those parts of the country.

— There has been a rapid increase in the population: from 56 million established by the 1963 census to the controversial 79.6 million established by the

1973 census. Judging, however, from the 47 million registered voters, Nigeria's real population could be well over 100 million.

— The rapid expansion of the economy has created in the urban areas a large middle class, whose food consumption lifestyles have radically changed. Whereas five years ago they took one type of meal twice or three times, a day, today their diet is varied—evidence no doubt of an improvement in the standard of living but at the cost of food shortages.

— Studies conducted by both indigenous and foreign agricultural experts reveal that there has been a sharp rise in the domestic industrial demand for what have so far been export crops. And because farmers have preferred to sell their produce to the highest bidders rather than to marketing boards (through which records were normally kept), it has not been possible to gauge accurately what has been happening to cash crops.

— Agriculture has not benefitted adequately from government expenditure. Agricultural expenditure projected in the 1975-80 third plan, for example, amounted to less than 3% of overall expenditure for the period, although increased allocation in the annual budgets eventually raised this to around 6%.

A change in policy

A major shift in policy, however, came in 1976 when the federal military government launched its "Operation Feed the Nation".

Aimed essentially at giving a facelift to agriculture and at mobilizing the whole country to increase food production and achieve self-sufficiency, OFN led directly to massive efforts which, today, makes agriculture look like coming back as a major force in the Nigerian economy.

The national accelerated food production project (NAFPP), which had been launched in 1973 by the Federal Department of Agriculture, was revamped.

Other projects like seed multiplication and distribution, plan protection, grain storage, fertilizer procurement and distribution, and large-scale mechanized grain crop farms, followed in rapid succession.

The national accelerated food production project is perhaps the most systematic and promising programme for substantially increasing food production in Nigeria. It is a joint venture involving all the food crop research institutes in the country, the states ministries of



A proud display of king-sized cassava tubers: the direct result of improved methods of cultivation

agriculture and the federal department of agriculture.

Under it, the federal government provided, between 1977 and 78, N18 m for the establishment of 187 agro-service centres in various parts of the country, as essential accessories for the implementation of the programme.

The objective was, and still is, to bring inputs like high-yielding varieties of seed fertilizers, pesticides, herbicides and credits within easy reach of farmers. The centres are also aimed at providing managerial, training and advisory services as well as marketing and storage facilities.

In order to encourage and protect the interests of farmers, the government took measures to ensure that their incomes are not depressed as a result of increase in food supply. It established, for the first time, guaranteed minimum prices (GMP) for rice, millet, sorghum, processed garri and yams. It furthermore, banned the importation of certain food items.

In addition to these efforts which were geared to helping individual farmers, the federal and state governments engaged in a number of ambitious schemes including the setting up of 11 river basin authorities. The most notable of these, are the Sokoto Rima and Chad basins development authorities, where dams are under construction.

On completion, both projects will enable the irrigation of more than 500 000 hectares of land enabling the "double cropping" of a number of cereals and vegetables.

Similar measures have been taken to improve the production of traditional cash crops: large areas of palm plantation seriously damaged during the civil war have been rehabilitated. The federal department of agriculture, equipped with funds from the government, has begun a programme of replanting of crops. So far, it has planted 65 000 hectares of cocoa and 12 000 hectares of palm trees in Bendel, Imo and Ondo States. It hopes by 1985 to have planted another 85 000 hectares of cocoa.

As a result of these moves, the Central Bank annual report notes that the acreage of planted food crops in Nigeria increased by 10.5% in 1978. More, obviously, can be done. Of the country's estimated 98.3 million hectares of farmable land, only 35% is believed to be under cultivation. The blame is often put on the small-holding tenure system that characterizes farming, particularly in southern Nigeria.

Thanks, however, to the military government's Land Use Decree, which vests all land in federal and state governments, the way is clear for the new government to carry out reforms it deems necessary for the expansion of agriculture.

Other priorities and innovations

Apart from agriculture, industry and education, the federal government's other priorities include, housing, health and the construction of the federal capital at Abuja, some 450 miles north of Lagos.

According to President Shagari, 2 000 units of houses are to be built at the cost of about N 500 million in each state of the federation this year alone. A ministry has been created for the federal capital project and there are hopes that by 1982 the government will be moving there — away from Lagos traffic jams and overcrowding.

The life of the third development plan has been extended to December 31 to allow the completion of outstanding projects and Nigeria's fiscal year has been moved from April to January 1 to coincide with the normal calendar year. ○



Rice harvesting

The making of a nation—a brief history

Colonialism may or may not have been the motive, but when, in 1849, the British government appointed a consul for the Bight of Benin and Bonny with the mandate to protect British citizens trading along the coast of West Africa, it signalled the formation of a colony that was to be known as Nigeria: for within 40 years, Lagos, a Portuguese trading post, had been ceded to the British and treaties of friendship and commerce had been signed with obas and chiefs (traditional rulers) of the coastal empires.

These agreements were rapidly transformed into "Treaties of Protection" under the Niger Coast Protectorate with the prime objective of keeping other European rivals out of an area that, from all indications, was rich in natural resources—palm oil, palm kernels, rubber, cotton, etc. The French were not too far away in what is today known as the Republic of Benin.

In the Savannah zone, north of these coastal empires, events unfolded in a different manner. The whole of the Hausaland, which stretched from just below the River Niger to Lake Chad, had been Islamized and brought under Fulani rule by the second half of the 19th century by Usman Dan Fodio, a devout Moslem and religious teacher. Dan Fodio achieved his feat by dec-

laring jihad (a religious war) against Hausa authorities for their unorthodox Islamic practices.

His successors, who were equally dedicated Moslems, kept the European cultural influence which had engulfed the south at bay. So uncompromising they were that they made the business of administration impossible for the Royal Niger Company, which had signed treaties of friendship with them and to whom the British government, by virtue of its "rights" under the Berlin Congress of 1884, had given a mandate to govern the area.

However, when the Royal Niger Company was bought by the government and Sir Frederick Lugard became commissioner, the latter undertook to subdue the emirs. This he accomplished between 1901 and 1906, not before bloody and memorable battles had been fought.

The birth of Nigeria

In 1914 the north and the south were amalgamated into a colony, with Lagos as capital and Frederick Lugard (now a lord) as its first governor-general.

Lying between latitudes 4° 20' and 14° north of the equator and lon-

gitudes 2° 20' and 14° 30', the area covered some 960 000 km, the largest single territorial unit along the west coast of Africa—roughly four times the size of Britain. And so a giant nation was born. It was christened Nigeria by Lady Lugard, wife of the governor-general, from an African word "nigr", which means great river.

At birth Nigeria embraced a bewildering array of tribes (over 200 of them). In the north are notably the Hausa, Fulani, Tiv, Nupe and Junkun, of which the Hausa is dominant. In the south the Ibos and Yorubas are the two main ethnic groups around which gravitate what might be described as satellite tribes, in that they derive a large part of their vocabularies from the two. The Bini, for example, originally came from Yorubaland and they, in turn, gave rise to the Itsekiri, Urhobo and Ibo-speaking people of Onitsha, Asaba and Aghor, whose comportment and language are more akin to eastern Ibos than to the Bini, obviously as a result of their proximity to the former eastern region.

The British, however, divided the country into three administrative regions—North, East and West, corresponding to the three main ethnic groups Hausa, Ibo and Yoruba. This was the structure bequeathed to Nigerians at independence in 1960.
○ A.O.

Reorganizing production

A major overhaul of the sector is expected in the next four years. The various commodity boards are being reorganized and their functions will be extended to include responsibility not only for exports of primary products but also for manufactured and semi-manufactured products.

President Shehu Shagari has set up a National Council on the Green Revolution, headed by himself, to replace the Operation Feed the Nation Council, and he has set a five year target for the return of agriculture to its pre-eminent position in the Nigerian economy.

In pursuing this policy in the fourth development plan to be unveiled in October, the government will place emphasis on rural development; the provision of water, electricity, roads and educational facilities. In addition encouragement will be given to large-scale joint ventures involving foreign partners, whose equity participation can

now reach as much as 60% in this sector.

Small and medium-sized industries

The government's drive on agriculture fits in with its overall industrial strategy in the 1980-85 fourth plan, which foresees the dispersal throughout the country of small and medium-sized industries, particularly the agro-allied ones (see following interview with industry minister Ciroma).

Judging from Nigeria's enormous resources, there is no doubt that the country's industrial performance over the past two decades has been very disappointing. Industry's share of the gross domestic product rose from 2% in 1957 to only 10% in 1977. In order to stimulate it, the federal minister of industries, Alhaji Adamu Ciroma, has announced a series of measures. All new firms using imported raw materials

will have to submit in future a timetable for substituting local materials, and, as soon as possible, the import of raw materials or semi-finished products and components which are available locally will be stopped.

Industrial zones will be created for export-oriented industries and incentives will be given in various forms to investors, indigenous and foreign alike.

Iron and steel: laying the foundations

There is hardly any doubt, however, that the single most ambitious industrial project in Nigeria today is the development of iron and steel, a project that has been described as the laying of the foundations for heavy engineering industries, fundamental not only to the development of agriculture but also for transport, construction and defence.

Iron and steel has a long history in Nigeria. Preliminary consideration of its

development dates as far back as 1958, but definitive steps were not taken until between 1961 and 1967, when a number of proposals were submitted to the federal government by various international companies. Iron ore had, by then, been discovered at Agbaja and Udi among other places.

Because of the low level of consumption of primary steel in the country at that time, none of these proposals

process. Its production capacity in the first phase will be 1.3 million tonnes per annum, rising to 2.6 million in the second and to 5 million in the final phase.

Another project, the Aladja Delta Steel Company, is also underway in the Bendel state. This plant will use the direct reduction method and will be fed with iron ore from the Mifergui-Nimba mines in Guinea, in which Nigeria has 13.5% equity shares.

In addition to oil, gas, and coal (which is also being revitalized), substantial reserves of uranium has been discovered in Sokoto state. An agreement has been signed with a French company for its exploitation.

Obstacles

It is evident from the foregoing that Nigeria has enormous potentialities for sustained economic growth, but there are factors which could threaten its rate.

The first of these are inflation, which once stood at 35%, and import controls. President Shagari has indicated he will ask the labour movement for moderation in pay settlements to avoid refueling inflation, now down to 10%. But wages alone were not responsible for the inflation Nigeria has experienced in the last few years. Massive government expenditure is also to blame.

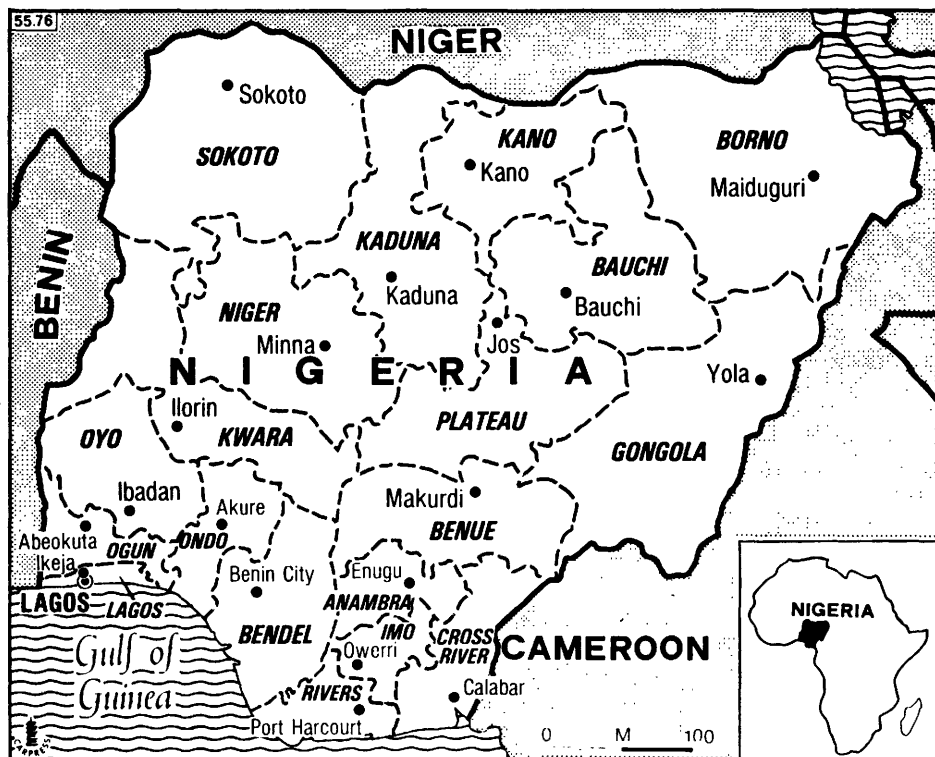
Although the government recently removed a number of items from the list of import restrictions, many commentators, including the Nigerian Chamber of Commerce, believe it has not gone far enough. They charge that the ban is "strangling the economy".

There is also the poor transport network. Despite billions of naira spent by the military on road construction, communication with the hinterland is still very difficult. Marketing and distribution remain inefficient as a result.

Frequent interruption to electricity and water supplies are other factors threatening growth. These interruptions have forced a number of firms to buy their own generators in recent years and this is proving very expensive. Serious thought, however, is being given to a reorganization of the responsible bodies.

The problem of skilled manpower is yet another, but vigorous efforts will be made to solve it in the coming years. There are now 13 universities and some 30 technical colleges in the Federation. More higher institutions of learning are planned and studies will henceforth be geared towards meeting the country's needs and aspirations. President Shehu Shagari has specifically created a Ministry of Science and Technology in this respect and Dr Ugoh, the minister in charge, is currently formulating appropriate policies. He has hinted that his ministry would attract Nigeria's expatriates home by motivation and by encouragement so that they can participate adequately "in the technological revolution". It is estimated that some 25 000 highly qualified Nigerians live abroad, particularly in the United States and in Britain. ○

AUGUSTINE OYOWE



materialized. The country's consumption was estimated at 300 000 tonnes per annum, and this was considered too low for economic and technical viability of such a project.

Later, however, the availability of coal in the country and the proposal to construct the hydro-electric dam at Kainji reinforced the idea of establishing an integrated iron and steel plant in the country, but progress was not made until in 1967, when a team of Soviet experts recommended, in a feasibility report, that further geological surveys should be carried out to determine the quality and quantity of the iron ore deposits and of other local raw materials such as coal, limestone, dolomite and refractory clays, on which the proposed iron and steel project could be based.

Last year, however, a contract was signed with the Soviet Union, for the construction of a steel complex at Ajaokuta, after protracted negotiations. Estimated to cost N 1 800 m, it will be based on the conventional blast furnace

It is interesting to note that the Nigerian National Petroleum Corporation will supply gas to the Delta Steel company—an effective way, no doubt, of utilizing one of the country's natural resources that until recently has been burned.

Gas

Although reserves have not been determined, it is generally believed that gas deposits in Nigeria, if exploited, would last at least 20 years. Recently the NNPC announced that it had drawn up draft sales contracts for submission to the US government, its potential gas customer, for regulatory approval(1).

If agreement is reached, the NNPC will, in partnership with a consortium of oil companies, establish a plant for the production of liquified natural gas.

(1) Belgium has already signed an agreement to buy 1 000 million m³ of natural gas per annum from Nigeria from 1985 onwards.

**Alhaji Adamu Ciroma,
Minister of Industry**

**“We think of industrialization
in terms of small and
medium-sized industries”**

For a country with all the necessary resources for rapid industrialization, the contribution of industry to Nigeria's gross domestic product over the past two decades has been disappointing: from 2% in 1957 to about 16% today. For this reason, the 1980-85 Fourth Development Plan, to be unveiled later in the year, will place emphasis on industry. In this interview, Alhaji Ciroma outlines the government's plans.

► *Minister, what kind of industry would you like to see in Nigeria in the coming years?*

— Right now, we are formulating new policies and strategies for the industrialization of Nigeria, policies and strategies that would take into account the historical background of the development of manufacturing in this country.

Between 1960 and 1972 the industrial effort was largely based on import substitution, the production of consumer goods which we used to import, and these operations involved the setting up of factories, importing plants, as well as sometimes importing the raw materials. They were, by and large, low technology industries. The third national development plan tried to build on that, and to go beyond import substitution into the production of intermediate goods and of transport equipment and into the area of higher technology. In the fourth plan, we are going to carry over some of these projects and in addition the defined priorities will now be related to agro-allied industries: that is to say, the processing and the preservation of agricultural products, the production of agricultural implements, the production of fertilizers and anything that would promote agriculture.

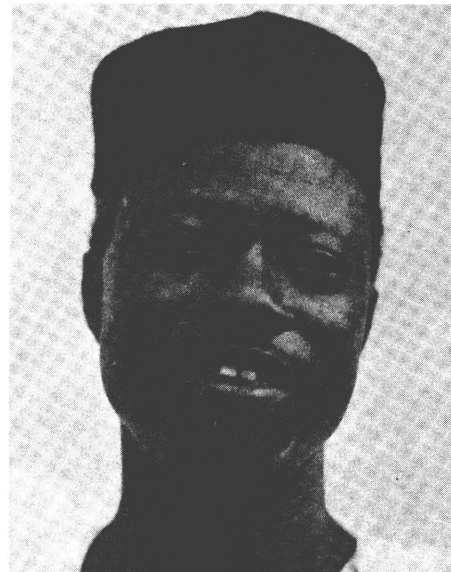
In the area of building, we intend to promote, as items of priority, the production of building components, windows, locks and so on, because building will continue to be a major industry in Nigeria. We will hope to produce more of the equipment which is required by the power and telecommunications industries. We intend that

there should be down-stream industries from iron and steel; the various items of manufacture which will follow as a logical consequence of the development of iron and steel in Nigeria and the down-stream operations of the petrochemical industries. These are the areas we have now defined as areas of priorities in which the federal ministry of industries and, we believe, the state ministries of industries, will be involved actively, not just in participation but in facilitating and in promoting them, so that industries will receive equal attention no matter whether there is government investment in them or not. So, we are going to move from the heavier industries I have been talking about under the third plan, to the area of small-scale and medium-sized industries, where there will be more of them, and where the policy of industrial dispersal can then be practically pursued, because if you talk about a papermill, there may be three, and they can only be in three places, if you talk about fertilizers, there may be two, and they can only be in two places. But we cannot industrialize on a large scale in terms of dispersal, of providing jobs, and a variety of goods, unless we think of industrialization in terms of small scale and medium-sized industries and this again is one of the emphases we are placing in our latest programme.

Stability in policy

► *Like every country Nigeria does not underestimate the role of foreign investors in its drive to industrialize. What incentives though does it offer?*

— We have I believe, considered



Alhaji Adamu Ciroma

very seriously and very maturely the place of the foreign investor in our programme. The importance of defining our own priorities is to give guidance to investors, whether they are Nigerians or foreigners, so that they know what areas the government places emphasis on, so that when they come in, they know what we consider worthwhile from the government's point of view. Hitherto, foreign investment has been based on the perception of the foreigner as to what business opportunities there are, and where he can put his money. And so, sometimes we end up doing things which, if we had options, we may not have done. This is one issue which affects the foreign investor.

The second issue is the incentives which we intend to offer in the areas of the priorities we have determined. We shall endeavour, within reason, to establish stability in a policy framework, in a financial operations framework, so that people know, and we know, that foreign investors come here to invest in order to make profits, and they should know that they will be able to take their profits without let or hindrance, when they have established successful, viable industries that contribute to the economy. The legal framework as far as participation is concerned, is already defined in the enterprises promotions decree and this government intends to maintain the level of participation already defined, so that the foreigner knows precisely whether he is in a business in which his equity participation cannot exceed 40% or he is in an industry in which his equity participation can reach up to 60% and so on and so forth. We want to create stability in the legal and operational framework,

so that he knows the assumptions under which he is going to come, and under which he is going to operate. We intend to make the processes of obtaining approval much easier. The following are normally required with regards to foreign investment: Approved user status(1); this is to enable industries or businesses to import materials they need under concessionary arrangements. The approved financial status as far as investments are concerned, that is to say, the acknowledgement of how much has been brought from abroad as a basis for the repatriation of profits and the grant of expatriate quota, so that the industry can be operated successfully. We shall also take into consideration in giving approval the firm's plans for the training of Nigerians to replace foreigners because we consider the transfer of technology very important. We also do believe that the foreigner himself will be happy to obtain Nigerian staff, who will assist in the running of the businesses and as much as possible to minimize the importation of foreign personnel. So long as they are required, we are going to make it possible and easier for them to be able to bring these, and we hope to set up one central place where all application, for various approvals can be submitted. And it is the government machinery, which will take over the obtaining of the various approvals from the various approving authorities for the industrialist, so that, just as he hands in one application for the various approvals required, he will have in reply, all the approvals that are possible, that are required, and that are deemed and examined to be reasonable. He will get them in one operation. So, these are some of the items that we have taken care of, in order to facilitate and to encourage the foreign investor who wants to come into this country.

A large market

We have been drawing the attention of people setting up businesses to the fact that, although the Nigerian market is big enough to attract a large number of industries both local and joint-ventures, those who participate in the Nigerian economy, should always realize that our market goes beyond our national borders, and that, as a member of ECOWAS, Nigeria's industrial capacity must cater for the ECOWAS market. So all these are factors which we believe should indicate to the foreign investor that he is welcome, that his interests and problems are being taken care of, and that the climate is there for him to feel that his investment is safe and profitable and that the regu-

(1) Approved user status refers to new firms, which for one reason or another have to import raw materials that are available locally.

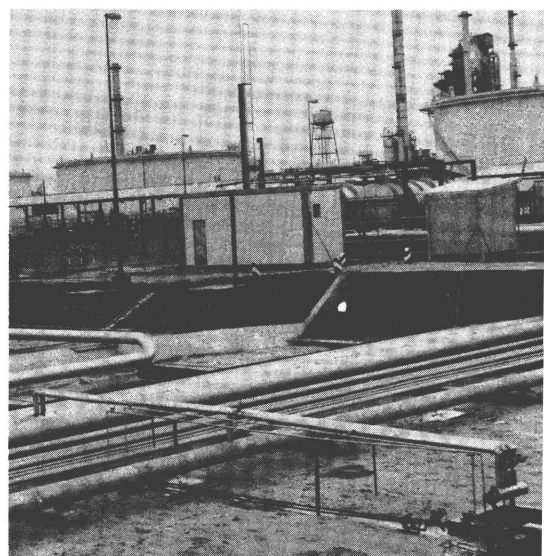
lations are such that he can repatriate his legitimate earnings from his effort and investment.

► *You mentioned the transfer of technology. How do you intend really to solve the problem of skilled manpower in Nigeria?*

— Well, there are efforts being made in various directions and at various levels. The educational programme is supposed to upgrade the level of manpower overall. The educated person is a person whose capabilities have been improved. The universities do engage in further improvement of those who have come through the primary and the secondary system. The polytechnics and other technical colleges give special training in technical matters. The business schools give training in accounting clerical, and other areas of manpower requirement, and there are specialized institutions doing various courses for specific consumers of this manpower. We add to all these the need for on-the-job training, and this is where the industry itself will train the people they employ in order to achieve the competence to replace the foreign staff that you find working in the various areas where there are shortages of Nigerians. So, all these efforts are directed more or less in specific or general ways, towards the elimination of the problem of manpower which we have and that means the acquisition and transfer of technology. We don't have a naive view about this transfer of technology. There probably isn't one country that is willing or ready to part with its technology. We know that, in any case, to absorb technology, the technology must be there and around. If it isn't there, anything you do will be theoretical, and we hope that by setting up these industrial operations and by Nigerians working in them, they will be able to absorb this technology and get it transferred in the mutual interest of all concerned.

► *Finally, minister, are you satisfied with the contribution the European Community has made to the industrialization of Nigeria, and what role would you like it to play in the future?*

— I can say that the European businessman and industrialist has been participating in the economic development of this country for a long time. Individual businessmen who came here, first as commercial people, have taken a cue from the policy directions of this country since independence to move to the industrial sector, thus leaving the commercial sector more or less to Nigerians. While acknowledging the contribution of these European firms and individuals, I am not in a position to



Warri oil refinery. One of the many being established in the country and which should give rise to down-stream petro-chemical industries

assess what the contribution of the EEC is, and I do not believe that EEC as the EEC has contributed anything to the industrial development of Nigeria.

The cooperation agreement between the EEC and Nigeria and the ACP states, though it made a provision for certain mutually beneficial trading arrangements, the first Lomé agreement, I think, was based on the relationship which we have been trying to change and the relationship is that of the consumer and the primary producer to that of the industrialized state, and this is what the new international economic order is all about, to try to change this relationship. The first Lomé agreement, as I said, was based on this old economic order and I don't think Lomé II moved very far from it. My understanding was that the EEC under Lomé I made funds available to assist in the development of ACP countries. But from Nigeria's point of view, this fund was not interesting enough because in terms of quantum, it was small and if Nigeria were to have taken anything from it there wouldn't be anything left for the smaller countries less blessed with resources. Not that we don't need the resources to help in our development, but the quantum of the resources made available, as I said, was not particularly interesting to us. I gather that the EEC made some funds available for the financing of studies and that kind of thing, and my own experience in trying to get them to finance a small thing connected with one of our projects here, has been, shall we say, slow? And so far, I have not seen the result. It may come, but at the moment I feel I can no longer wait for it and I am going to solve it in some other way. ○

Interview by A.O.

EEC-Nigeria relations

Interview with Chief Peter Afolabi, Nigeria's ambassador to the EEC

► *Ambassador, how has Nigeria fared with the Community generally with regards to trade under Lomé I?*

— Well, that's only one side of our relationship with the Community. In assessing how Nigeria has fared on the whole with the Community during Lomé I, one has to take into consideration what benefits Nigeria derived from the Community as such, excluding incidence or gains from the member states on a bilateral basis for example, in respect of financial and technical assistance by way of the industrial policy in Lomé I.

There is no doubt that the overall volume of trade has increased between 1975 and 1980, but in the main due to crude oil. Crude oil figured prominently in Nigeria's exports to the Community, and has given the impression of an overall EEC deficit vis-à-vis the ACP countries. In other areas of trade, such as cocoa and other raw materials, I wouldn't say that there has been a significant increase in volume.

Even when we closely examine oil, the reason for the blown-up figures is the value, not so much the volume of imports from the ACP states. On the whole Nigeria has not done badly: it was not the Convention *per se* that made this possible, because during this period, the percentage share of manufactured or processed goods in Nigeria's total trade with the Community was very low. It has not increased as one would have envisaged, or as the chapter on industrial cooperation stressed but which was bogged down by trade safeguard clauses.

In the area of financial and technical assistance, we do not have much to write home about. A major factor responsible for this was Nigeria's determination not to take advantage of this area of cooperation, which was possibly due to a kind of illusion by technocrats that the sudden oil boom of 1973 made it unnecessary to take whatever share of the cake Nigeria was entitled to. What was earmarked for Nigeria in this area was ridiculously low; 7 million units of account, which have been committed and disbursed very slowly during Lomé I. The impression is given that about 80% has been committed but the question is, how much has in effect been disbursed? Very little. I would be surprised if at the time of this interview (1) it

was 30% and the Convention is supposed to be over by the end of February. The blame for the slow implementation of Nigeria's programme cannot be placed solely on the Community, we also have a share for belatedly following up and identifying our own priorities and objectives.

With regards to banking facilities, the opportunities were wide but Nigeria reluctantly took advantage of them for reasons I cannot dwell on in this interview. Nigeria however, took what the EIB termed, the giant loan of 25 million EUA, for disbursement through the Nigerian Investment and Development Bank in Lagos to the private sector. That has been one area where Nigeria's relation with the Community has been meaningful. On the whole I would say it has been fair and I personally hope that, having overcome the illusions of 1973, we will take full advantage of all the possibilities in Lomé II.

► *How is Lomé II different from Lomé I?*

— Structurally, there are not too many changes; but there are innovations which have direct relevance to the North-South dialogue. Something parallel to Stabex has been established to take account of producers of minerals, a kind of insurance scheme like they have for raw materials such as ground-

nuts and palm oil for which 280 million EUA has been earmarked.

Another innovation is the injection of 200 million EUA for mining projects. The arrangement envisages loan facilities for countries that want to develop energy and mining. A third significant innovation is the addition of a new chapter on agricultural cooperation which provide for a centre for agricultural cooperation. The centre may begin with the exchange of information, or minor technical assistance; at any rate, I believe this is a step in the right direction. Agricultural development needs a lot of assistance from the Community, although this should not detract from the impact of EEC aid on industrialization. A fourth innovation is the declaration on shipping which calls for early ratification of the UN code of conduct, and for Community assistance for countries that wish to take advantage of this area of cooperation.

The chapter on industrial cooperation has been revamped with a greater emphasis on processing and on restructuring of the Centre for Industrial Development, which has now a larger financial support of about 25 million. This is about five times what was given to it under Lomé I. Tradewise, I believe we shall have a long way to go to achieve free access of all products from the ACP countries to the Community market. One can only hope that the Community would live up to its undertakings in Lomé II; no safeguard measures without consultation. Overall the fund appears to have grown, although not to the total satisfaction and expectation of the ACP countries.



Ambassador Peter Afolabi

(1) 1 February 1980.

There is an increase of 40-60%. We were expecting more than that. The 5.7 billion EUA compared to 3.5 billion of Lomé I is an increase, but one has to take into consideration the number of 47 to 58—and the effect of inflation on the financial assistance. These sum up the important landmarks of Lomé II. I would quickly add that the new Convention is more voluminous than what we had in 1975.

► A last minute compromise was reached on one of the most touchy issues during the negotiations, namely the question of protecting EEC investments in the ACP states. First of all, how compatible are the provisions with Nigeria's indigenization decree?

— I don't think Nigeria has any problem in this regard. You are quite right that we (the ACP) had to reluctantly swallow or accept that the declaration on treatment of investments of Community member states should be part and parcel of the Convention. Because of our fear and because of our suspicion, we stated times without number that each ACP state already has adequate provision for the protection of investments from the Community or the North as a whole.

Of course, it's a two-way affair. We cannot unduly protect them when we already have sufficiently flexible laws and regulations in our countries. You have mentioned Nigeria's indigenization decree which to me is a good decree: it defines the area where foreign investments are accommodated showing clearly percentage equity participation, a kind of assurance if you like against nationalization.

With regard to the declaration on investments, Nigeria so far has not signed any investment agreement, with any of the Community member states.

We don't see any reason for it, in view of the attractive climate for investments which the new regime has undertaken to improve. Coming back to the joint declaration on investment and the experience of Nigeria and some ACP states, in spite of undertakings that nothing would be read into the declaration to confer either automaticity, reciprocity or retroactivity, no positive and even visible action was taken to reflect this in the Convention.

I do recall, the chairman of the Council of Ministers went to Lagos to explain the rationale of the declaration and to confirm that there was no sinister intention on the part of the Community for insisting on the inclusion of the joint declaration in the Final Act.

My personal view, however, is that no amount of legislation can stimulate the flow of resources into the developing countries if there is no confidence. If the climate is right, investments will flow in.



"A country with all the advantages of economies of scale"

So we will see how the new arrangements work out and we will be in a position to assess whether the Community's insistence on having this added to the Convention succeeds in stimulating the transfer of resources to the ACP states.

Nonetheless there's no incompatibility between the provisions on the treatment of investments in the new Convention and Nigeria's indigenization laws.

► As chairman of the ACP negotiating team on industrial cooperation,

what, in your opinion, does Lomé II hold for Nigeria in terms of European investment?

— With its stable government and the organization of the market and resources both vertically and horizontally, Nigeria offers a market both ways for the Europeans. My advice is that they should take advantage of it. Historically, we share similar objectives, and experience.

Structurally, there is no barrier against the flow of resources into Nigeria. I have already cited Nigeria's indigenization decree as one of the investment laws, but any law, that appears restrictive to foreign investment will be reviewed in the course of time.

Nigeria has not been known for any irrational acts of nationalization and it does not intend to become so. The main areas where, I believe, European investments can operate very usefully will be agro-allied industries (farm and food production) and medium-sized integral industries and the manufacture of spare parts.

When our steel industry takes off, I do not see why the manufacturing of many other things cannot take place in Nigeria, in view of its strategic position in Africa and in particular West Africa. It has all the advantages of the economies of scale with its existing and potential markets, including purchasing power and immense resources. ○

Interview by AO.

Profile of Nigeria

Area: 932 768 km²

Population: 79 600 000 (*)

Capital: Lagos

Projected capital: Abuja

States (19): Anambra, Bendel, Ondo, Oyo, Ogun, Lagos, Kwara, Sokoto, Kaduna, Kano, Bornu, Bauchi, Niger, Plateau, Gongola, Benue, Imo, Cross, River, Rivers

Main cities: Ibadan, Abeokuta, Calabar, Benin, Sokoto, Kano, Maiduguri, Zaria, Ogbomosho, Enugu, Onitsha

Main Languages: Hausa, Ibo, Yoruba, English (official)

System of government: Presidential

Political parties: Nigerian People's Party (NPP), National Party of Nigeria (NPN), Unity Party of Nigeria (UPN), Great Nigeria People's Party (GNPP) People's Redemption Party (PRP)

Head of state: Alhaji Shehu Shagari

Currency: Naira

Main exports: Crude petroleum, palm oil, palm kernels, cocoa, groundnuts, cotton

Main imports: Machinery and manufactured goods

Main trading partners: EEC, United States and Japan

GNP: \$ 33 340 000 000

Income per capita: \$ 420

Sources: "Les 50 Afriques" and UN statistics.

(*) Controversial figure from the 1973 census. Nigeria's population could be more, judging from the 47 million registered voters.

“Exceptional effort” needed to achieve self-sufficiency in rice

Interview with Sidy Coulibaly^(*)



Sidy Coulibaly

We all remember the pitiful pictures of famines in the great Sahel drought of 1973 and the unbearable photos of emaciated Cambodians when they reached the refugee camps. But there is more than these spectacular hunger crises: there is a constant food problem that is increasing cause for concern. The world food situation is deteriorating all the time. The Third World's food imports have increased fourfold over the last 20 years and one child in three in the developing countries starves to death before the age of five.

This is why Mr Tanco, head of the World Food Council, speaking in Brussels recently, said that “wiping out hunger is the major problem of the decade”. There is no doubt that the strategy we use must hinge on a programme of the type run by the West African Rice Development Association, which specializes in what is

one of the staple foods of the tropics and subtropics where hunger is most widespread. As Sidy Coulibaly, Mali's ex-minister and head of WARDA since 1977, told the *Courier*, the outlook for the rice industry in West Africa is very promising.

► *Mr Coulibaly, since WARDA was set up 10 years ago, it does not seem to have reached its target of making all its members self-sufficient in rice. Why?*

— At first sight, your conclusion is correct. The countries of West Africa still cannot produce all the rice they need for home consumption. Over the past year, they imported something like 1.5 million tonnes of rice between them—which makes their rate of self-sufficiency, bearing in mind both their production and consumption, something like 70%. This figure has remained more or less the same, except during the years of drought and very poor harvests, in the decade since our organization was set up. The association, which groups 15 states of West Africa, was set up in Dakar in 1970 with the aim of matching production to consumption. But the rate of self-sufficiency has not improved much since then.

There are many reasons for this. First, in the association's defence, I should like to point out that rice production has improved. It is increasing by about 5% a year, which is not bad, and its growth rate is, by and large, higher than the growth rate of the population. But rice consumption is expanding faster. It expands with the population, it is true, but this is not the only thing. Urbanization also has something to do with it. Generally speaking, when people move to the towns, their consump-

tion lifestyles change and rice is one of the products they switch to from the traditional staples of millet and sorghum in the Sahel and tubers in the south.

The second reason is that, in years of drought when food is short, one of the easiest things to buy on the international market is rice, and once the shortage is over, the rice habit stays. Rice is also relatively easy to store and it is certainly easier than other foods to cook, so there is a natural tendency to prefer it and probably this will remain so for years to come. Self-sufficiency is still a good way off unless some exceptional effort is made to rapidly boost the members' production.

► *Should this self-sufficiency be achieved in each of the member countries or simply throughout the sub-region as a whole?*

— The notion of self-sufficiency is an extremely complex one. It is satisfactory initially, but on close examination, it needs clarification. Do we mean self-sufficiency in an average year or do we mean the sort of self-sufficiency that enables reserves to be built so that supply can be assured in bad years? This is what we need to know. As we at WARDA see it, self-sufficiency in rice in West Africa is a regional thing. Some countries have greater potential than others. So we hope that, in the fairly near future, the countries that can produce more will have a big enough surplus to cover demand in the others, where consumption will probably rise rapidly in spite of poor production

potential or comparative lack of advantages as far as rice-growing is concerned. Let me give you an example. We think that rice production in Mali and Sierra Leone can be expanded fairly quickly to exceed the amount they need for home consumption — provided, of course, that all the projects these countries are planning obtain finance. However, other countries where consumption is expanding rapidly at the moment will find it difficult to supply their own needs. So self-sufficiency will also mean regional trade in rice, which is quite in line with the aims of the CEAO and ECOWAS.

► *Your association has placed considerable emphasis on research. Isn't there a risk of duplicating the work of other institutes in other parts of the world like India and the Philippines, which have a long standing tradition in this field?*

— One of the common complaints about WARDA is that there is an imbalance between its research and its real development activities. Take research first. It would be overstating the case to say that our effort is superfluous or that it is duplicating the work going on elsewhere. When the association was first set up, in a wave of no doubt exaggerated optimism, it was thought that we would only need to look elsewhere to find ready and waiting the sort of varieties and the sort of technology we needed and all we would have to do, would be to take them, test them and apply them where they were applicable.

^(*) Executive secretary of the West African Rice Development Association (WARDA).

But it didn't turn out quite like that. Although with regard to irrigated rice, we found varieties and techniques that we could adapt to Africa under properly controlled water resources, there was nothing for other types of rice. As you know, the International Rice Research Institute (IRRI) in the Philippines put a number of varieties of irrigated rice on the market and they have been very successful in Africa, particularly with IR8 and IR442. But we in Africa use other methods as well. We grow mangrove rice, rainfed rice and floating rice as well but we haven't found any varieties or techniques suitable for Africa, so we shall have to devise the relevant technology ourselves in the very conditions in which we shall be growing the crop.

This is why we have a mangrove rice research station at Rokupr in Sierra Leone, an irrigated rice research station at Richard Toll in Senegal, a floating rice research station at Mopti in Mali and a rainfed rice research station at Bouaké in Ivory Coast. This proves that there is a need to do research of our own and perhaps introduce some African blood into the range of varieties of rice we import from Asia so that the product adapts and can stand up to our conditions—that is to say to African diseases and insects. At the same time, the association has been running practical development activities, helping the member countries with all stages of rice project design and implementation. This will be further emphasized in the five-year rice development plan we are now preparing with a view to providing more direct assistance with the increase in production of our various members.

► *Mr Coulibaly, a number of WARDA's members are Sahel countries whose rice producing potential has been harmed in recent years by the drought. Shouldn't the association also*



Harvested rice

have a department to deal with maize, which is less affected by climate?

— For the moment, our only concern is rice. Our job is simply to deal with rice in West Africa and we are not working on other cereals, although we do realize that when you draw up a food plan you have to take all the cereals of a country and all its other food crops into account. But our concern, as things stand, is just rice. However, we do look at all the ecological conditions, i.e. those in the Sahel and those in the tropics where rainfall is heavy. Through the CILSS we have already helped produce a rice-growing programme for the Sahel and I am convinced that the countries in this area have considerable potential as far as producing irrigated rice is concerned. And they realize it, which is why they are running big projects to develop their river basins. I am thinking here of the Senegal and the Niger. The day those rivers are properly controlled, I am sure that rice will be one of the most successful of irrigated crops.

► *A look at the list of countries financing WARDA projects shows that Nigeria is the only member country that actually puts any money into the association. Bearing in mind the world crisis, don't you think this dependence on outside sources could be a threat to the successful completion of your projects?*

— We are relatively dependent on outside sources for the financing of our projects. At the moment, about one third of the association's budget is funded from the contributions of the member countries, which isn't bad. Ours is the only international research centre in that sort of situation. A third comes from the advisory group for international agronomical research, under the aegis of the World Bank, and another third from bilateral agreements with donor countries, usually OECD members like the USA, France, Belgium, the Netherlands, Switzerland, the UK, Japan etc. And there are the Arab countries too, the oil exporters. So the members' contribution is not a negligible one. It has to be added that all cooperation organizations agree that food production has to be a priority area and so I am confident that we shall go on getting the support of the people who are currently financing WARDA projects and that they will be joined by others. This year we propose organizing a conference of WARDA donors, as part of the UN/FAO programme.

► *Your association recently received aid from the Community, I think. How will you be using it?*

— We have received 1 million EUA from the EDF for a two-year period.



The rice types imported from Asia must be made resistant to African diseases and insects

This financing is intended to boost the efforts we are making to transfer technology. Over the years, a certain bottleneck has emerged between research and development, particularly research into adaptation and seed production and training. So the EEC has given us aid to prepare feasibility studies of this kind of project in the various member countries.

► *I see that both you and your deputy are coming to the end of your terms of office. Do you feel that this kind of instability at the head of such a large organization can harm the continuity of action vital to the association?*

— My present term of office runs to 1 October 1980. I was elected in 1977 and my deputy was elected in 1978. Both terms are renewable for three years. So, if the executive secretary and his deputy satisfy the member countries, they can be reelected, which means the organization has the same head for six years. I think that is long enough to bring in new ideas and to apply them. And the fact that there is a time limit means that people from all the member countries get the opportunity to preside. The success of any international organization depends on things like this.

► *There are 15 members in WARDA at the moment. Is there any likelihood of this increasing?*

— The basic regulations say that any member of the OAU can join. All they have to do is apply and get their application accepted by the board. All the countries of West Africa are members automatically. The board thought we should expand and because two of the members of the Chad basin development organization, Niger and Nigeria, belong to the Association and two, Chad and Cameroon, don't, we have been asked to get these last two countries to join WARDA and negotiations for this are under way. So we could well expand further in the future and any country interested in what we do to develop rice-growing would simply have to apply to join. ○

Interview by
AMADOU TRAORE

The fight against desertification advances

Each year some 60 000 km² of arable land turn into deserts; those 60 000 km² represent 0.5% of the world's 13 million km² of arable land. It is obvious that at this rate there would be no arable land left in 200 years time, but things are not quite so straightforward as that since pressure will increase on the remaining, if diminishing, arable land. According to some sources the loss of agricultural produce due to desertification is worth about \$ 16 billion a year. More than 600 million people or 14% of the Earth's population, find it increasingly difficult to satisfy such basic needs as finding firewood, grazing their stock or growing maize or millet near to their traditional settlements.

Ten professionals to cope with the desert

In 1977 a gathering of some 1 500 multi-disciplinary experts in Nairobi—the UN conference on desertification known as UNCOD(1)—worked out a plan of action to combat desertification. They found that to stop deserts spreading would require some \$ 400 million per year until the year 2000. They also proposed six major transnational projects, such as a green belt to halt the Sahara.

Three years later the real fight against desertification has finally got off the ground in a more realistic and concrete form. Indeed most transnational projects split up into national components as political differences often prevented governments caring about their environment which in itself takes no notice of frontiers. Within UNEP (United Nations Environment Programme), the main coordinating organizations a "desertification unit" has brought together so far eight professionals—there will be 10 later—from several disciplines, including a Malian sociologist, a Soviet soil scientist, an Afghan programme officer, a Sudanese livestock expert, etc.

The unit, with an annual budget of \$ 2 million, is headed by a red-haired, 47 year old Danish electronics engineer,

an odd choice at first sight; however, Jens Høgel worked some eight years in Latin American countries and then became UNDP permanent representative in Upper Volta, his "adoptive country", from 1973 to 1978, which he left to make war on the deserts.

In May 1978 a consultative group on desertification (DESCON) composed of about 60 donor countries and agencies, and host countries, held a first inaugural general discussion on how to tackle the financing of antidesertification. In March of this year they met again, this time to discuss a batch of about 30 projects, of which 20 were for ACP countries in the Sudano-Sahelian zone, which are coordinated by Høgel's desertification unit.

The antidesert component in development projects

As Jens Høgel emphasises, "one of the characteristics of this first 'dossier' of projects, totalling \$ 400 million, is that most of the finance is already assured: in fact just before DESCON 2 only 10% of the money was left to be found. This programme will cover about four and a half years and many of the projects are already being implemented by a wide variety of donors.

"In all honesty we must say that since

UNCOD not much had happened; there is no evidence so far of a diminishing desert encroachment". However, Jens Høgel is moderately optimistic: "we succeeded, I think, in spreading in the minds of people the idea that you may not destroy your natural resources. Even if in the short term you can, for instance, increase your agricultural production through irrigation, in the long term, if you do not take the necessary precautions, your soil will rapidly salinize and degrade." On the donor's side, too, progress has been made. On 1 February in New York a number of financial agencies, including the EEC, signed a declaration with UNEP to include in all development activities an antidesertification component. At the time of UNCOD people spoke of "desertology", but that has now been dropped. What matters is that "anti-desertification cannot be separated from overall development and touches on every aspect of the development of countries threatened by encroaching deserts".

In fact, according to Jens Høgel, the UN's ACC or administrative committee on coordination—the core of the UN system, bringing together all heads of agencies under Waldheim's presidency—stated in a report to UNEP's governing council that "the single largest obstacle to the implementation of the action plan to combat desertification is the fact that governments, faced with both desertification and scarcity of resources, will almost inevitably estab-

(1) See *Courier* No 47 — January-February 1978.



UNEP - P. Almsay

"Old Africans know that where their grandfather once cultivated his land, they can now hardly graze their cattle"

lish other priorities than the fight against desertification”.

In the present state of donor-host relations it is the receiving countries who define their priorities and say where the money should go... Those countries' attitudes are understandable given the urgency of their immediate needs, but despite the message of UNCOD, the awareness of the real long-term threat of desertification and its consequences has yet to grow.

A government eye-opener

“Old Africans know that where their grandfather once cultivated this land, they can now hardly graze their cattle”. For Jens Høgel, splitting up the 60 000 km² loss of arable land per country and region “could be a key issue to provoke national conscience and open the eyes of many governments”.

In order to help them overcome their problem of fixing priorities, the countries facing the threat of desertification can, as was pointed out in one of the 28 recommendations of UNCOD, be assisted in drawing up a national plan to fight desertification which later can be included in the overall development plan. Aerial photography, field surveys etc. can clearly show the loss of arable soils.

The UN Sudano-Sahelian Office (UNSO) has already produced background papers for 13 of its 15 member countries and is now entering into the planning phase. For the other countries concerned, the desertification unit itself will carry out pilot studies—with 4-5 experts analysing the problem for about three months in three initial countries: Burundi, Tanzania, and the Yemen Arab Republic.

Jens Høgel expects these analyses will lead to a shift in priorities putting antidesertification measures a bit or more “in the sun” but above all making them an



Jens Høgel, head of the desertification unit of the United Nations Environment Programme

integral part of every coherent and integrated agricultural development policy.

Involving the people concerned

African governments in the Sahel are already more aware of the need for effectively halting the deserts than for instance their Latin American counterparts, however all over the world some 100 countries suffer from the phenomenon. As Jens Høgel states, “the Sahel drought, which in itself—as is often misunderstood—doesn't produce but only exacerbates desertification (although the two are closely linked) shocked the governments concerned as well as the donors operating there. In Latin America, on the contrary, we had a hard time in selling the idea although the question is definitely as imminent there. Apart from the west coast there are practically no moving sand dunes, which traditionally come to eye first when one thinks of deserts, but there is no country in Latin America that does not have the problem of soil erosion and degradation, overgrazing, salinization of irrigation projects, uncontrolled and excessive deforestation, etc...”

“Whatever the region or location of the problem is, development projects where you do not involve the people concerned are at best useless and at worst counter-productive; this is certainly time for antidesertification schemes where we can't override the people but only gradually try to change and improve their methods and ways of living”, Mr Høgel added.

An important element here will be the training of competent people, particularly of middle-level technicians such as agricultural extension workers, who will need to be taught the desertification component. “Whenever you touch land you risk degrading its fertility, so precautions have to be taken beforehand.”

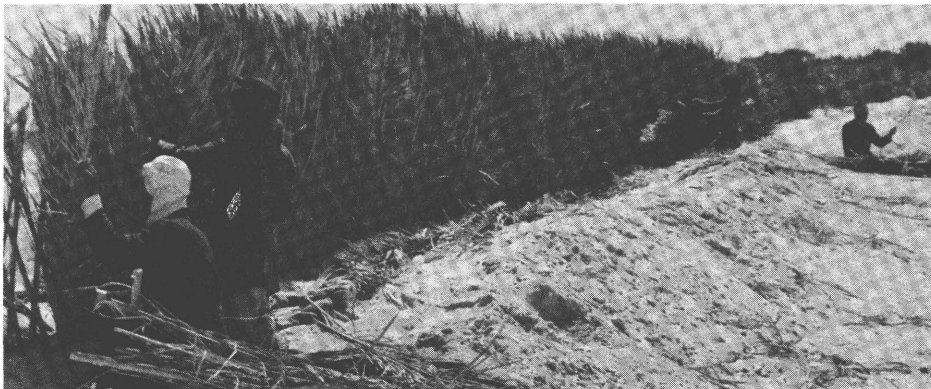
The need for consistent planning and research

The present programme includes a variety of projects ranging from sand dune fixation to pasture land protection and from both underground and surface water management to reinforcement of cartographical and meteorological services. The approach is very concrete and down to earth. A major project like the Bura irrigation scheme in Kenya, for instance, got an afforestation component so that the some 30 000 Kenyans who will be resettled will find their necessary firewood. Without that, in a few months they would have chopped down the trees around their new village, making place for... the desert. However, at first sight it is regrettable that not all projects form as much part of a coherent long-term development plan as, for instance, the Cape Verde water resources management projects, included in that first 'dossier', do.

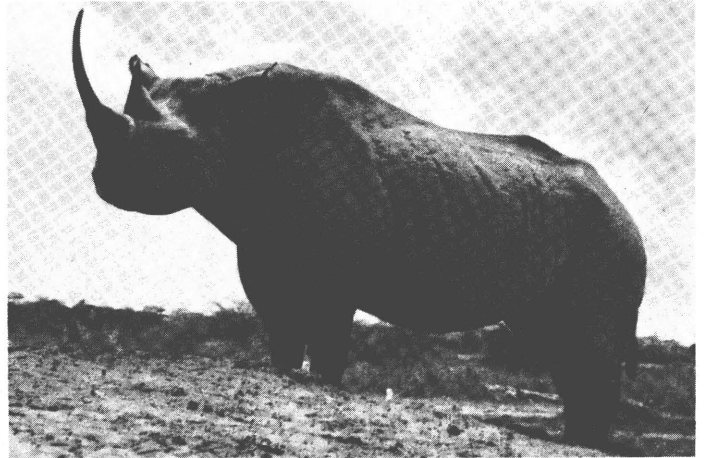
Personally Jens Høgel regrets that no more effective research is done to introduce solar energy, wherever available, to a larger extent, but also that the problem of the supply of firewood—a basic need for most inhabitants of developing countries—is still lagging. Reafforestation at village level, research on alternative fuels and on improved ovens are necessary as the present traditional three stone pit wastes 70-80% of its energy.

Meanwhile he goes on carrying the message to politicians and decision makers of that creeping danger which desertification represents. With a \$ 400 million programme whose financing is for 90% assured, whose institutional framework is set up and with the necessary competent people to carry it out, the fight against desertification is finally taking off. Hopefully all future projects carried out in developing countries will take notice of the inevitable threat of desertification and soil degradation.

○ R.D.B.



The fight against desertification must not simply limit itself to, for instance, sand dune fixation, but should be a part of every development project



The protection of African wildlife

Kenya's national parks

A rhinoceros, outlined against a setting sun—a lot of dollars, marks or francs for the Kenyan economy. But unless stringent international measures are taken, that rhinoceros will only survive as a picture in a collection of safari photos.

In spite of the increasing attraction of the fine sandy beaches on the Indian Ocean, Kenya's tourist trade is still centred on its 21 parks and game reserves. It has some of the richest animal life in the world, but, in spite of the ban on hunting in May 1977 and the ban on the trade in skins, ivory and other trophies the following year, a number of species are threatened by poachers, pollution, land clearance and deforestation schemes.

The authorities, in particular Charles Njonjo, former attorney general and chairman of the Kenyan chapter of the International Wildlife Fund, have recently sounded the alarm.

A report in *Nation*, the Nairobi daily, says that Kenya had 167 000 elephants in 1973 but it only has 65 000 now. But, this IBRD-financed Ministry of Tourism study says, the rhinoceros situation is worse. There are only 1500 black rhinoceroses left now, although there were 15-20 000 ten years ago.

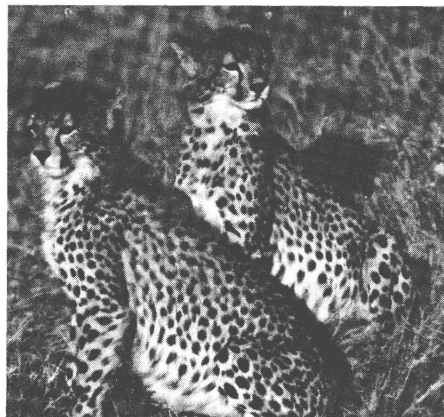
Should rhino horns be amputated?

Computer forecasts suggest that the surviving rhinoceros population, now

spread over the various national parks, could well be wiped out altogether. President Daniel Arap Moi is aware of this and, last May, he issued a directive on the protection of this species. But as long as there is a demand for rhinoceros horn (in fact compressed hair), the poachers will continue their lucrative trade.

China and Hong Kong have been using powdered rhino horn in medicine for thousands of years, but this year have banned all imports of the product. Traditionally in the Far East, rhino horn is an aphrodisiac and much sought after, so the World Wildlife Fund hopes that a synthetic aphrodisiac can be perfected and the rhinoceros can be saved.

One surgeon has suggested that rhinoceroses could be spared if their horns were amputated (they grow



A pair of cheetahs

again in a year or two) and serious consideration has in fact been given to this idea.

Another spectacular enemy of the rhino is the Yemeni, of North Yemen, says the report, who accounts for 80% of world demand as young people in this country traditionally carry a knife with a carved rhino-horn handle.

The ivory traffic

So far the elephant has fared better, but poachers are always attacking younger beasts and they now have to kill twice as many as they did 25 years ago to get the same amount of ivory.

In an attempt to prevent poaching, Kenya has formed a 300-strong army-trained brigade, equipped with IBRD-financed planes, helicopters, sophisticated communications equipment and so on. But the poachers are well equipped too and they seem to have friends in high places. But Arap Moi said he would fight corruption when he first became president and he has since repeated this.

In most cases, the police only catch hired killers or their enquiries fizzle out. In March 1979, for example, customs officials seized 4 800 kg of ivory and 141 rhino horns en route for Germany. No arrests were made. In September 1979, a further consignment of ivory, scheduled to be flown out on a Luft-hansa flight, was seized.

At the time, the Kenyan press said it had been virtually established that the ivory belonged to a top official and an ex-bank manager.

To combat all this, an international team of experts has suggested that a regional organization be set up in cen-

tral and western Africa (Kenya is often only the clearing house for trophies smuggled in across Lake Victoria from the neighbouring countries). Another step would be for all the countries to ratify and apply the convention on international trade in endangered species.

But the poachers are not the only enemies. The farmers are also a danger when they clear land and encroach on the natural territory of the species. In 1979, rangers had to transfer 400 elephants away from Mount Kenya to an area 60 km north as they were attacking banana and maize plantations and making the farmers angry. "The tourists' money may be good for Kenya", one of them said, "but it's no good for us".

Pollution and micro-organic changes have also led to a reduction in the pink flamingo population, estimated at one or two million, on the shores of Lake Nakuru. The government has had to force a pesticides firm to move after pressure from Germany (which is financing a campaign to clean up the area) and the World Wildlife Fund.

But let the wildlife photographers take heart. There are 34 000 km² of national parkland in Kenya and they will see more elephants than anywhere else in the world in the Tsavo Park and they will have lions around their car in Amboseli. They do not even need to go so far, for zebras, giraffes, gazelles and buffaloes graze near the airport, only 8 km from the centre of Nairobi.

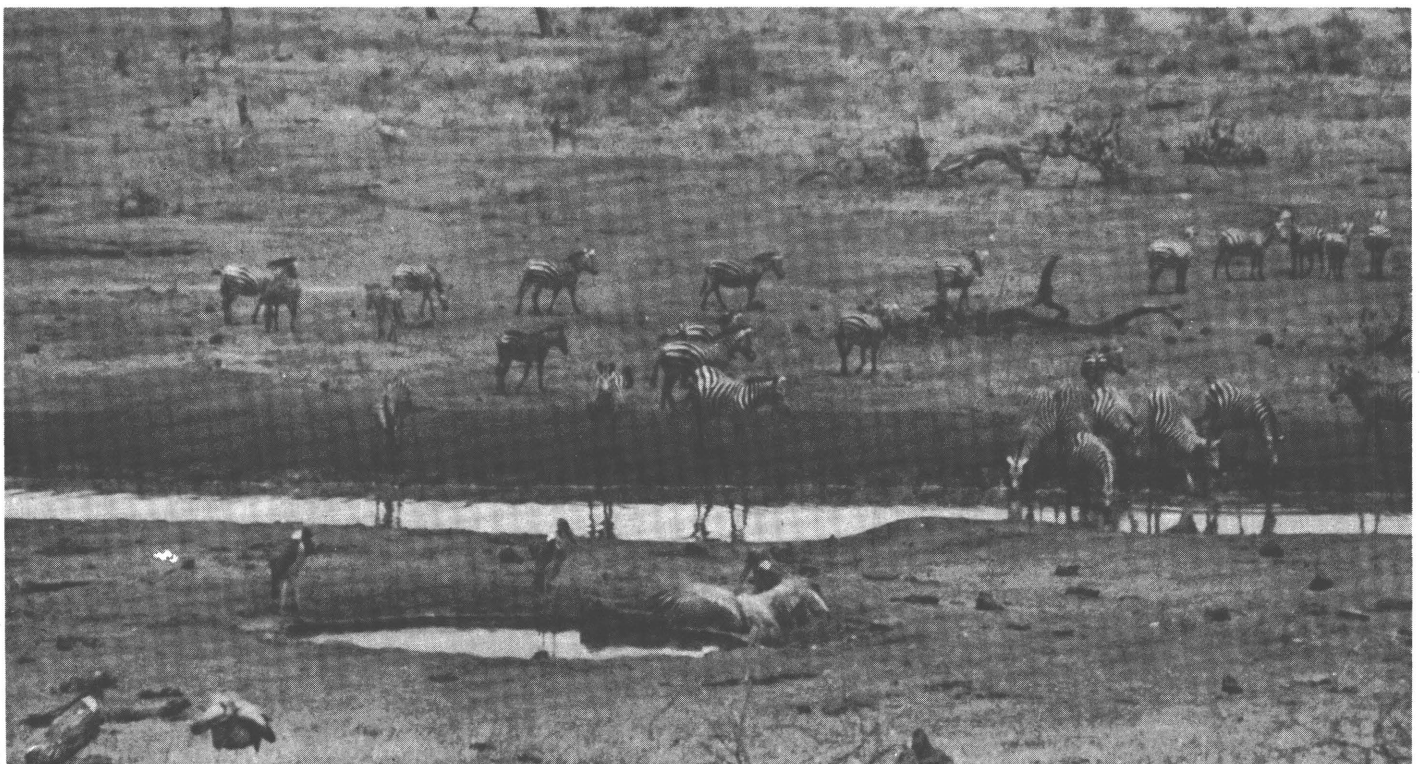


Poachers are slaughtering more, and younger elephants

But the tourist himself has to realize he is a potential danger. Animals can be frightened as they devour their prey, leopards have been run down and one giraffe was killed by a bus.

For those who want to gaze at Kenyan wildlife in dust-free comfort, there are luxury lodges, some of them

in the tree tops, where the tourist can sleep in peace. When, in the middle of the night, a leopard comes to lick the salt specially provided, a bell rings three times (twice for a lion, etc.) by his bed and he can proceed to the balcony to admire the animal of his choice bathed in the glare-free orange light of the projectors. ○



In Kenya a group of 300 men protects the animals

Women in the European Parliament

(election of June 1979)

COUNTRY	SEATS	WOMEN	%
BELGIUM	24	2	8.33
DENMARK	16	5	31.25
GERMANY	81	12	14.81
FRANCE	81	18	22.22
IRELAND	15	2	13.33
ITALY	81	11	13.58
LUXEMBOURG	6	1	16.66
NETHERLANDS	25	5	20.00
UNITED KINGDOM	81	11	13.58
TOTAL	410	67	16.34

Women hold 67 of the 410 seats in the European Parliament. The percentage of 16.34% is in fact, higher than in any of the national parliaments of the member states, where the highest percentage is in Denmark (16%) and the lowest in the Netherlands, France, Ireland and Britain, where the number of women is only between 3 to 4%. The other four countries—Belgium, Germany, Italy and Luxembourg—score between 5 and 8%.

As the UN prepares for its world conference in Copenhagen from 13 to 30 July, as part of its decade for women, the *Courier* starts in this issue a series of reports on women in the European Parliament, where they already play an important role. A woman became the first president (speaker) of the directly-elected Parliament. The series starts with the socialists, the largest single group in the European Parliament:

I. The socialist group



Barbara Castle (GB)



Katharina Focke (D)



Anne-Marie Lizin (B)



Yvette Roudy (F)

Four women, different in age and nationality but all well-known in their own countries, particularly for their strong personalities, all with a taste for concrete action, and all with a firm attachment to their role in the European Parliament.

The following four interviews each fall into three parts. The first two groups of questions concern the European Parliament and the condition of women in Europe and form a

common link between the four interviews. They reveal common criticisms of the way the European Parliament works, on the one hand, and a strong commitment to improving the situation of women in Europe on the other.

The third group of questions concentrate on the particular interests to the four parliamentarians. Both Mrs Castle and Mrs Focke were interviewed during a meeting of the joint committee of the ACP-EEC Consulta-

tive Assembly in Arusha, Tanzania, so the questions are about Third World issues. Mrs Lizin is a member of the parliament's energy committee, and Mrs Roudy of the committee on the environment, consumer protection and health, so the questions are chosen accordingly.

Later issues will carry interviews with women members of other political groups in the parliament. ○

THE CONVENTION AT WORK

Programming missions

The Commission continues work with the ACP countries on drawing up their indicative programmes for financial and technical cooperation under Lomé II. The first of the fifth EDF programming missions went out to the ACP countries in December and several others followed. A number of missions were run in February and March this year—director-general for development Klaus Meyer led one to Somalia and Kenya and deputies Maurice Foley and Michel Hauswirth took teams respectively to Ghana and Tanzania, and Guinea, Jamaica and the Bahamas.

Ghana: The local delegation was led by Dr Amon Nikoi, minister for finance and economic planning. The programmable resources have been broken down as follows: 45% goes to agricultural and rural development, 22.5% to transport infrastructure, 7.5% to social infrastructure, 8% to energy and 5% to training and export promotion. This leaves a reserve of 12%.

The government intends applying for EIB help with studies and financing in mining, energy and agro-industry.

Guinea: PM Lansana Beavogui, who is also minister for planning and statistics, led the local team. Guinea's indicative programme emphasizes rural development—which gets 37% of the funds. Housing and urban development come next, with 12.5%, social facilities get 12.5%, communications infrastruc-

ture 10%, energy 10%, studies, trade promotion and technical assistance 5%, mineral prospection 3%, and craft and cooperatives 2.5%. There is a 7.5% reserve.

The government will also be submitting mining, industrial and agro-industrial projects to the EIB.

Jamaica: Eric Bell, minister for finance and planning, led the Jamaican delegation. This country's priorities are agriculture, with 40%, education and training, with 20% and export development 10%. 10% is to be spent on improving living conditions and there is a 20% slice earmarked for studies, technical assistance and the readjustment of priorities.

The government is also planning to apply to the EIB for assistance with smaller industrial and tourist projects and possibly with the development of cement production and the expansion of the merchant navy.

Bahamas: Secretary of state for finance, E.C. Isaacs, led the local team. The Bahamas' indicative programme is divided between agriculture and agro-industry (50%), training (20%) and social infrastructure (10%), leaving a 20% reserve.

The representatives of the EIB noted the government's intention of applying for aid with the development of electricity production, the financing of small

Also in the yellow pages

The Convention at work

- I. Programming missions
- II. EDF financing
- IV. Exceptional aid
- VII ACP sugar

General information

- IX. Zimbabwe
- XI. Emergency aid
- XII Bilateral aid

European Community

- xv. EEC energy policy
- XVI. European Parliament
- XIX. CID: Business opportunities

and medium-sized industrial and tourist projects and studies of industrial and tourist diversification schemes.

Somalia: Planning minister Ahmed Habib Ahmed led the local delegation. Somalia's priority is on hydro-agricultural development, which gets 57% of the funds available. Then come communications, with 12%, human resources 9%, fisheries 6%, technical assistance and the financing of studies 7% and a reserve fund of 9%.

EIB aid may also be sought with the financing of industrial projects and feasibility studies.

Kenya: N. Ng'anga, permanent secretary to the vice-president and minister for economic planning and development led the Kenyan team. This country puts a priority on rural development, which gets 34% of the funds available. Then come energy and mining, with 27%, education and training 11%, transport and communication 14%, technical cooperation 7%, and industrial and trade promotion 3%. This leaves a reserve of 4% which can be allocated later on.

Kenya may also be applying for EIB aid with the financing of agro-industries, the development of mineral and energy resources, an increase in hotel accommodation and extensions to the Port of Mombasa.

Tanzania: F.M. Kazaura, principal secretary at the treasury, led the Tanzanian delegation. Tanzania's indicative programme stresses rural development, which gets 38% of the programmable aid. Transport infrastructure follows, with 25.7%, and then come social development (27.2%), industrial research and development (3.5%), micro-projects (1.3%) and trade and tourist promotion (0.5%). There is a reserve of 3.8%.

The Tanzanian government may also be applying for EIB aid with the financing of studies and the exploitation of mineral and energy reserves, the establishment of agro-industries and hotel building. ○

Michel Hauswirth with Jamaican Prime Minister Michael Manley



EDF

After favourable opinions by the EDF committee, the Commission of the European Communities adopted the financing decisions set out below:

Tanzania

Road Idetero—paper mill

Loan on special terms: 11 400 000 EUA

The National Development Corporation of Tanzania intends to construct an integrated pulp and paper mill in the district of Mufindi; the purpose of this project is to build a new 40.5 km bitumen road from Idetero to the planned mill site.

Fiji, Tonga, Samoa

Tonga airport

Grant: 600 000 EUA

The purpose of this project is to supply and install navigation and communications equipment and to train qualified staff to provide acceptable services and establish safety standards for aircraft using Tonga airport (Fuaamotu).

Botswana - Lesotho - Swaziland

Regional projects

Grant: 320 000 EUA

This commitment concerns the implementation of three projects in southern Africa, each including a regional training element.

— Regional Institute of Development Management at Gaborone (Botswana).

— Customs training for nationals of the three countries, to be organized in each country in turn.

— Waterford - Kamhlaba school, Lesotho.

This non-racial, regional private school has considerable prestige and a high reputation. Pupils are prepared for A-levels and will soon also be able to sit the international baccalaureate.

The Community contribution to these three projects will take the form of scholarships for pupils or teachers' salaries.

Sudan

Aweil rice development project

Grant: 4 400 000 EUA

The Community commitment is to be used to launch the first phase of an overall project for the development of an area of 2 865 ha for rice production.

This first phase includes the construction of flood protection structures and main irrigation facilities, the development of 1 115 ha of land, the setting-up of 25 ha experimental farm, the construction and conversion of staff houses and, lastly, technical assistance.

Rwanda

Water supply for southern Mayaga

Grant:

third EDF 500 000 EUA

fourth EDF 1 700 000 EUA

The purpose of this project is to establish a supply network to bring those living in the area water of a satisfactory quality in adequate quantities within reach of their homes.

The Community commitment is to be spent on the works required for the abstraction of water, the supply and laying of pipelines, the construction of reservoirs and the erection of stand-pipes.

Nigeria

Provision of technical assistance and equipment for water resources development

Grant: 2 320 000 EUA

The aims of the project are:

— to train Nigerian personnel in the collection of hydrogeological data;

— to furnish staff and equipment for a geophysical/drilling unit;

— to assist in the development of the Institute's teaching capacity;

— to equip a number of laboratories.

Tanzania, Burundi, Rwanda, Zaire, Zambia

Kigoma port

Grant: 4 950 000 EUA

The purpose of the project is to safeguard and improve an important access route for the landlocked countries concerned by increasing the handling capacity of the port (from 200 000 t to 300 000 t per year) and to improve railway operations in the port area.

The Community commitment is to be used for levelling the port area and installing new cranes and other equipment.

Gambia

Brikma College - Phase II

Grant: 1 925 0000 EUA

The aim of the project to build and equip Brikma College, the first phase of

which was funded by the Community in 1978, is to train primary level teachers and agricultural assistants. This second Community commitment is for implementation of the second phase, which comprises the construction and equipment of additional academic areas, libraries, boarding facilities and kitchens.

Togo

Continuation of the project for the development of cattle farming in the Plateaux and Central regions

Grant: 775 000 EUA

The Community appropriation will make it possible to continue the current operation to develop cattle farming.

The project's main concern is to improve health supervision and increase the size of herds.

This additional contribution is intended primarily for:

— completion of the infrastructure;

— purchase of equipment;

— purchase of veterinary products;

— continuation of expatriate technical assistance.

Zaire

Development of fishing in the Baraka region, Lake Tanganyika

Grant: 490 000 EUA

The purpose of this project is to reactivate artisanal fishing in the Baraka region, in the northern part of Lake Tanganyika, by supplying fishing equipment.

Fiji

Multiannual 1976-80 training programme

Grant: 100 000 EUA.

Under this programme 25 grants will be awarded to students completing their studies at the University of the South Pacific and a reserve will be set up for specialist courses in Europe, as required.

ACP States: Barbados, Dominica, Grenada, Guyana, Jamaica, St Lucia, Trinidad and Tobago

OCTs: Antigua, Belize, Montserrat, St Kitts/Nevis/Anguilla, St Vincent

Regional training course for customs officials of CARICOM countries

Grant: 90 000 EUA

This project aims to improve the operational effectiveness of the cus-

toms administrations of the CARICOM Member States by training customs officials in the application of free-trade and common external tariff arrangements.

A six-week seminar is to be organized for this purpose.

ACP States: Bahamas, Barbados, Dominica, Grenada, Guyana, Jamaica, St Lucia, Trinidad and Tobago

OCTs: Antigua, Belize, Montserrat, British Virgin Islands, Cayman Islands, Turks and Caicos Islands, St Kitts/Nevis/Anguilla, St Vincent

Others: Colombia, Venezuela

Training in project administration

Grant: 500 000 EUA

The project involves the establishment of a project administration training unit within the Caribbean Development Bank (CDB) and the organization of a number of training courses and seminars for senior civil servants. Its cost is estimated at 1 400 000 EUA, to be shared by the EDF (commitment of 500 000 EUA), the Inter-American Development Bank and the CDB.

Caribbean Community (Caricom) - Antigua, Anguilla, Barbados, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis, St Lucia, St Vincent, Trinidad and Tobago

Assistance to Caribbean Development Bank

Grant: 1 060 000 EUA

The Community aid to the Caribbean Development Bank is to be used for conducting four studies to identify regional development projects in the fields of agriculture, fisheries and livestock.

Somalia

Improvement to the Golwein-Bulo Mererta agricultural area (supplementary financing)

Grant: 4 500 000 EUA

The purpose of the Community commitment is to cover the additional capital expenditure required for the completion of the first stage of the improvements to the Golwein-Bulo Mererta agricultural area.

This first phase is intended to introduce a hydro-agricultural scheme for growing various crops in an area

approximately 2 500 ha and to improve the irrigation of existing crops over an area of around 6 000 ha.

Equatorial Guinea

Short-term project

Grant: 6 372 000 EUA

Following the change of regime in August last year, the Republic of Equatorial Guinea asked the Commission of the European Communities to make a contribution to the work of putting the economy back on its feet.

The European Community is therefore making a grant to help finance a short-term aid programme in the areas of public health, agriculture, public works, fisheries and energy.

Madagascar

Manakara-Irondro road

Grant: 12 928 000 EUA

Loan on special terms 6 000 000 EUA

The aim of the project is to improve and asphalt Manakara-Irondro section (102 km) which will link the east coast with the high plateau which is the country's economic centre.

CARICOM, Jamaica and Belize

CARICOM grains project pilot farm, Belize

Grant: 1 825 000 EUA

The aim of the project is to establish and develop a pilot farm covering approximately 400 acres to test the feasibility of mechanized production of grains and other crops in the Belize River Valley area. The project includes the funding of technical assistance and infrastructure (roads, buildings, equipment).

Zambia

Mpongwe development project (first phase)

Grant: 4 900 000 EUA

The first aim of the project is to extend the area covered by the Mpongwe pilot farm (which has already received Community financing) by increasing the cultivated area from 200 to 800 ha in order to increase wheat and soya production.

The second aim of the project is to train and establish Zambian farmers in this development area, giving each of them 50 ha to cultivate under the supervision of the Mpongwe Development Authority, which is responsible for all future developments projects. ○

EDF Breakdown by sector

In March 1980, the Commission decided to finance various schemes from the 4th EDF, for a total amount of 93 373 162 EUA, broken down as follows:

Industrialization	778 162	EUA
Rural production	17 950 000	
Transport and communication	35 278 000	
Education and training	2 115 000	
Water engineering, housing etc.	4 520 000	
Exceptional aid	1 200 000	
Miscellaneous	31 532 000	
(including a short-term programme for Equatorial Guinea)		
	93 373 162	

EXCEPTIONAL AID

The Commission has decided to grant exceptional aid under the Lomé Convention to the following ACP states: Jamaica, Senegal, Somalia, Swaziland and Uganda.

Jamaica: 600 000 EUA

The aid for Jamaica is to cover payment of the emergency repair work carried out following the serious flooding in June 1979, and the purchase of equipment needed to rehabilitate the devastated areas.

Senegal: 700 000 EUA

This aid is in addition to an initial instalment of 300 000 EUA, accorded on 25 February, and will help to finance a programme set up by the Senegalese authorities, with the support of the FAO, to cope with the consequences of the drought (transport of local cereals from surplus to deficit zones, rescuing livestock, etc.).

Swaziland: 35 000 EUA

This aid will be used to combat foot-and-mouth disease (vaccines, technical assistance).

Uganda: 300 000 EUA

On 19 March the Commission decided to grant Uganda immediate exceptional aid of 300 000 EUA to cope with the urgent requirements resulting from the drought in the North and East of the country.

In addition to this measure under the Lomé Convention, food aid of 700 t of

skimmed milk powder and 222 t of maize flour have been granted. There are plans to grant additional food aid in the form of maize via the World Food Programme.

Uganda received the following aid in the course of 1979:

April: Exceptional aid of 300 000 EUA and supplies of basic foodstuffs

April: Food aid (950 t of skimmed milk powder, 300 t of butteroil, 400 t of cereals)

July: Short-term aid programme financed by the European Development Fund at a cost of 18.5 million EUA

July: Exceptional aid of 200 000 EUA for medical assistance

Refugees in Somalia

The Commission decided on 2 April 1980 to grant exceptional aid of 5 million EUA to Somalia in the form of a contribution to the refugee assistance programme being carried out by the Office of the United Nations High Commissioner for Refugees.

The UNHCR has estimated the aid requirements for 1980 at over \$ 100 million; the number of refugees from Ethiopia in the Somali camps rose from 330 000 in September 1979 to over 600 000 in March this year, and is likely to average 750 000 in 1980. The most pressing needs, namely for food and medical assistance, are so great that they cannot be met by the Somali government.

Community aid will total \$ 23 million for 1980

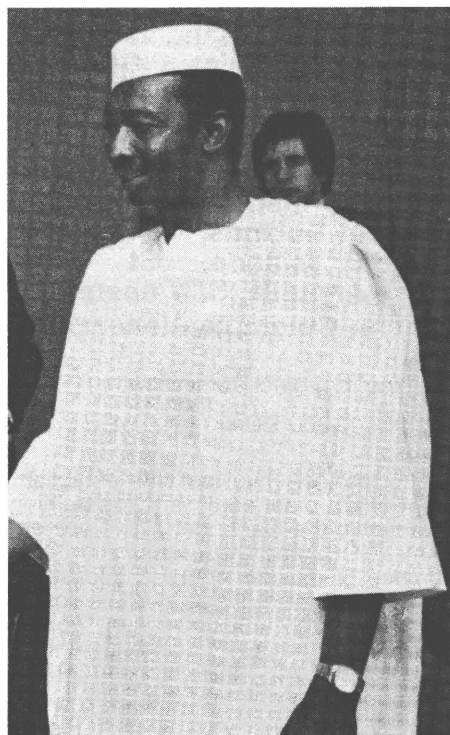
This new Community aid is being provided in addition to the first contribution of 2.4 million EUA decided on 20 December last year. It should be supplemented by food aid for which the Commission has proposed to the Council a programme amounting to the equivalent of \$ 12.5 million. On that basis, the total will therefore be \$ 23 million, i.e. about a fifth of the requirements for 1980. In addition, a number of the Member States have decided on or are considering sizeable contributions as part of their bilateral aid. ○

ACP EMBASSIES

Yaya Diarra, Mali's new Ambassador to Brussels, has just presented his credentials to the Presidents of the Council and the Commission of the European Communities.

Mr Diarra, a 42-year old economist, began his career in the Ministry of State Enterprises and Business. However, he soon switched to diplomacy, becoming Mali's first adviser at the embassy in Peking and then holding a similar post with his country's representation to the EEC from 1972 to 1974, work which gave him the opportunity to take part in the negotiations for Lomé I. He was then recalled to Bamako, to the Ministry

of Foreign Affairs and International Cooperation, where he became head of international economic cooperation and then, in 1978, economic adviser, a post he kept until leaving for Brussels. Mr Diarra has represented Mali at many international meetings. ○



Ambassador Yaya Diarra

Guinea-Bissau

The signing of the fishing agreement between Guinea-Bissau and the European Community in Brussels on 27 February 1980. On the left is Vasco Cabral, Guinea-Bissau's state commissioner for economic coordination and planning, and on the right Finn Olav Gundelach, the European Commission's vice-president who is in charge of fishing questions.



TRADE PROMOTION

Financial and technical assistance from the European Community with trade promotion for ACP products enabled a large number of the ACP group to take part in specialized fairs during March. The Commission provided stands that were fully fitted out and decorated and it also coordinated participation and provided information and commercial documentation.

International tourist fair, Berlin, 1-7 March

This prestigious annual event for tourist operators was attended by 12 of the ACP group. Six of them were together in the Caribbean village which was a real drawing point for people from the European trade.

Océanotropiques, Bordeaux, 4-8 March

This international event was devoted to the development of marine, lake and river activities and to water resources and the way they are used. The open-

ing ceremony was attended by many authorities, ministers and ambassadors from the ACP countries and the President of Senegal, Léopold Sédor Senghor, was also there.

Claude Cheysson was at the ceremony to give a speech in which he emphasized the various schemes which the European Community had started or intended to start in the maritime sector, laying particular stress on the exploitation of water resources being carried out as part of cooperation with the developing countries.

An ACP day was organized, the occasion for a conference to discuss how the sea could be used for man and for development, in peace and in harmony. This was chaired by Ivory Coast's marine minister, Lamine Fadika.

All the African personalities and the EEC's Claude Cheysson visited the stands, admiring in particular the work that Ivory Coast, Senegal, Cameroon, Mauritania and Gabon had put into illustrating their port and marine activities and the water resources research and exploitation schemes.

International food fair, Barcelona, 8-14 March

Ivory Coast, Senegal and Madagascar had displays at the Barcelona food fair, as did three countries from Latin America. All six were helped by the Community.

Prospection of the Iberian market is an important aspect of ACP commercial policy, bearing in mind that Spain and Portugal may soon be joining the European Economic Community.

Holiday and tourist fair, Brussels, 22-30 March

As usual, the ACP countries made their mark at this annual event and their displays were a particular attraction for the visitors. ○

ECONOMIC COOPERATION

"Rencontres ACP-EEC—Marseille 80"

This event will be held on 21, 22 & 23 May. An organization committee (the Marseilles authorities plus the city's chamber of commerce and industry together with the Provence-Alpes-Côte d'Azur regional authority, the Bouches-du-Rhône general council and the Marseilles international fair) is preparing these sessions in collaboration with the EEC Commission and the ACP group in Brussels. About 200 participants from the ACP group are expected, along with 250 heads of European firms

and 150 representatives of professional bodies and public authorities.

The meeting was triggered off by the signing of Lomé II last October.

Action at the level of the firms

Lomé II is of particular appeal for cooperation between the industrial firms and services of EEC and ACP countries and it defines the means of this cooperation.

The unusual feature of this international Marseilles meeting is that it lays emphasis on the concerns of the heads of both ACP and EEC firms. Its success will depend on how much European and ACP businessmen put into it.

This is not a diplomatic conference. It is a forum open to the heads of firms in the partner countries, giving them their first opportunity to discuss practical aspects of the Lomé Convention with top officials from the various countries invited. Everyone will thus be able to make concrete proposals for measures in which they are all actors, partners... and beneficiaries.

This should enable them to establish useful professional contacts that will lead to joint projects in trade or industry.

Three main themes

People at the conference will be split into three groups to discuss the main problems—the firm and trade cooperation, the firm and industrial cooperation and regional economic cooperation under Lomé II. ○

STABEX

Timetabling of Stabex transfers and advances

Transfers

Over the first four years of the Stabex, 84 transfers were made to ACP countries which signed Lomé I in 1975. The principle of the system, which seeks to regulate export earnings, means that aid has to be mobilized rapidly, as Article 19(6) of the Convention makes clear.

Criteria for assessment must be laid down to see how far the system has succeeded in this respect. The Stabex year can be taken to run from 1 April to 1 April each year, i.e. from the day after the last day for application for transfers. No other date would fit in with the rules of management or with the facts.

Some countries have a regular pattern of exports throughout the year. This is true of those which export hides and skins, minerals, timber, bananas and, to a very large extent, vegetable oils as well. But there are other products, like groundnuts, which are exported in October, November and

December as a rule, and cotton, which have seasonal export patterns, and in many such cases, transport problems (space on board and in port) can lead to delays of several months. Any other date (other than 1 April) would be arbitrary.

The average time between 1 April and the date of signature of the transfer agreement has been five months over the last four years.

However, a more realistic figure can be obtained by discounting the two very special cases(1) of late transfers and a better idea can be got of the speed of the procedure if the date of the ACP application is borne in mind in cases where it was made after 31 March(2). In this case, the average waiting time is four months.

63 transfers (i.e. 75%) were signed within four months and these represent almost 76% of the total amount transferred. Almost half the 315 million EUA was transferred in two months.

13 transfer agreements (15%) were signed before the end of the year following the one for which the transfer was made. Almost all transfers for minerals were in this category. Statistical problems, where extra information was required, account for the other cases. By 31 December, almost all (90-94%) the amounts transferred had actually been paid over.

Lastly, eight transfers (representing less than 9% of the total amounts) took more than nine months to pay over. This was because of:

- problems with choosing the reference period;
- problems with assessing the dependency threshold;
- the closing down of a mine, which meant that a new method of assessing the transfer had to be found;
- a lack of statistics following the closing down of a statistical office;
- the late arrival of information requested (two cases);
- two cases following good offices procedures.

The figures for each year are as follows:

1975
24 transfers (99.51% of the amount for the year) in three months
1 transfer in five months
(+ 2 exceptional transfers after good offices)
1976
14 transfers in four months (82.62%)
2 transfers in nine months (14.19%)
1 long transfer (2.58%)
1977
7 transfers in four months (47%)
4 transfers in nine months (45%)
3 long transfers (7.72%)

(1) Gabon, rough timber (1975) — Mali, cotton (1975).

(2) This was not the case for 1975, for which the final date of 31 March did not then apply.

1978

13 transfers in two months (72.33%)
1 transfer in three months
7 transfers in nine months
2 long transfers (9%)

It is interesting to note that almost 80% of the amount of transfers were actually paid over in four months and only 6% of the amounts allocated were paid over late.

Advances

Over the same period, seven applications for advances (covering both 1978 and 1979) were able to be met. They were paid over within two weeks and four months of reception, depending on the availability of statistical data and the extent to which ACP and Community figures complemented each other.

Five applications were satisfied in 1978. Two of them were signed in less than a fortnight. Contracts for the other three were signed in two, three and four months and payment was made in early December—six months ahead of the average ordinary transfer.

The two applications received fairly late on in 1979 were processed in two and a half months and payments made in February 1980. ○

ACP-EEC Ministerial meeting

The first joint ACP-EEC ministerial meeting to be held since Lomé II was signed on 31 October 1979 will be in Nairobi (Kenya) on 8 and 9 May 1980. It will be preceded by an ACP Council of Ministers which will be looking into the question of extending the terms of office of the ACP secretary-general and his deputy after expiry in the autumn. Zimbabwe is expected to become the 60th ACP state at the joint Council.

ACP SUGAR

Ministerial consultations

On 17 March last, Peter Walker, British agriculture minister, and ministers from the UK's sugar suppliers held consultations. The governments of these countries expressed their concern at events since their last meeting with the British minister in June 1979 and particularly at the European opposition and the reservations of the British government to the Commission proposal on sugar quotas over the next five years. They felt that this opposition had helped delay the establishment of a revised Community system for sugar. The suppliers felt that measures should be taken quickly to absorb the ever-increasing amounts of excess sugar in

the Community, particularly since the British market was now saturated because of a record harvest of sugar beet, alongside traditional imports of ACP sugar and imports of refined sugar from other countries of the EEC.

The British minister assured the ACP ministers that his government fully realized the need to reduce the European sugar surplus and said he thought the EEC should adhere to the International Sugar Agreement as soon as possible. He personally had insisted that a decision be taken rapidly with a view to substantially reducing all EEC quotas and he had made it quite clear that he was ready to agree to a reduction in the UK's current quota, but that he was against any excessive cuts that might be harmful to his country—which, in his opinion, had done nothing to cause the Community surplus. He confirmed that Her Majesty's government would strictly respect any commitments made under the sugar protocol and recognized the importance of the British market as a traditional outlet for the ACP countries. He confirmed that the British government was not seeking to follow a policy that would in any way prevent the maintenance of these outlets and he assured them that this intention was reflected in the position he had adopted at the Brussels negotiations.

The ACP ministers pointed out that their quotas under the sugar protocol had not been stepped up, so ACP sugar could not be behind the UK's sugar surplus. Consequently, they felt, sugar exported from the UK should be beet and not cane sugar. Peter Walker agreed that the ACP deliveries to the Community had not been stepped up and that the increase in Community sugar exports was due to beet sugar. He agreed to consult with ACP ministers further if the British market changed to the extent that it was prejudicial to their interests and said he would inform the ACP ministers of any new facts that might have a bearing on the ongoing negotiations in the EEC. ○

ACP TRAINEES

An exchange of views with ambassador Chasle

In his talks, on 24 March 1980 at ACP House, with a group of young trainee diplomats from Oxford University (Great Britain), nationals from Kenya, Fiji, Mauritius, Tonga, Papua New Guinea and Western Samoa as well as from a non-ACP country, Tunisia, ambassador Raymond Chasle, chairman of the committee of ACP ambassadors, talked at length of the group of ACP states, its institutions, activities, and programme.

An extremely fruitful discussion ensued on the ACP group's conception of and approach to the various spheres of

cooperation with the EEC. The ACP trainee diplomats took particular interest in the transport problem plaguing ACP countries, their approach in the dialogue with the developed countries, the consequences of Greece's entry into the Common Market, and more generally, the results of Lomé II.

In reply to the trainees' questions, ambassador Chasle declared that "the ACP countries believe that Europe has some obligations towards them, as a result of the colonial system. Special links have been preserved chiefly through trade.

"The ACP group and the EEC have collectively increased and extended the AASM/EEC or bilateral commitments in their new relations which have resulted from the enlargement of the EEC.

"The Group of 77 recognizes that the special links between ACP states and the EEC should be maintained and strengthened."

The ACP Group reaffirms its solidarity with the Group of 77 of which it is part and parcel. Therefore, it does not object to the extension of the generalized preferences' scheme but does request compensation in case of loss of preferences. Although its relations are limited to the 9 Member States of the Community, the group of ACP states, in its fundamental objectives, is struggling for a greater number of Third World countries in the context of the new international economic order.

The ACP group, now comprising 59 developing countries, has set up a secretariat in Brussels which is indeed a unique body.

As for Greece's entry into the Common Market, ambassador Chasle expressed the ACP states' deep concern at the possible consequences of this accession on cooperation especially in agriculture and industry.



Ambassador Chasle

The chairman of the committee of ACP ambassadors recalled that consultations between the ACP group and the EEC on this particular issue are being planned. "These consultations," he added, "must be held soon."

Finally, in reply to a question concerning his appraisal of the gains in Lomé II, ambassador Chasle declared to the trainees "that the Lomé Convention should not be judged solely by reference to the volume of the EDF. The negotiations were long and difficult. We finally obtained 4 542 million EUA from the EDF as compared to 3 000 million EUA from the 4th EDF."

The ACP group must try to make the most of every one of the provisions of the new Convention within the framework of the struggle for development; this new Lomé Convention, despite its shortfalls and imperfections, is a major contribution to the new international economic order.

In addition, the Convention contains provisions of an evolutive nature. For instance, the group of the least developed, landlocked and island countries is now covered by its own Chapter, whose provisions pay real attention to the specific problems of this group.

There are marked improvements in some spheres such as the new arrangements regarding the application of the safeguard clause and consultations where recourse to the said clause is not desirable. ○

BURUNDI

Donatien Bihuté, Burundi's minister for planning, had a meeting with Klaus Meyer, director general for development, and Maurice Foley, his deputy, on 11 March 1980, when he told them of his concern with Burundi's regional transport problems. The development schemes the fourth EDF had begun should be continued during Lomé II and particular attention should be paid to Lake Tanganyika. ○

GUYANA

Guyana economic prospects brighter for 1980

Guyana's economy may be on the road to gradual recovery this year. If production is boosted and the flow of external aid from a variety of traditional and non-traditional sources continues as it has in recent months, the country's outlook could improve. The government has had to scrap an IMF extended financing facility of SDR 62.75 million (roughly \$ 83 million), that was arranged half a year ago after the country failed to meet most of the reserve

and balance-of-payments targets set by the Fund. Despite the poor track record, IMF officials seem to believe that the Guyanese are serious about meeting their goals, but they recognize that the road ahead will be long and difficult.

The current Guyana-IMF negotiations are expected to produce a new extended fund arrangement with higher ceilings than the previous one. Bad weather, strikes by bauxite workers and severe political agitation reduced expected 1979 foreign exchange earnings, making renegotiation necessary. Guyana's export earnings fell an estimated 2% in 1979, to G\$738 million (G\$2.55 = \$1), after having increased a real 6% in 1978. Most of this shortfall is attributed to low levels of calcined bauxite and alumina production. However, slack prices for such exports as rice and sugar further aggravated the decline. To help the country keep afloat, the IMF has agreed to a Guyanese purchase of SDR6.25 million (\$8.3 million) under its compensatory financing facility.

During a tour to some Middle East countries in late January, Prime Minister Forbes Burnham was successful in garnering support for Guyana's economy from that region.

Aid is coming from another source, too. A group of banks headed by the Royal Bank of Canada met with Guyanese officials to arrange the refinancing of approximately \$28.5 million of the country's Eurocurrency foreign debt. The Royal Bank of Canada also provided a \$10 million medium-term loan to Guyana to support agricultural, mining and lumber sector imports needed to advance the country's development programme.

By raising production levels of its primary and secondary exports, Guyana hopes to turn around the trade deficit of 1979 and revive GDP growth, which has stagnated for the past three years. Targets set for 1980 include raising sugar production to 335 000 tons, up from 278 268 tons last year. The 1980 target for rice is 200 000 tons, one third higher than last year's crop, which was affected by adverse weather conditions and an equipment shortage. For bauxite and alumina, which account for roughly half of Guyana's foreign exchange earnings, the goal is production of 800 000 tons of calcined bauxite (up 35% over 1979); 300 000 tons of alumina (up more than 50%); 475 000 tons of metal grade bauxite; and 410 000 tons of chemical grade bauxite, also well above 1979 production levels.

A major effort is being made in the agricultural sector. Over the next five years, an estimated \$230 million from the World Bank, Interamerican Development Bank, Caribbean Development Bank, Brazil, the US and other sources will be used to increase agricultural productivity. Although Agriculture Minister Gavin Kennard claims food production is currently growing at about 5% p.a. (four times the population growth rate), widespread shortages are still common. ○

CORRECTION

A photograph of the Basilica of St Anthony of Padua in Nuku'alofa, Tonga, was wrongly captioned in our last issue as being in Apia, Western Samoa. Our apologies.

MRU

Since February 1980 the Mano River Union (MRU) secretariat has been cooperating with the consultancy partnership Atlanta/HAC* under the direction of Atlanta Consult, Hamburg, Germany, in work on a project to cover the MRU area financed by the EEC. The objective of this project is to set up an "industrial project development unit" within the MRU secretariat.

The consultancy partnership recently sent Dr. Rainer Trede, the Managing Director of Atlanta, Mr. Hans-Jürgen W. Ottomeyer, an industrial engineer, and Dr. Friedpert Reichhart, a social engineer, to Freetown in Sierra Leone, where together with local staff from Liberia and Sierra Leone they have commenced work on the project.

The consultancy partnership is also to provide experts to carry out project promotion in Europe and other short-term specialists as and when deemed necessary when special coverage of certain areas is demanded.

Besides their function as general advisors, providing assistance to the MRU in its relations with private companies and public institutions and training African staff, the main tasks of the project team will be to evaluate existing industrial studies and identify new projects, as well as advising existing institutions with the status of Union industries.

Project promotion likewise represents one of the team's main tasks and involves the assistance of the MRU and private businesses via various means of cooperation. This could take the form of provision of management know-how, technology transfer, financial participation or joint ventures, as well as the organization of information trips for local and foreign business people to Liberia and Sierra Leone. To aid the task of project promotion an investment brochure is to be published annually which will draw attention to existing and potential investment openings. For further information the following address may be contacted: Industrial Project Development Unit c/o Mano River Union P.M. Bag 133 Freetown Sierra Leone. ○

* Atlanta Industrie- und Unternehmensberatung GmbH, Hamburg, and Hendrikson Associierte Consultants GmbH, Frankfurt.

GENERAL INFORMATION

ZIMBABWE

New government applies to join the Lomé Convention

On 18 April the British colony of Southern Rhodesia officially became the Republic of Zimbabwe, ending over 90 years of white rule. The Prince of Wales, representing Britain, handed over full power to President Banana and the elected government of Prime Minister Robert Mugabe. The new republic is non-aligned, and will play an active role in the United Nations, the OAU and the Commonwealth. It also has the right to become a member of the Lomé Convention and the new government has expressed its desire to join. Claude Cheysson, the EEC's development commissioner, has already paid two visits to Salisbury since the elections, the first to discuss immediate and future cooperation between the EEC and Zimbabwe, and the second to attend the independence celebrations on behalf of the Commission. The Community had already applied the OCT provisions to Zimbabwe after the Lancaster House agreement, but the new country can also benefit from other Community assistance, outside Lomé, such as help for refugees and emergency aid. Mr Cheysson also included Mozambique in his tour.

Election results

Mr Mugabe's ZANU (PF) won 57 of the 80 common roll seats in the House of Assembly, with Mr Joshua Nkomo's Patriotic Front securing 20 seats and Bishop Abel Muzorewa's United African National Council (UANC) gaining three

seats. Some 2.7 million people voted in the election, which took place between 27 and 29 February and was contested on a party list system in eight electoral districts, this representing about 94 per cent of the estimated electorate. The full results of the election, which were announced on 4 March, are shown below.

The 20 white seats in the House of Assembly, elections for which took place on 14 February, were all won by Mr Ian Smith's Rhodesian Front, only six of them being contested.

In an interim report on the conduct of the elections, published on 3 March, the election commissioner, Sir John Boynton, informed the Governor that, despite some distortion of voting as a result of intimidation in certain areas, the overall result would broadly represent the wishes of the people. Similarly, in its interim report, issued on 2 March, the Commonwealth elections observer group said that "the election up to the end of polling can be considered to have been free and fair to the extent that it provided an adequate and acceptable means of determining the wishes of the people in a democratic manner. This view", it continued, "is fortified by the high turnout, and the orderly and manifestly relaxed manner in which such a large percentage of voters went to the polls." Other international observers were virtually unanimous in viewing the elections as free and fair in the circumstances; as also were the members of an all-party British parliamentary group.

	Votes	% Total Vote	Seats
National Democratic Union	15 056	0.568	—
National Front of Zimbabwe	18 794	0.709	—
Patriotic Front	638 879	24.113	20
United African National Council	219 307	8.277	3
United National Federal party	5 796	0.219	—
United People's Association of Matabeleland	1 181	0.045	—
Zimbabwe African National Union	53 343	2.013	—
Zimbabwe African National Union - Patriotic Front	1 668 992	62.992	57
Zimbabwe Democratic Party	28 181	1.064	—

British Views

Reporting the results of the election to the House of Lords on 4 March Lord Carrington said that "the need now is for national unity and reconciliation". An important step towards reconciliation and the integration of forces had already been taken with the start of joint training between units of Mr Mugabe's and Mr Nkomo's forces and units of the Rhodesian army, under the supervision of British members of the cease-fire monitoring force. The growing confidence and contact between the two forces meant that the role of the monitoring force was increasingly one of liaison and training, and a phased reduction in its size was now under way.

The people of Rhodesia, the Foreign Secretary said, had now made their choice of government under conditions agreed by all the parties at Lancaster House, who had committed themselves to accept the outcome of the election. It was no less important that the other aspects of the Lancaster House agreements should be faithfully observed.

Speaking for the opposition, Lord Goronwy-Roberts congratulated Mr Mugabe on his electoral victory and wished him well in the immense tasks that faced him and the people of Zimbabwe in the future — in particular the task of reuniting a country which had only recently emerged from a long period of destruction and bloodshed and that of building a true democracy, a free society and a prosperous economy. He also expressed the hope that Britain and Zimbabwe would from the very start, establish relations of strong friendship and wide-ranging co-operation.

New government

Mr Mugabe's cabinet includes four supporters of Mr Nkomo and two whites

Members of the Cabinet are:

- Defence: R. G. Mugabe.
- Deputy Prime Minister: and Minister of Foreign Affairs: S. V. Mzenda.
- Minister of Home Affairs: J. M. Nkomo (Zapu)
- Minister of Manpower, Planning and Development: E. Z. Tekere.
- Minister of Finance: E. M. Nkala.
- Minister of Justice and Constitutional Affairs: S. Mubako.
- Minister of the Public Service: R. C. Hove.
- Minister of Labour and Social Welfare: K. M. Kangai.
- Minister of Transport and Power: E. R. Kadungure.
- Minister of Local Government and Housing: E. L. M. Zvobgo.
- Minister of Lands, Resettlement and Rural Development: S. I. Sekeramayi.
- Minister of Commerce and Industry: D. Smith (ind.).

Independent Zimbabwe



A moment of emotion. After his swearing in as Prime Minister (above) Robert Mugabe embraces President Banana. Lord Carrington, Britain's foreign secretary, and Governor Lord Soames, now an honorary citizen of Zimbabwe, watch on.



On the eve of independence, the Prince of Wales and Lord Soames watch as the Union jack is hauled down in Africa for the last time. Britain began to decolonize in Africa south and Sahara in 1957 with the independence of Ghana. Since then 14 other territories have achieved independence.



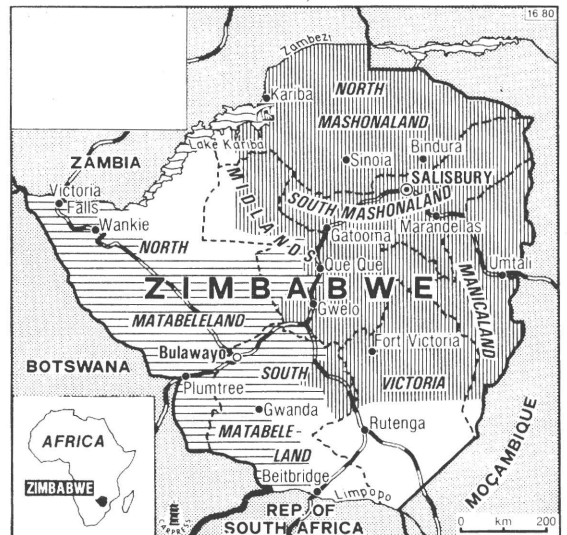
The formal side of independence (below) at the state banquet. From left to right, Prime Minister Robert Mugabe, his wife, the Prince of Wales, President Banana and Lord Soames. But outside in the streets of Harare (left) the celebrations were livelier.

At midnight on 17/18 April Zimbabwe became the 50th member of the Organization of African Unity, and the 43rd member of the Commonwealth. It could soon become the 60th ACP state. For Robert Mugabe, the Prime Minister, and his government, it was the culmination of a long and often bitter struggle for the rights of the majority in Zimbabwe, and the start of a new page in the history of Africa. For the British, it was the end of a rebellion against the crown, and the day, as the *London Times* put it that "the sun set on the British Empire in Africa". Harare was jubilant. The mood in the government was one of reconciliation and optimism for the future. The need to leave the past behind, had build a new nation together was the theme of Premier Mugabe's speech to the nation on the

eve of independence. He called on all sections of the population to adapt their attitudes to new political realities. The urgent task was to reconstruct the country after the years of war and economic sanctions.

Among the leaders who attended the ceremonies were Indira Gandhi, the Indian Prime Minister, President Kaunda of Zambia, President Khama of Botswana and President Zia of Pakistan. Claude Cheysson represented the European Commission.

Apart from the ceremonial, the uniforms and the pomp, the celebrations had a lighter side led in particular by Bob Marley, Jamaica's king of reggae.





Mr Mugabe (left) and Mr Nkomo during the Lancaster House talks in London

- Minister of Agriculture: D. R. Norman (ind.).
- Minister of Information and Tourism: N. M. Shamuyariara.
- Minister of Natural Resources and Water Development: J. W. Msika (Zapu).
- Minister of Education and Culture: D. Mutumbuka.
- Minister of Health: H. S. M. Ushewokunze.
- Minister of Public Works: C. M. Muchachi (Zapu).
- Minister of Posts and Telecommunications: T. G. Silundika (Zapu).
- Minister of Mines: M. Nyagumbo.
- Minister of Youth, Sport and Recreation: Mrs Tourai Ropa Nhongo.
- Minister of State in the Prime Minister's Office: E. Munangagwa.

INVESTMENT PROMOTION

At the initiative of Mr Claude Cheysson, together with Mr Haferkamp and Mr Davignon, the European Commission is preparing a working paper on the protection and promotion of EEC investment in developing countries. The problem of what provisions are to be made for investment is one which arises in all the EEC's negotiations with these countries. The question arose in the negotiations with the ACP countries, and ASEAN, and is now being dealt with in talks with Brazil. It will also be raised again in the forthcoming negotiations with India and the Andean Pact countries. Instead of having to discuss the question each time, the Council has therefore called for a general document to be prepared.

The nine EEC countries hold very different views on the investment question, and as a whole, their views differ from those of the host countries. This has been the cause of considerable difficulties in negotiations with developing countries. The aim behind the new document is to provide a basic framework of provisions which would be applicable in all situations. ○

Robert Mugabe profile

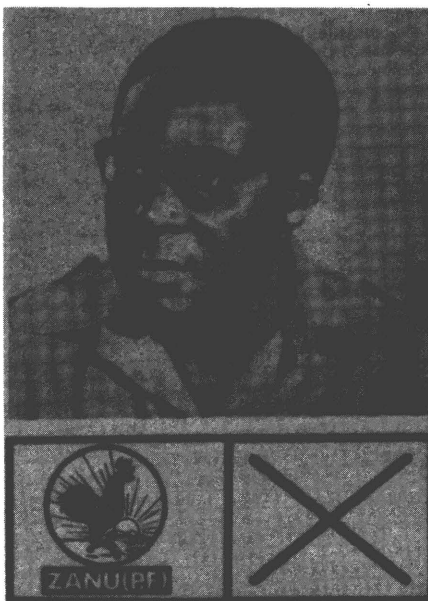
Born in 1924 in the Zvimba tribal trust land 50 miles from Salisbury, Robert Mugabe was brought up with a brother, two sisters and a half brother. His father left home to work in the Johannesburg mines. His mother Bona — now 75 years — held the family together.

With six years at the Jesuit mission school at Kutama and two in teacher training behind him, Robert Mugabe became a primary school teacher. At the age of 21 he won a scholarship to South Africa's all-black Fort Hare University where he studied with men like Nelson Mandela, Robert Sobukwe and Gatsha Buthelezi, taking the first of seven degrees. It was a political turning point; Mugabe returned to Rhodesia, in his own words, "completely hostile to the system", but prepared to teach within it. By correspondence he prepared for and took two more degrees.

His nationalism was influenced by Kwame Nkrumah, and he studied and met his wife Sally in Ghana in the late 1950s. Sally Mugabe was elected to the new Zimbabwe parliament in the February general election.

Mugabe returned to Salisbury in 1960 and joined the nationalist movement. He worked as publicity secretary for the African National Council, then led by Joshua Nkomo. He broke with Joshua Nkomo in 1963, convinced then of the need to train an army and start the armed struggle, and became general secretary of the Zanu Party under Rev Ndabaningi Sithole.

Arrest came first in 1962: Mugabe jumped bail but two years later was interned without trial at Wha Wha



detention camp. For ten years he never saw his wife and when his only son died he was denied permission to go to the funeral.

But the years of detention were put to use. By correspondence, using books supplied by voluntary agencies, he read for three degrees and finally took a post-graduate course in international economic law, tutored at long distance by the London School of Economics. He was released in 1974, and was made president of Zanu in 1977.

Tanzania was his first refuge, and later Mozambique from where he waged the guerilla war that was finally to bring all parties to the negotiating table at Lancaster House.

(Source: Commonwealth Secretariat, London)

EMERGENCY AID

Second plan of emergency aid for Kampuchea

The Commission has adopted a communication to the Council and to Parliament requesting the political go-ahead as soon as possible for a programme of emergency aid to Kampuchea covering the period April to December this year.

This emergency aid, amounting to some 43.5 millions EUA (about \$ 61 million), would be paid in instalments over the period covered by the programme to the organizations helping the victims of the events in Kampuchea.

This initiative is in response to the appeal launched by the United Nations secretary-general for the implementation of a programme prepared by UNICEF, the International Committee of the Red Cross, the World Food Programme, the FAO and the Office of the United Nations High Commissioner for Refugees, amounting to \$ 275 million for the period in question, the breakdown being as follows:

\$ 157 million for operations within Kampuchea launched from Phnom Penh (particularly food and the maintenance of agricultural production capacity;

\$ 52 million for the people seeking aid at the Thai border, without settling there (between 300 000 and 600 000);

\$ 53 million for refugees in the Sakeo and Khao I Dang camps in Thailand (143 000) and in Viet Nam (35 000);

\$ 13 million for the Thais suffering the repercussions of the large population movements at the frontier (about 200 000).

In addition to this programme organized by the major international organizations there are the operations run by a large number of non-governmental organizations amounting to about \$ 50 million; these bring the total value of the aid envisaged to \$ 325 million.

The Commission considers that the Nine (Community plus Member States) should, like the United States, provide a contribution at least equal to that made to the first six-month emergency plan (\$ 80 million out of a total of \$ 210-220 million) and preferably a larger contribution, given that the needs are much greater.

With the bilateral aid announced to date amounting to almost \$ 14 million (Germany \$ 8.4 million, Belgium \$ 0.9 million, Italy \$ 2 million, Netherlands \$ 2.5 million), the Nine's contribution would amount to \$ 74 million if the Council and Parliament accepted the Commission's proposal.

The second Community plan would involve 40 million EUA in cash and food aid in the form of 35 000 t of cereals equivalent to about 3.5 million EUA. Its implementation would, however, be conditioned on the satisfactory progress of the operations already initiated under the first plan and above all on greater flexibility in the attitude of the Phnom Penh government, which is still largely unacceptable (notably as regards supervision of the actual distribution to those in need).

Angola

The Commission has decided to contribute 200 000 EUA (Article 950 of the budget) towards a 1.5 million EUA emergency relief programme set up by the International Committee of the Red Cross to help some 300 000 displaced persons affected by fighting in the central regions of Angola.

The programme covers essential supplies to those worst affected — about 50 000 people, including over 32 000 children under the age of twelve.

The Commission is also providing food aid to the value of 330 000 EUA at world prices (1 080 tonnes of cereals, 50 tonnes of butteroil and 100 tonnes of milk powder) and has appealed to the Member States to contribute bilaterally to the operation.

India

The Commission has decided to send emergency aid of 170 000 EUA to the Catholic Relief Service as a contribution to the financing of the Indian government's programme to cope with the results of the drought late last year.

The CRS had spent almost US \$ 494 000 by end January 1980 and expects to spend another US \$ 1 150 000 this year to meet immediate needs for food aid, seed, fertilizer and pesticide (bearing in mind the drop in yield the FAO forecasts for the next harvest).

This CRS action is part of a coordinated programme of aid to India which many international organizations are involved. ○

NICARAGUA

Commission proposals for 1980

Community aid in 1979

In 1979 the European Community and its Member States were major contributors to the international aid effort to help Nicaragua.

Aid from the Nine amounted to \$ 56 million, of which \$ 10 million was for operations mounted by the Community as such: these comprised emergency aid in the form of the supply of seeds and medicines (about \$ 645 000), food aid in the form of cereals, milk powder, infant food and red beans (about \$ 5 760 000) and financial aid (of about \$ 3 500 000) for a reconstruction project.

A further appeal for international aid

Nicaragua has recently made a further appeal to the international community, as this represents the country's only hope of implementing the recovery plan adopted by its government for 1980 and coping with the many difficulties besetting it — malnutrition (1 million out of a total population of 2.5 million), large-scale unemployment, inadequate schooling (45% of the population is illiterate), indebtedness etc.

The Commission therefore considers it essential that the Community's aid be maintained, especially as Nicaragua wishes to establish wide-ranging cooperation with Europe.

The Commission proposes an aid programme of \$ 15 million for 1980

In addition to the operation which it is

proposing for financing from the Community budget, the Commission is appealing to the Member States to step up their aid to Nicaragua, particularly in the sphere of health and welfare infrastructure.

The programme of Community operations would comprise:

Food aid made up as follows: 1 300 t of milk powder, 6 000 t of cereals, other products (infant food, beans, etc.), representing a total cost of \$ 7 540 000.

— A special food programme to accompany a large-scale literacy campaign (cereals and red beans for an amount of \$ 940 000).

— The use of counterpart funds from food aid, i.e. \$ 1 700 000(1), to help finance of the literacy campaign.

— Financial assistance to the tune of \$ 4 580 000 to cover the cost of the following: a technical assistance project (experts to be made available to the Ministry of the Plan and the Ministry of Agriculture); two feasibility studies (an oil palm project and an integrated rural development project); technical assistance for trade promotion.

(1) Funds resulting from the sale on the local market of the aid supplied in 1979.

EIB

Loan in French Polynesia

The European Investment Bank has granted a conditional loan for 850 000 units of account (about 90 million CFP francs) in French Polynesia for the financing of small and medium-scale industrial, craft and tourism ventures.

The loan — made to Société de Crédit et de Développement de l'Océanie-SOCREDO — is from risk capital managed by the EIB as agent for the Community, under the terms of the decision taken on 29 June 1976 by the EEC Council, which provided for development finance in Overseas Countries and Territories that have particular links with certain member countries. This is the bank's first operation in French Polynesia.

Credit for small businesses.

SOCREDO will use the funds to finance project studies in the sectors concerned and provide credit for business ventures via subordinated loans (quasi-capital) to small and medium-scale undertakings in the same sectors, or through the acquisition of holdings in their capital.

A state undertaking, with capital shared equally between the territory of French Polynesia and the Caisse Centrale de Coopération Economique — CCCE of Paris, SOCREDO operates throughout the Territory, which is made up of some 100 islands scattered over 4 million square kilometres. ○

FOOD AID CONVENTION

Welcoming the food aid convention

Director-general Edouard Saouma of the Food and Agriculture Organization of the United Nations (FAO) has welcomed the agreement on the recent Food Aid Convention as a step towards world food security, but also stated that the total aid pledged fell short of the desired goal.

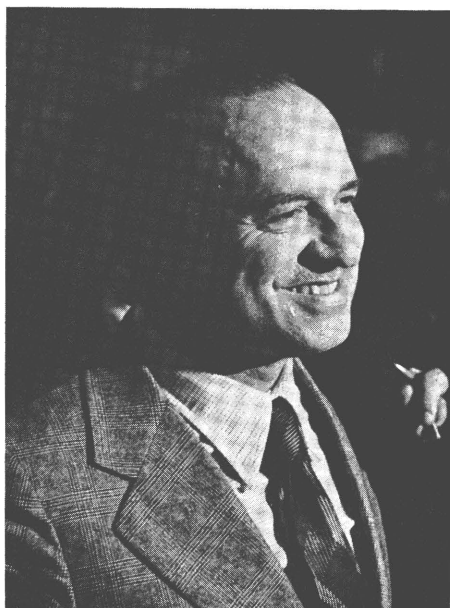
But, Mr. Saouma added, "it is not a moment for complacency. The total amount of aid committed under the new convention — 7 592 000 tons — is still far short of the desirable figure."

Mr. Saouma said that the 10-million tons of grain as food aid called for by the World Food Conference was more a minimum level, rather than a target.

The European Economic Community and 10 governments have announced minimum annual contributions in the convention signed in London: — Argentina (35 000 tons), Australia (400 000 tons), Austria (20 000 tons), Canada (600 000 tons), EEC (1 650 000 tons), Finland (20 000 tons), Japan (300 000 tons), Norway (30 000 tons), Sweden (40 000 tons), Switzerland (27 000 tons) and the United States (4 470 000 tons).

For the developing countries, Mr. Saouma said, the new convention offers a guarantee of a considerably higher level of food aid. "We shall not see, as we did in the mid 1970s, cereal aid fall by 50 percent in two years, precisely when it was most needed," Mr. Saouma stated, adding:

"Developed countries, for their part, have the merit of entering into commit-



Edouard Saouma

ments which serve a profound humanitarian purpose, and which represent a significant contribution towards the North-South relationship."

Referring to the food problem and food aid, Mr. Saouma said "The cereals import gap of developing countries has approximately doubled in a decade rising from 42 million tons in 1970 to 85 million tons in 1980." And estimates by FAO and WFP are that 17 to 18.5 million tons of food aid in the form of cereals will be required in 1985.

"The new Convention will, I hope," Mr. Saouma said, "therefore be regarded as an instrument in evolution, a milestone not a monument. At the same time, the need for continuity must be recognized, and I hope that the Convention's initial one-year duration will soon be extended for a longer period of perhaps three years."

Mr. Saouma also said he considered the convention a substantive measure to implement FAO's five-point plan of action on world food security.

BILATERAL AID

Italy: New improved aid formula

Italian development aid is to have a new look. A law passed by the Italian parliament a year ago has increased the financial means and general scope of Italian aid, which is to be implemented through new instruments and by a department of development cooperation set up in the foreign ministry. From lagging behind its EEC partners, Italy is now catching up both bilaterally and multilaterally, and has decided to raise its overall aid to the 0.33% of GNP which is the average level of the OECD Development Assistance Committee countries.

The director-general of international cooperation in Rome, Mr Kociancich, brought these glad tidings to Brussels in February, when he met EEC officials to discuss joint aid action. Italy had been "practically absent from European aid", but the new formula would now allow parallel financing and co-financing of projects with the Community, he said.

The main changes in Italian aid are that:

— it is now funded over five years (1979-83), allowing for programming, instead of being allocated annually by the parliament;

— it allows for financial aid, including grants and soft loans, whereas it was previously limited to technical assistance;

— there is more money available (about \$330m for the five years), although the amount is "still inadequate" in Mr Kociancich's view;

— there will be a greater Italian "presence" in the developing countries, both geographically and sectorally.

Until recently, Italy's aid was concentrated on its former colonies, especially Somalia. It is now spreading more widely to a number of countries, listed in two categories of priority:

— East Africa and the southern Mediterranean,

— South-East Asia (mainly Indonesia, Thailand and Pakistan) and the Andean Pact countries of Latin America.

Somalia still heads the list, but 90% of Italian bilateral aid will be going to these areas by 1983, Mr Kociancich indicated. The other ACP countries most likely to benefit include Ethiopia, Tanzania and Kenya. Mozambique and Angola will also be priorities.

The sectoral priorities are "as dictated by international meetings", i.e. agriculture, energy and industry. More food aid and emergency aid will also be available and Italy will continue with its training programmes for Third World students. The new formula allows for "some flexibility" and details of the overall breakdown of the five year funding have still to be settled. "We will still have to concentrate our aid because our funds are limited. We can't help the whole Third World", Mr Kociancich added.

Denmark: Small country, big aid effort

It is over a thousand years since the Danes had any colonies to speak of, but Denmark's small size and lack of experience of the tropics have not held back a big expansion in Danish development aid in more recent times.

Mr. K. Repsdorph, head of the Danish government's development agency DANIDA, described his country's aid effort in a talk to EEC officials in Brussels in March. Danish development aid reached the 0.7% of GNP target at the end of the '70s and public opinion seemed largely in favour of a 1% target for the '80s, he said. Disbursements this year would be worth about 350m EUA and commitments some 200m more.

Until the mid-'60s, when a bilateral programme began, Danish aid was mainly channelled through UN agencies; it is now more or less equally divided between multilateral and bilateral programmes, whereas many donor countries who started the other way round are only now averaging a multilateral contribution of about 30%. For example, 15% of Danish aid goes through the UNDP (providing up to 10% of its budget) and significant percentages are channelled through the World Bank, World Food Programme, FAO and WHO, besides the EEC.

There is a similar 50/50 split within Danish bilateral aid between grants and loans. The loans are often "very cheap", Mr Repsdorph said, but they tend to be tied to the procurement of

Danish capital goods and "there is also now a tendency for them to be mildly tied to projects", i.e. technical consultants are brought in to check out the projects put forward by developing countries. This extra control was introduced mainly because of a public row in Denmark over a Danish-backed dairy in Uganda, which reportedly had five times too much handling capacity for the existing cattle. A third element in Danish bilateral aid is a liberal policy on debts, affording poor countries several years relief, Mr Repsdorph said.

Although Danish loans now go to about 50 countries, the grants are still mainly concentrated on Tanzania, Kenya, India and Bangladesh, and are only programmed, over five years, for these four main recipients. The main geographical criterion is economic: 84% of total grants and loans went to low-income countries (per capita GNP under \$250) in 1979. About 400 Danes are now working in development in some 30 countries, plus another 300 young volunteers, and Denmark receives about 500 students from developing countries under scholarship programme, Mr Repsdorph said.

Danish aid covers a wide range of projects, "but recently there has been some concentration on rural development". Although emergency aid is well-viewed by the Danish public, "we try to avoid purely humanitarian projects because our main concern is development", Mr Repsdorph pointed out. DANIDA is also "attentive" to the basic needs approach, and although the main beneficiaries of Danish aid were established before the basic needs strategy, "they do respect basic needs objectives", he added.

As regards political criteria, "the Danish government has strongly maintained that development aid is neutral". Nonetheless, the recent question of whether to continue aid to Vietnam "showed that there are limits to this neutral approach", Mr Repsdorph admitted. Denmark condemns human rights violations but does not automatically cut off aid to guilty governments "because this would increase the suffering of people who are already oppressed. Yet countries which violate human rights are often less able to absorb aid, and we had to give up aiding Uganda," he said.

Denmark's aid efforts over the last 15 years have necessarily been modest, as was Mr Repsdorph's assessment of them — although a single rural health project in India is benefiting more people than the whole population of Denmark. Yet an emphasis on decentralized administration (Denmark's handful of Third World delegations can approve projects under \$200 000) has helped DANIDA get the most out of private development initiatives, and Mr Repsdorph looked forward to wider international cooperation, for instance under the co-financing approach mentioned in Lomé II.

EEC development director Klaus Meyer, who described DANIDA as "a

very efficient development agency", closed the talk with a warning that decentralized aid administration could not easily be extended to decision-making. Foreign aid officials in developing countries could come under "tremendous" and unwelcome local pressure if it was known that they could decide on projects, he said. ○

EEC - BRAZIL

Opening of negotiations

The negotiations for the conclusion of a cooperation agreement between the EEC and Brazil opened in March in Brussels. The Community delegation was led by Mr. Giunti, head of the Latin America division in the directorate-general for external relations, and the Brazilian delegation by Souto Maior, head of the Brazilian mission to the European Communities.

The proposed agreement would be non-preferential and would constitute a flexible framework agreement providing for commercial and economic cooperation organized through a joint commission to be set up for that purpose. During the first round of talks, which took place in an atmosphere of mutual understanding, the two delegations stated their positions regarding the different aspects of the agreement, on which there appeared to be a large measure of agreement. ○

NORTH-SOUTH

Global negotiations could overcome North/South stalemate

The global negotiations to be launched at the Special Session of the United Nations General Assembly in August 1980 offer what might be a last chance to break out of the stalemate in North/South relations that has reigned since the post-war international economic order was irrevocably disrupted by the oil crises of 1973/74.

Speaking to a meeting of the CAII (Cercle des attachés d'information internationaux) in Geneva on March 25, Mr Trần van Thinh, head of the delegation of the European Commission in Geneva, stressed that due to its dependence on the Third World for markets for its manufactured exports the North would be the first to suffer from a further deterioration in North/South relations.

What would happen, he asked, if in six months or a year the Third World was forced, in particular by its growing indebtedness, to reduce drastically its imports from the developed world? It was foolhardy to imagine that the North, which exports 40 per cent of its manufactures to developing countries, could reverse the current economic recession in isolation from the Third World.

The existing international institutions had failed to provide a satisfactory



Jesse Owens

Jesse Owens, former Olympic champion, the greatest athlete of his time and one of the greatest athletes of the 20th century, died, of lung cancer, on 31 March 1980. He was 66. He became the fastest man in the world when he beat world records for all the distances between 60 and 220 yards, for the 220 yards hurdles and for the long jump and took four medals at the Berlin Olympics in 1936. ○

framework for the solution of contemporary North/South problems. There had been no mention of the concept of developing countries in the Havana Charter in 1947. The UNCTAD faced innumerable difficulties, and did not seem able to meet the challenge of development in the 1970s and 1980s.

The global negotiations offered the opportunity to adopt a new approach, Mr Tr n said. Imagination and political courage was vital. It was clear from the experience of the circular debates on catch-all agendas so well known in some UN bodies, that if the global negotiations were to succeed priorities must be established based on mutual interests. ○

LDCs

The conference on problems and prospects of least developed countries (LDCs) in Africa, convened by the UN's Economic Commission for Africa (ECA) with close collaboration of the UN Conference on Trade and Development (UNCTAD) concluded its meeting on 22 March in Addis Ababa with the adoption of a report which includes recommendations relating to solutions to problems of LDCs. Strategies, priorities and programmes are recommended in the report for implementation by the LDCs if they are to achieve viable economies to make it possible to uplift and improve the welfare of their peoples.

It also calls for improvement of international as well as an African regional effort regarding assistance for LDCs. The first of its kind held in Africa, the conference focused on past trends and perspectives of LDCs, singled out priority areas for action by governments towards rapid achievement of self reliance and self sustaining economic growth, made specific recommendations on international cooperation and assistance as well as on the role of the ECA in African LDCs during the third UN development decade and within the framework of the African development strategy in the 1980s. The UN will hold a conference on LDCs of which there are 30 in the world as a whole and 20 in Africa alone, in 1981. ○

GSP

Continuation of the Community system

The Community should maintain its system of generalized preferences in favour of developing countries for a further period of 20 years, up to the year 2000.

Without excluding any of the present beneficiaries the Community should apply the tariff preferences so as to dif-

ferentiate between the beneficiary countries in the light of the individual competitiveness and level of development. Lastly, the system should be simplified in order to improve the way in which it is run and thereby enable the greatest possible use to be made of the preferential benefits offered by the Community.

These are the main recommendations put forward by the Commission in its communication to the Council on the future of the Community's generalized

system of preferences (GSP), which reaches the end of its initial ten-year period of application at the end of this year. The maintenance of the Community GSP for a further period has in fact been accepted politically since 1975. The purpose of the Commission communication is to set out the guidelines for the new system to be applied as from next year; the proposals for the 1981 GSP scheme will be formulated at a later stage on the basis of the guidelines adopted by the Council. ○

EUROPEAN COMMUNITY

Community's role in third world energy cooperation

The Community and its member states provide more outright grants to third world countries for energy cooperation than any other world body. If loans are also taken into account the amount of direct and bilateral aid in this field from the Community and its members is second only to the World Bank's.

The facts are contained in a report drawn up on the initiative of Guido Brunner, Claude Cheysson and Wilhelm Haferkamp and just accepted by the Commission. It now goes to the Council who requested a general presentation of what aid goes to developing countries for energy cooperation and who provides it.

In 1979 the EC and its member states provided 300 million EUA in grants in this sector, 60% of the total. The Community and its members are the only donors having a broad spectrum of financing methods (grants, loans on special terms, loans on near-market terms). By comparison the World Bank, OPEC's special fund and Japan accord virtually all their aid in the form of loans, while the United States and the United Nations Development Programme (UNDP) offer mainly grants.

Total aid including loans from the Community and its member states in 1979 for energy cooperation in developing countries came to some 500 MEUA — about 20% of the total. In 1980 this is expected to exceed some 700 MEUA, a 40% increase due mainly to the growth of aid from the Community as such—up from 100 MEUA to nearly 190 MEUA, and the result of increased investment expenditure by the European Investment Bank (EIB).

Bilateral aid is also expected to increase from 400 MEUA in 1979 to over 500 MEUA in 1980 mainly due to more aid being provided by Germany—up from 200 MEUA to more than 320 MEUA.

Electricity production and transmission has received the most money from the Community (82% or 410 MEUA in 1979). Great interest in the current year

is centred on the promotion of renewable resources. The Community will be earmarking at least 40 MEUA for this in 1980 compared with 11 MEUA last year and similar increases from the other donors show that activity in this area will expand from a world figure of just under 50 MEUA to more than 70 MEUA. This would however still only be three percent of the total.

Worldwide aid for electricity is expected to fall somewhat in 1980. Coal and gas on the other hand will get increased expenditure of about 15% of the total (382 MEUA), up from 10% in 1979.

However, the report points to a general lack of information concerning aid in the energy sector and says that the Commission will continue to try to fill the gap. The Commission will also carry out an examination of energy problems and country assessments (demand and supply forecasts) in the developing countries who request it, so as to help them choose a strategy adapted to their needs.

Energy situation in the Community

The Commission has just approved for submission to the Council a report from Mr Guido Brunner, showing that in 1979 oil consumption in the Community rose, according to provisional figures, by 2,7% to reach 525 million tonnes. Imports, however, rose only slightly to 475 million tonnes.

The rise in consumption was due largely to the severe winter weather in the early months of 1979. Consumption in 1980 is forecast to be lower at 517 million tonnes.

Indigenous production of crude oil rose by over 40% from 64 million tonnes in 1978 to 89 million tonnes, the increase reflecting mainly the first full year's production from the four North Sea oil fields—Dublin, Heather, Ninian, Thistle. Community production covered 16% of total requirements.

Only a slight further increase in pro-

duction of 3.3 million tonnes is foreseen for 1980 when net imports are estimated at about 460 million tonnes. Cost of these imports in 1980 appears likely to be of the order of 100 billion dollars compared with 75 billion dollars in 1979.

There was a better balance for the Community's refiners with an increase in refinery runs of about 30 million tonnes to 560 million tonnes. Average utilisation of total installed distillation capacity rose from 66% to 73%.

During 1979 average consumer product selling prices before tax in the Community rose from 154 dollars to 247 dollars a ton. The increase was roughly in line with crude oil prices and well below the 150 dollars a ton rise in the spot market. Community consumer prices rose a further 36 dollars to about 283 dollars a ton in February 1980, in response to the rises in official crude oil prices at the turn of the year.

NATURAL GAS

Total consumption of natural gas in 1979 within the Community was about 173 million tonnes oil equivalent (mtoe) which represents an increase of about 5% over 1978. Significant increases occurred in Germany (12%), Belgium (9%), the United Kingdom (8%), France (5%) and the Netherlands (5%). This growth in demand was partly due to the harsh winter experienced in the northern Member States as well as to the price advantage of gas.

Overall, there was an increase in the share of primary energy consumption met by gas from 17.1% in 1978 to 17.5% in 1979. This trend is forecast to continue, the share of gas reaching a figure of 18.2% in 1980.

Natural gas production in 1979 within the Community at 137 mtoe was 3% higher than in the previous year. Production in the Netherlands, which accounts for almost half of the Community's production, increased by 6% whilst Germany reported an increase of 3%. France, Italy and the United Kingdom reported falls in production of about 2%, 5% and 1% respectively.

COAL

Hard coal consumption in the Community in 1979 reached about 308 million tons (191 mtoe). Almost the whole of the increase of 21 million tonnes was due to rising demand for electricity generation, particularly in the United Kingdom, but there has also been a modest rise in demand by the steel industry, compensating market contraction elsewhere.

About 77% of all hard coal for electricity generation was used in the United Kingdom and Germany. If brown coal is taken into account, this preponderance is even higher.

For the third year in succession, coal production in the Community has been stable, reaching about 240 million tonnes (148 mtoe) in 1979.

There are no grounds to expect any substantial changes in 1980 in the Community's coal production. Imports, on the other hand, are likely to rise by a further 15% to about 65 million tonnes.

ELECTRICITY

In 1979 net electricity consumption increased in the Community by 5.1%. At national level, significant increases in consumption took place in Ireland (10.6%), France (6.6%) and Belgium (6.1%) but were below the Community average in the United Kingdom (4.2%) and in Luxembourg (2.4%).

Electricity consumption in 1980 is forecast to increase further by about 3.5% with comparatively high growth anticipated in France and in Ireland.

Nuclear Energy

In the course of 1979, installed nuclear capacity in the Community rose by 2 800 MWe (Megawatts) to 28 800 MWe. In the year ahead, nuclear plants are expected to come into operation more regularly, particularly in France where the production of electricity of nuclear origin is estimated to rise by 50% as compared with 1979. For the Community as a whole, installed nuclear capacity should reach 30 000 MWe, and the corresponding net electricity production will be equivalent to some 13% of total electricity production. ○

EUROPEAN PARLIAMENT

The European Parliament's political affairs committee met in Brussels on 31 March and 1 April under the chairmanship of Messrs Colombo (christian democrat, Italy), Estier (socialist, France) and Rey (liberal, Belgium) and adopted a report on relations between parliament and the EEC Commission, with a view to the latter's renewal, by a large majority.

The main recommendations of this important document (rapporteur, Jean Rey, ex-President of the Commission) were:

— maintenance of the present number of commissioners, i.e. 13 at the moment and a maximum of 17 after the three new Member States join;

— the necessity of having a percentage of women commissioners after 1 January 1980 (when the new Commission takes over);

— the necessity of ensuring that the many consultative bodies set up to maintain contact between the Community instances and the national authorities confine their activity to actual consultation, so as to avoid the Commission's executive activity being transferred to the Council;

— in relation to the right of censure, a need for parliament to be consulted on

Commission policy before the Commission starts work. Parliament to vote once a year on the Commission's programme;

— a need for a general colloquy between the political affairs committee and the President-elect of the Commission on the anticipated programme before the other commissioners are appointed. The European Parliament to have a public debate with the newly appointed Commission, ending with a vote of investiture and confidence;

— a need for the newly appointed Commission to conclude an inter-institutional agreement with the European Parliament, involving the Commission in consulting parliament on every preliminary draft decision. The Commission will not be able to produce the final wording or submit proposals to the Council before reaching a basic agreement with parliament;

— appointment of a vice-president of the Commission. His/her job would be to deal with coordination and to assist the President.

The political affairs committee also had an exchange of views with current President of the Commission, Roy Jenkins, on the political problems of the Community. He stressed that the continual postponement of decisions was a real danger to the Community. There was not just a problem of convergence, of the British contribution to the Community budget and of agricultural prices, but also of the energy policy and the preparation of the forthcoming economic summit of western industrialized countries. Proper preparation could not be made for this conference while the Community was grappling with its internal problems.

Onassis Prize

Simone Veil, the President (speaker) of the European Parliament, received the Onassis Foundation prize from Greek President Tsatsos in Athens on 29 March.

The ceremony coincided with an official visit to Greece which Madame Veil made on Friday 28 March—Wednesday 2 April at the invitation of Mr Pappaspyrou, the speaker of the Greek chamber of deputies.

Simone Veil also had talks with PM Caramanlis and with the foreign affairs minister Mr Rallis. ○

Hunger in the world

Second public hearing

The committee on development and cooperation held its second public hearing on hunger in the world in Brussels on 1 and 2 April 1980 (see *Courier* N° 60, p. XVI).

Michel Poniowski was in the chair and European MPs listened to and questioned various international personalities, including Mr Jackson, from Oxfam, Mr Saouma, director general of the FAO, Professor Mazoyer of the National Institute of



Michel Poniatowski (left) with Edouard Saouma during their press conference

Agronomy in Paris, Mr Van Gennip of Caritas in the Netherlands, Mr Shihata, secretary-general of the OPEC special fund, Professor Lipton of the Institute of Development Studies at the University of Sussex, Mr Doumeng of Interagra, Mr Thomas, director of Unilever, and Mr de Mayer of WHO.

The speakers defended fairly different viewpoints on the role and the implementation of food aid and on the agricultural development models used in the north and the south, Mr Jackson gave concrete examples of the sometimes negative effects of food aid and of the various problems of distribution in the field and the choice of what products to send as food aid.

Mr Saouma pleaded for an increase (and greater multilateralization) of food aid reserves, bearing in mind that there was no really reliable supply of food in the world. Professor Mazoyer demonstrated that agricultural development models failed if they were transposed, as they stood, from the industrialized to the developing countries. Other speakers complained about the common agricultural policy and the surpluses it generated.

At a press conference, Mr. Saouma mentioned the possibility of IMF food facilities. This would mean the IMF would discuss facilities for food products similar to those introduced with the system of special loans to help the developing countries with their oil imports.

Mr Saouma made practical demands of the European Parliament, calling for the EEC to make larger contributions to the FAO's food programme, for the FIDA to be replenished and for the European market to be opened further to developing country products. He also insisted on the need for at least one third of all official development aid (which the EDF already exceeded) to be allocated to agricultural development. ○

EMS

First anniversary

The European Monetary System is one year old. Technical and complex in nature, the EMS is little understood for what it most importantly is: a political act whose chances of success are good precisely because it is grounded on political realities. It signals a more self-reliant and cohesive Community based on a zone of monetary stability in Europe, and compels closer international cooperation in monetary and economic policies, thus contributing to the improved working of the international economic system.

Economists, central bankers, and technicians greeted the EMS with much scepticism a year ago. But it has worked well so far, giving the individual European currencies a greater measure of stability than before.

The timely and smooth manner in which currency rates were adjusted slightly last September against the German mark or in which the Danish krone was devalued at the end of November suggests that the EMS is designed with sufficient flexibility to enable it to survive a good deal of pressure.

From a technical point of view, the EMS is simply a threepart arrangement that links eight European currencies—those of all the Community countries except Britain—by permitting their exchange rates to fluctuate only slightly against each other (plus or minus 2.25 per cent); establishes an embryonic European Monetary Fund, which will issue reserves denominated in a new unit called the European currency unit (ECU); and provides new credit facilities to help EMS members avoid balance of payments difficulties. It resurrects in

much strengthened form the European currency 'snake' of the early 1970s, which had degenerated into a deutsche mark zone linking the minor currencies of northern Europe to the German.

It is the political elements of the EMS, however, that lift it out of the technical realm and make it a significant force for the unity of Europe. National governments have voluntarily tied their hands for non-market reasons in a key area of traditional economic policy. ○

EIB

Loan for industrial and tourism development in Greece

The European Investment Bank has granted a loan for 20 million units of account to assist with financing small and medium-scale private sector industrial and tourism ventures in Greece.

The funds have been made available in the form of a global loan (12 years at 11.55%) to the National Investment Bank for Industrial Development (NIBID) under the terms of the second financial protocol concluded between the European Community and Greece. Since entry into force of this protocol on 1 August 1978, the EIB has lent a total of 154 million EUA.

Two earlier global loans from the EIB, one for 7.7 million EUA in 1975, the other for 20 million EUA in 1978, have been used to finance 39 ventures, chiefly in the foodstuffs, metallurgy, mechanical engineering, timber processing and construction materials sectors, involving the creation of an estimated 1 400 jobs.

Under the global loan formula, funds are made available to banks or other financing institutions at regional or national levels which on-lend more modest amounts for a wide range of smaller scale ventures selected in agreement with the EIB. The formula harnesses the financial resources of the EIB, an international institution with access to national and international capital markets, and the operational facilities and local expertise of the different financing institutions. ○

ENLARGEMENT

Accession negotiations with Spain on agriculture

Agriculture is a key sector in Community enlargement to include Spain. The Commission has adopted the broad lines of a communication to the Council in which it puts forward ways of

overcoming the obstacles to Spain's harmonious integration into the Community. In view of the differences existing between Spanish agricultural policy and that of the Community, a sufficiently long period will have to be allowed to bring about this integration. The Commission therefore considers that the transitional period (from the time of accession) should not be less than seven years and no longer than ten years.

The inclusion of Spain in the Community agricultural system will, moreover, accentuate market balance problems and also certain structural difficulties, with will have financial consequences. The Commission therefore proposes certain adjustments to the *acquis communautaire* in the context of the steps which the Community has already begun to take to improve the position of Mediterranean production and regions.

For some products the enlarged Community will have self-supply rates exceeding 100%. The other Mediterranean countries currently supplying these products will consequently encounter serious problems in selling their goods on Community markets. The Commission considers that the enlargement of the Community must not jeopardise the cooperation links built up with non-Community Mediterranean countries and that it is therefore important to explore with them the ways and means of avoiding a deterioration in their agricultural trade with the Community. ○

AFRICAN SWINE FEVER

Five million EUA for Portugal

The European Commission has put forward a proposal to the Council of Ministers for granting Portugal a subsidy of five million European units of account (EUA) to assist in combating African swine fever. The sum will be paid in instalments over a five-year period and will help finance Portugal's eradication plan. The aim is to eliminate African swine fever from the entire Iberian peninsula; to that end the Council has already granted ten million EUA to an eradication plan in Spain. Measures to help eliminate the disease in Malta have also been adopted by the Council. The contribution envisaged amounts to five million EUA.

If African swine fever were to gain permanent footholds in regions bordering the Community, it would constitute a serious and ever-present threat to Community livestock. From the Iberian peninsula the disease has already penetrated into France on three occasions. It also spread to Italy, where it rapidly took on epizootic proportions. France and Italy managed to eliminate the disease only by ruthless measures,

such as slaughtering all animals affected, which caused heavy losses for farmers. There has also been an outbreak in Sardinia. Since there is at present no effective vaccine against African swine fever, the creation of disease-free zones at its frontiers is the best way for the Community to protect itself. ○

EEC-YUGOSLAVIA

Early implementation of the agreement

A delegation from Yugoslavia, led by Mrs Milica Zyberna, the deputy federal secretary for foreign trade, and a delegation led by Sir Roy Denman, head of external relations at the EEC Commission initialled two agreements in Brussels on 14 April 1980. This was with a view to implementation, on 1 July 1980, of the commercial and the cooperation sections of the cooperation agreement which was signed in Belgrade on 2 April last year and will take effect after all the contracting parties have ratified it.

The interim agreement on the commercial section has also extended the life of the joint committee that ran the commercial agreement of 1973 and gives it duties which, in the trade sector, will normally fall upon the cooperation council set up by the cooperation agreement. Since trade relations between the EEC and Yugoslavia will be set up as from 1 July, the joint committee will have more to do than in the past and it will be largely responsible for preparing the action on which the cooperation council will later have to embark.

Both delegations were extremely satisfied with the successful outcome of the negotiation of agreements which provide real prospects of development for economic and commercial cooperation.

They also agreed that exploratory talks should be held between the Commission and a Yugoslavian delegation at the end of May to decide what adaptations should be made to the agreements with a view to their application between Yugoslavia and the enlarged Community (i.e. plus Greece) after 1 January 1981. ○

TAX SYSTEMS

New harmonization plan

The Commission, on the initiative of Commissioner Burke has adopted a report on the scope for convergence of tax systems in the Community. This report is being sent to the Council, to the European Parliament and to the Economic and Social Committee for consultation.

The report indicates the main tax measures that are recommended for the next few years if a greater degree of economic integration is to be achieved, most notably the harmonization of tax rates.

Conflict between tax harmonization and the freedom of Member States to use tax as a budgetary and economic instrument has so far been avoided because, except in the case of capital duty, Community action has related only to the structure and bases of taxation and not to the rates. This situation will change when tax harmonization is extended to cover tax rates. Member States will then be confronted with a number of fundamental issues.

The first issue is political. It is whether Member States will agree to relinquish their tax autonomy and whether national parliaments in particular will agree to give up a part of one of their fundamental prerogatives, namely the power to vote taxes freely.

The second issue concerns the room for manoeuvre which Member States will have in pursuing their budgetary and economic policies.

— The closer alignment of VAT and excise duty rates, which is necessary if tax frontiers are to be abolished, need not necessarily result in complete standardization.

— Large areas of taxation, such as personal income tax, are not directly covered by the harmonization process and these will remain essentially under national control.

— Convergence of tax systems will, however, bring about a change in the tax structure in Member States and as such may have indirect effects on other areas of taxation. This could give rise to numerous difficulties, notably political objections, possible changes in the pattern of consumption and thus in production and trade, effects on the cost of living, a need to change the financing of social security, etc.

— Harmonization of the corporation tax will not prevent Member States from using it as an economic policy instrument.

It is the Commission's view that a significant level of tax harmonization is a necessary condition for the achievement of economic union. Fiscal frontiers will not be abolished unless Member States adapt their taxation systems towards a common pattern. ○

EEC-CANADA

European Community and Canadian officials have been meeting in Brussels to discuss a wide range of bilateral and international issues, as well as to examine the programme of activities launched under the aegis of the EEC-Canada joint cooperation committee.

The discussions were friendly and constructive, reflecting the close relations that exist between Canada and the Community.

On 17 and 18 April a delegation of the Commission of the European Communities led by Mr Manfred Caspari, deputy director-general for external relations, and a Canadian delegation led by Mr Ross McKinney, Assistant Under-Secretary for External Affairs, met to discuss international trade and economic prospects as well as policy developments in the European Community and Canada in the framework of the regular high-level consultations between the two sides. Special attention was paid to developments in the energy sector, where the two parties were in broad agreement in their analysis of the situation and the need for strengthened international cooperation. The consultations also covered a series of bilateral trade problems affecting both industrial and agricultural products, enabling both sides to reach a clearer understanding of the issues involved.

The consultations were preceded by meetings of the two sub-committees of the joint cooperation Committee set up under the 1976 EC-Canada Cooperation Agreement. The general and preparatory sub-committee heard progress reports on cooperation in the science and technology and environmental fields. It also reviewed the implementation of the New York programme and discussed additional possibilities for cooperation in the energy sector. The industrial cooperation sub-committee reviewed progress in the aeronautics, forestry, peri-informatic, minerals and metals and nuclear sectors as well as on energy conservation. It also discussed possible new areas of cooperation. ○

FIGHTING POVERTY

The Commission organized a IIIrd seminar on the fight against poverty in the Community, in Brussels from 22 to 24 April.

The seminar was attended by about 80 people, including project leaders, those in charge of cross-national studies, those preparing the national reports and government experts.

The Commission also invited representatives from the European Parliament, the Economic and Social Committee, the European Trade Union Institute and social affairs attachés from the Community Member States.

The aims of this seminar were to promote exchanges of information and experience between project and study leaders (based on the Commission's second report to the Council on the European anti-poverty programme), draw up guidelines with a view to evaluating current activities and, finally, examine the possibilities for future work on a cross-national basis under the auspices of the EEC after November

1980, particularly in connection with a proposal for a Council decision concerning an interim programme to combat poverty. ○

DEVELOPMENT COMMITTEE

North-South dialogue

The European Community can and must provide the impetus for a resumption of the North-South dialogue, such is the unanimous verdict reached by the members of the committee on development and cooperation of the European Parliament, at its meeting at the end of April with Mr Michel Poniowski (Fr. Lib.) in the chair. The Members of Parliament, agreeing with the statements by Commissioner Cheysson, who was present at the meeting, considered that this resumption of the North-South dialogue must be undertaken 'in our mutual interest and with shared responsibility' to meet the three urgent needs 'avoiding a general recession, combatting hunger in the world and organizing the transition to a world economy less dependent on oil'. These three interrelated topics in fact comprise a great many problems, the most immediate of which was the monetary and financial international imbalance. 'Recycling or transfer, that is the urgent question. We must not wait until 1982 since there is a risk that a great many developing countries will have collapsed by then' warned Mr Cheysson.

As regards the world food situation, the European Parliament in its July part-session will be debating the report drawn up by Mr Bruno Ferrero (It. Comm.) summarizing the proceedings of the parliamentary committee and its hearings on hunger in the world last March and April.

Members also had an exchange of views with Mr Cheysson on the 'tragic situation in Liberia', on the urgent need to release the 20 million EUA earmarked for aid to Cambodia and on the immediate financial measures to be carried out in favour of Zimbabwe which had just requested accession to the Lomé Convention. ○

SEMINARS

Two important seminars were held in Brussels at the end of April. The first was under the auspices of the group of 7 for economic cooperation with Africa. Its subject was "the follow-up and practical implementation of Lomé II with a view to increasing private investments in African countries and the opportunities for cooperation between the group of 7 and the EEC-ACP institutions in the fields of industrial and agricultural development". The seminar which was organized by Mr Ruprecht M. Hopfen, adviser to the group of 7

and director of the Brussels liaison bureau, was attended by a number of ACP ambassadors and European personalities including Senator Pedini, a former minister and current member of the European Parliament and Mr Jacques Ferrandi, president of CIAN and former deputy director-general for development in the Commission.

The second seminar was organized by the Euro-African press association with the help of the Brussels International Fair in the context of the "4th forum of nations". It was the 10th seminar held under the auspices of the Euro-African press association. Its subject was "beyond the Lomé Convention". After the opening address by Jacques Isaac Castiau, deputy director-general of the Brussels fair, a number of contributions were made and a debate was monitored by Mr Etienne Ugeux, president of the association. ○

AUSTRALIA / NEW ZEALAND

Mr Haferkamp visits Australia and New Zealand

Mr Wilhelm Haferkamp's visit to Australia and New Zealand which began on 19 April reflects the European Commission's desire to reinforce good relations with two countries with which the Community has important political and economic links.

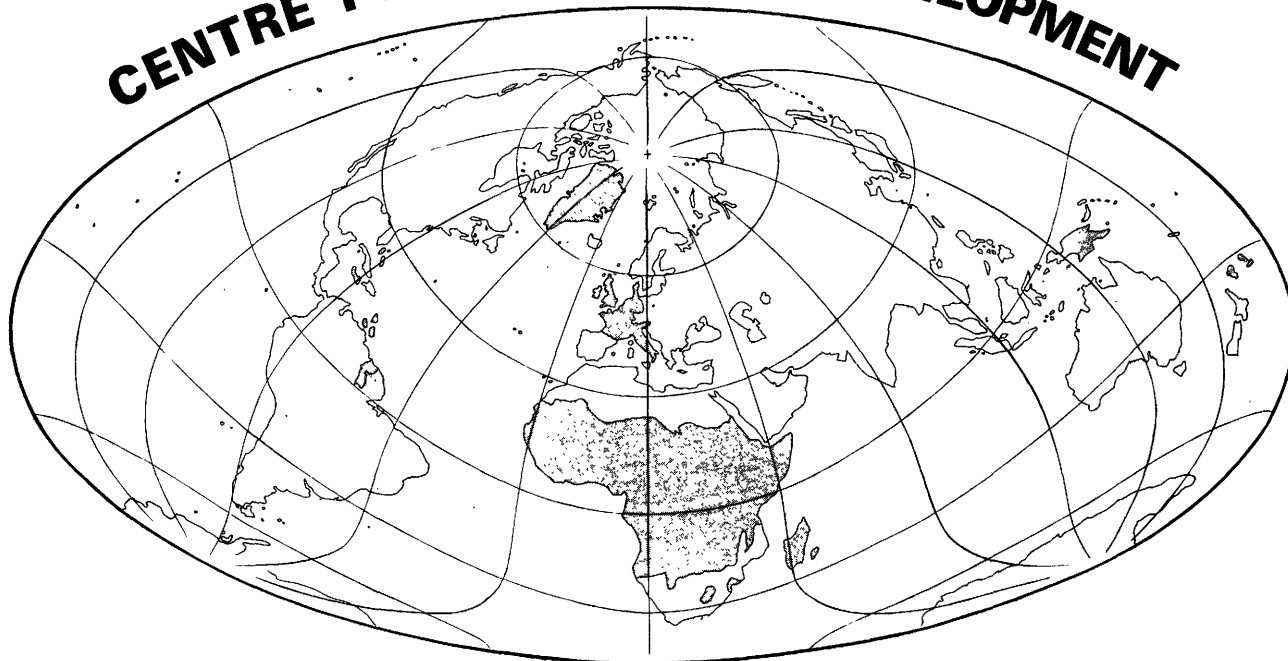
In Australia Mr Haferkamp, vice-president of the Commission, met the Prime Minister Malcolm Fraser and had consultations with Douglas Anthony, minister of trade and resources, and Andrew Peacock, foreign minister. The visit was the first since May 1979 when the two sides agreed to regular high level consultations. The Community subsequently decided to set up a delegation in Canberra.

Mr Haferkamp appealed to his hosts to view the problems that sometimes divided the Community and Australia, notably over agricultural trade, in the wider context of the necessity for greater solidarity between the two sides in the 1980s, and the growing complementarity of their economies. "In this light difficulties in the agricultural sector can be resolved in a more realistic perspective", he said.

With the Community's overall trade balance with Australia in surplus, Mr Haferkamp called for an increase in Australian exports of raw materials and energy. He also pointed to difficulties facing Community exporters in the Australian market. They had to cope not only with restrictive measures in certain sectors, such as automobiles, shoes, and textiles, but with strong competition from Japan and the rest of South-East Asia, he said.

On the second leg of his trip starting 26 April, Mr Haferkamp met the New Zealand Prime Minister Robert Muldoon, and other senior ministers. ○

CENTRE FOR INDUSTRIAL DEVELOPMENT



BUSINESS OPPORTUNITIES

Implementation of industrial joint ventures

Industrial joint-ventures, with two or more partners investing in equity, take a long time to reach fruition. This must be doubly so when the joint-ventures are between partners in developing and developed countries. It may not always be easy to be certain whether a project will go ahead or not. The Centre describes a joint-venture project as being at the stage of 'implementation' when certain criteria are satisfied:

- all parties to the joint-venture have signed documents legally committing themselves to the project;
- all finance has been found and is similarly committed;
- Government approval where necessary has been obtained.

Using these criteria, the following joint-ventures have reached the stage of implementation:

MAURITIUS
weaving of
decorative
leather thongs

A private venture. The whole of the production will be exported. Production is expected to start in mid 80 and should result in 60 jobs being created. Foreign (non-Mauritian) private sector finance will be 115 000 EUA.

KENYA
solar heaters

An existing Italian-owned Kenyan company has started to manufacture solar heating systems for the local market. The capita invested will be 230 000 EUA and will come from the local resources of the Italian-owned company. This development will create 19 jobs.

SIERRA LEONE
fish meal

The Sierra Leone Development Bank was in negotiation with an Italian company. The project involved the transfer of used plant plus technical assistance. The Centre was requested to evaluate the value of the used plant so that the respective shares of the equity could be agreed. CID has done this, the plant is now erected.

Expansion of industry

Expansion of an existing, successful industry is at least as important as setting up new industry. The Centre offers a service to help to study the needs and prospects of expansion and to find finance.

MADAGASCAR
paper mill

A Malagasy paper mill having a capacity of 11 000 tons per annum wished to expand production to 18.700 tons. At the request of the government of Madagascar, the Centre examined an industrial proposal for this expansion. The additional investment was 7.5 million EUA. The assessment was positive and French official institutions agreed to co-finance the expansion. This is expected to lead to 131 additional jobs in 1980/81.

Rehabilitation of industry in difficulty

NIGERIA
coffee

This arose as a request from an industry in difficulty (see page 5). The EEC company is providing the technical assistance and joint management.

TRINIDAD
bricks

This arose as a request from an industry in difficulty (see page 5). As part of the rehabilitation, a new adapted technology was defined together with the know-how of an EEC industrialist. The industry resumed work producing high quality products, additional equipment was acquired under combined Trinidad-EEC finance and new management installed.

INDUSTRIAL JOINT VENTURES WELL ADVANCED

Many industrial joint-ventures, in which the Centre has played the major role of finding partners, co-financing studies, helping to find finance etc. are already at a stage which may be described as well advanced. In each of the cases named, the EEC and ACP partners have reached preliminary agreements and, where marked with an asterisk, have joined with the CID in financing the necessary feasibility study.

Bricks
Burundi
70 jobs

Brewery
Central African Rep.
190 jobs *

Plywood
Samoa
45 jobs

Margarine & Oils
Cameroon
270 jobs *

Cassava Processing
Ivory Coast
200-300 jobs *

Fruit Juice
Senegal
32 jobs *

Welding Electrodes
Nigeria
40 jobs

Solar Salt
Somalia
154 jobs *

Mineral Waters
Seychelles
17 jobs *

Poultry
Cameroon
24 jobs *

Dry Cell Batteries
Mano River Union
125 jobs

Dry Cell Batteries
Somalia
50 jobs *

Karité Processing
Mali

Solar Salt
Mano River Union
120 jobs *

Metal Foundry
Tanzania
36 jobs

Fruit Juice
Cameroon
237 jobs *

Brewery
Nigeria
200 jobs

Pre-Fab. Housing
Trinidad
350-400 jobs *

Sand Quarrying
Cameroon

Infusion Solutions
Nigeria
85 jobs *

Pre-Fab. Housing
Fiji
160 jobs

Tannery
Sudan
150 jobs

Timber Exploitation
Papua New Guinea

Cement-bonded Particle
Boards
Jamaica 105 jobs

Some of these may however fail to reach the stage of implementation.

Existing industry in difficulty

Existing ACP industries have requested the CID to help diagnose problems which threaten the economic viability of the plant. In each case, the Centre financed a suitable expert to visit the plant and diagnose the problems:

TRINIDAD
brick-making

A CID expert visited the plant and diagnosed problems. They have been solved. EEC technical partner is investing in equity in this project.

MALAWI
rice-milling

An expert visited Malawi to assess ways of increasing the yields of white rice. Recommendations were to modify existing equipment and to initiate a training programme. This is being implemented.

TRINIDAD
car-filters

An expert made recommendations for improving quality to meet the market requirements. The production quality is now acceptable.

NIGERIA
instant coffee

The plant was experiencing technical and management problems. An expert made recommendations for assistance of an EEC company. This advice has been followed.

PAPUA NEW GUINEA
soap

An expert visited the plant and made recommendations for the improvement of the quality of the product.

BARBADOS
garments

An expert recommended measures for improving production in several local factories.

BARBADOS
aluminium products

An expert recommended measures for improving the product quality and the general organization of the plant. Some measures already implemented. Others being examined.

BENIN
dairy products

An expert made recommendations for reopening the factory.

MADAGASCAR
gelatine

An expert confirmed that there was not an adequate market and the plant was not viable. The plant has closed.

Training of industrial officers at CID

Senior personnel from ACP industrial development organizations have worked at the Centre for periods of 3-7 months. During this time, they pursued their national projects and contributed to the work of the Centre.

KENYA

Geoffrey Kimaru, senior officer of the Industrial and Commercial Development Corporation worked at the Centre for 6 months. He made valuable contributions to our own work and pursued several Kenyan projects some of which are going ahead.

Central African Rep.
6 months

Burundi
2 months

Sudan
2 months

Papua New Guinea
2 months

Cameroon
1 month

Senegal
2 months

Madagascar
4 months

Uganda
2 months

Tanzania
6 months

Lesotho
3 months

Barbados
3 months

Somalia
7 months

Liberia
2 months

Ghana
3 months

Mali
2 months

In-plant training

CID has co-financed the in-plant training of over 75 ACP factory or industrial personnel at suitable industrial locations in the ACP and EEC.

GUINEA BISSAU

Some 50 technicians are being trained on-site. They will staff industrial servicing centres. The CID conducted the study for these centres which will provide an invaluable boost to local industry.

GHANA

Ghana is expanding its hollow-glass production. 4 technicians are being trained in the EEC.

TANZANIA

Tanzania is boosting its cement production. 15 technicians were trained in Denmark.

FIJI
GHANA
KENYA
MADAGASCAR
MALI
MAURITIUS
NIGERIA
SOMALIA

CID has helped or is helping to organize and/or co-finance training to meet a number of requests in: treatment of leather skins, brickmaking, agro-industry, strawboards making, wood processing, cutlery manufacture, wood and metal furniture, handicrafts design and manufacture, industrial inspectorate and documentalist.

The Centre is currently handling other requests for in-plant training. Where appropriate, training is done in another developing country.

Regional seminars

Two regional seminars have been held in ACP States. 82 delegates from 21 ACP States and Regional Organisations attended CID seminars in Douala and Addis Ababa.

Douala
Cameroon

Burundi, Cameroon, Central Africa, Comores, Djibouti, Gabon, Madagascar, Rwanda, Tchad

Addis Ababa
Ethiopia

Botswana, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia

The seminars presented:

- the complementary roles of the European Investment Bank, the Commission of the European Communities and the CID;
- the value of and access to industrial patents;
- typical industries for which joint venture partners are available;
- specially researched small and medium scale technologies for ACP States.

Direct ACP-EEC discussions on industrial projects are known to be taking place as one outcome of these two seminars.

H.E. Mr. Peter Afolabi H.E.
Ambassador of Nigeria

Dr. Roger Theisen
Director - Centre
for Industrial Development

Regional cooperation

One solution to the problem of inadequate market size is to manufacture for the combined market of two or more States. Working with the ECOWAS Secretariat, the Centre has identified new and potentially attractive joint venture industries which EEC industrialists would be willing to help establish in the ECOWAS sub-region.

Firm Proposals Submitted	Diesel Engines	Horticultural Implements	Fishing Boats (glass reinforced plastic)
	Hospital Furniture	Agricultural Equipment	Ceramic Products
Industrial Proposals Being Prepared	Industrial prefabrication of low-cost housing	Batteries & automobile accessories	Shoes
	Industrial Gas Containers	Hollow Glass	Fishing Boats (Concrete)

The ECOWAS Secretariat is currently defining the fiscal regime under which these Community industries will operate. The project proposals will be discussed at a regional seminar in May 1980. In addition to the work with ECOWAS, the Centre is cooperating with other groupings of States to promote a number of projects:

UDEAC	Alternative energy low cost housing animal feed mill building industry	RWANDA BURUNDI ZAIRE	Alternative energy
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Plant & advice

(Joint Venture or finance not requested)

The centre receives each month several request for advice on where to purchase industrial plant. If the enquirer wants plant and the associated expertise but not a joint-venture (equity) partner, the requests are passed to the Member States of the EEC, to trade associations and direct to industrialists known to be interested in providing not only the plant but also know-how, training, etc. Examples of new enterprises that have resulted:

KENYA

an oil recycling plant will be established in Kenya. The plant will employ about 30 people.

FIJI

A plant for the silvering of mirrors is now established in Fiji. The plant employs a small number of people.

Registration of ACP proposals

Proposals for industrial joint venture are received from both public and private sectors in the ACP. All public sector proposals are registered and where necessary the Centre helps the originator to clarify and document the project. Private sector industrial project proposals are registered if they are sufficiently well-documented; if not, the Centre assists the proposer to study and document the project.

We also receive offers from EEC industrialists. These are publicised in ACP States but are not registered until an ACP interest is indicated. As proposals are studied, it becomes clear that some are unlikely to be viable and they are abandoned. Some proposals go ahead but with partners found by the ACP principals. Discounting projects which have been abandoned or which are being pursued by others, at the end of February 1980, the LIDIS computer file contained:

136 live ACP joint-venture proposals of these 51 are of interest to EEC industrialists and have been; or are being, studied with partial finance support from the Centre. These include the projects shown on page 2. as being under implementation and on page 3. as being in negotiation.

The LIDIS file also registers requests for training, technical assistance, etc. The cumulative total of registered requests for assistance up to February 29th 1980, was 379.

Industrial promotion of registered ACP proposals

Registered proposals are widely advertised in our periodical 'Business Opportunities', by contact with the appropriate government agencies of the 9 Member States, and by contact with trade and industry organisations. The Centre also maintains the LIDIS computer file 1. which records EEC industrialists interested in joint-venture.

For many registered proposals, however, it is evident that more vigorous promotion is required and for these proposals the Centre contracts the work of partner identification to specialised industrial promotion organisations* in the 9 Member States.

During the course of Lomé I: 130 proposals had been promoted under the programme of these 130, 13 had been abandoned; 21 were in suspense; 12 had found potential partners who were in discussion with each other (see page 4.) 84 are currently being promoted

*The following national industrial promotion organizations have been under contract to the CID:

Belgium	Information et Développement	Germany	Afrika Verein
Denmark	I.F.U.	Ireland	I.D.A.
France	CEPIA	Italy	COMERINT
Great Britain	G.T.S.	Luxembourg	Luxconsult
		Netherlands	Afrika Instituut

Adapted technology

Conventional EEC industry is usually capital intensive and has minimum labour content. This is often inappropriate to ACP industries. The Centre has tackled the problem in two ways:

25
ADAPTED TECHNOLOGIES

A joint ACP/EEC group has studied selected, and published 25 industrial processes which the group believes are well adapted for use in developing countries. Each of these has been proven in the field. These technologies have a capital/labour ratio which is lower than usual in their fields.

Gari	Fish Meal	Sugar	Maize Milling	Baker's Yeast	Soap	Gur & Syrup
Leather	Feedstuffs	Rice Milling	Ground Nuts	Tomato Paste	Charcoal	
Solar Drying	Salt	Fibre board	Tiles	Oil Recycling	Paper Pulp	
Iron Foundry	Workshop	Wheelchairs	Small Hydro Power Plants	Polymer Mortar	Knives	

These technologies are not necessarily backed by industrialists offering joint-venture.

Agreement has already been reached between two ACP-EEC parties for the establishment of one of these technologies, a tile plant, in Madagascar.

Industrial seminars

Four industrial seminars have been held in Brussels. The object was to assemble industrialists in a specific field and brief them on the opportunities open to them.

CERAMICS
HOLLOW GLASS
Adding value to ACP TIMBER

These seminars were directed particularly at the opportunities for regional industries representing every aspect of the industries. The meetings were addressed by the Executive Secretary of ECOWAS and views were exchanged on essential subjects such as capital protection, sources of raw materials, intra-Community trading, scales of manufacture.

This is a matter of major importance to ACP States — particularly those in Africa as over 85% of the EEC's imports from Africa come in the form of logs. The seminar dealt with the practical aspects of manufacturing furniture in ACP States and exporting it to the EEC, to North America, and to the local region. The seminar studied types, prices and performance in temperate climates of tropical timbers, customs regulations, labour and energy costs.

Industrial Promotion Policy

All the Industrial Promotion Consultants utilised by the CID in ACP and EEC States as well as representatives of the Commission and the Co-Secretariat of the Committee on Industrial Co-operation met in January 80 to review the experience and policy direction of the Centre in industrial promotion under Lomé I.

Reaching out

Over the three years, contact has been established throughout the 58 ACP States and the 9 EEC Member countries with Investment Banks, Information Centres, Industry Federations, Chambers of Commerce, industrialists, and in particular, the ACP public sector. The Centre has published an industrial brochure and a financial brochure each in two languages. The Centre's periodical "Business Opportunities" is reprinted by the Courier and offers or requests are reprinted in public and private sector publications in both EEC and ACP States. Under the general heading of its ACP-EEC Information Service, the Centre offers a wider range of services concerned with industrialization.

How to formulate an industrial proposal?

Historically, business in ACP States has been predominantly of a trading nature. Now that the accent is on the building of manufacturing/processing industry, there has been an important need to help both public and private sector to clarify ideas, decide what to manufacture, and to formulate a proposal. To this end, the Centre has published a series of Business Profiles and a Guide which the ACP principal may use, if he wishes, to help formulate the proposal. The Centre helps at any stage in refining the proposal until it reaches the degree of completion and clarity at which an EEC industrialist can take an interest.

What technology and where can I buy?

For many States, the decision to manufacture a product has been made and the problem is to choose the technology and choose where to buy the plant and equipment. The CID contracts specialists to provide this advice giving due consideration to the planned scales of production, raw materials, derived labour content, etc.

The ACP-EEC Information Service has provided a variety of services of an industrial character and with the specific objective of assisting in the development of industry. Examples of these are:

patents	Two requests received. One concerned an offer of an outward licence for an ACP invention and one was for a licensed production in the ACP. Both requests were serviced.
materials analysis	Materials analyses have been made: clay (Seychelles), lignite (Liberia and Madagascar), quarry materials (Liberia), iron ore (Senegal).
glass	In two separate instances, manufacture of hollow glass and manufacture of flat glass, ACP (Nigeria) consultants have visited CID and have received from specialists assistance in formulating feasibility studies for these two products. We understand that both are going ahead.
wood	Manufacturing industries such as horticultural implements or pencils make economic sense if suitable timber can be found. With FAO assistance, the Centre has found suitable timbers for the handles of horticultural implements and (not yet tested) for pencils.
waste	On request, the Centre has given guidance on the industrial use of waste paper, market produce, banana stem, coffee.
scales of manufacture	For a whole range of industrial requests, the Centre has provided information on the minimum viable scales of manufacture: electric light bulbs, tooth picks, dry batteries, cement, industrial poultry, sparking plugs, pencils, coffee, etc.

Access to EEC and other markets

ACP principals considering an export oriented project ask the Centre to give advice on import regulations, on quality demands, on competition. In some instances, this is likely to result (example: Pacific charcoal) in a decision not to proceed.

A QUICK RESPONSE

If you are interested in any of the items mentioned in this periodical, send us a telex quoting the reference and we will send you further information when it is available.

Address all correspondence to:

**Centre for industrial Development
"Business Opportunities"
451, Avenue Georges Henri
1200 BRUSSELS,
BELGIUM.**

**Telex No. CDI 61427
Telephone (02) 7358073.**

Barbara Castle (*)

There must be "a far more imaginative attempt to pump purchasing power into the poverty-stricken areas"

I — The Community and the Third World

► *Development is one of the major problems of the end of this century; it affects the prosperity of all of us, as we are increasingly aware, and ultimately could involve world peace. Do you feel that current issues are being internationalized to the extent of becoming world affairs, and that interdependence between the industrialized countries and the Third World is now a necessity?*

— Yes, I believe very strongly that the world will not get out of its economic depression until there has been a far more imaginative attempt to pump purchasing power into the poverty-stricken areas. Europe is in recession; most of the Western world is in recession. One of the reasons, in my view, is that the redistribution of wealth, which had a spurt at the beginning of this century and particularly in the last decade, has effectively come to a halt, because the developing countries haven't got the muscle that the industrial worker got following the Industrial Revolution. When he had mastered the machine age, he realized his power to stop the machine, and has thus forced a redistribution of wealth inside the industrialized countries which has helped to maintain their purchasing power.

But the developing countries have had no muscle. They have been dependent in a very terrifying way; they are dependent on us for know-how, not just for money, and so they have been unequal bargainers and they have been cheated in the world distribution of wealth. They are getting relatively poorer and as a result the West cannot find markets for its increasing output of manufactured goods—a problem which will become ever more intense as we move into the age of the micro-processor and computer technology,

(*) Mrs Castle was interviewed during the Arusha joint committee meeting. She is also a member of the EP's agriculture committee, and a former minister.

which is all the time adding immensely to the individual's capacity to produce.

We have got to find markets. The developing countries are the only markets left and the Western world is crazy if it puts its head down in the sand like an ostrich and doesn't look at the problem of world poverty. We shall not get out of unemployment and recession until we activate the great latent demand in over half the world, which is at present unsatisfied.

"We are all selfish by instinct"

► *In Brussels recently public hearings were held on the subject of world hunger, which gave the following statistics: 500 million people are insufficiently fed and 50 million starve to death each year. Does informing public opinion of the situation seem to you essential for an effective fight against hunger in future?*

— Yes, that is certainly an essential step. I think most people in the affluent West are aware, in a vague kind of way, that people are dying of hunger. Yet what is lacking is not so much the information, it's the political will to change things. That political will founders on the innate selfishness of everybody. We are all selfish by instinct. We seek to preserve what we have got, and to maintain our standard of life, and indeed improve it.

The measures the West has taken have been more concerned with protecting the West than developing the fight against hunger. I'll give you one example from the European Community: the question of food aid is approached in the Community from the point of view of "how will it benefit the European farmers? It will enable them to produce surpluses with an easy conscience, which we will then ship abroad". Whether they are the surpluses of the right things, of what the developing countries want, doesn't matter. Butter-oil is useless as food aid, but it is the butter that is in surplus. You will find that the Community farmers and



Barbara Castle

members of the agricultural committee of the European Parliament, of which I am a member, all argue that we should allow the surpluses to continue, then ship them abroad with export restitutions and under food aid. But we don't count that as the cost of our agriculture policy; we say, "look, it is our great contribution to development". It is nothing of the kind, because food aid indiscriminately applied can damage rural development.

If we were thinking of it from the point of view of the hungry world and not of the affluent West, we would say: "Let's have an objective study of what these countries need, and then let us set out to supply that as part of an integrated programme of rural development, recognizing that if we are going to succeed in our development policies, we must phase out the food aid, because we will be helping them to become self-sufficient". There is no sign of this yet.

The Brandt Report, I think, is a wonderful landmark in the development of our thinking on these problems. I would like to see it as a set book in school exams, because it at last puts the whole thing in perspective and it holds out to us all a vision of the absolute possibility of defeating hunger and poverty. The possibility exists. It's a question of organizing your institutions and your help, and it's a question of political will to put the hungry people first.

► *The European Parliament will be organizing a major debate on world hunger in April or May. How confident are you that it will come up with proposals that will actually be carried out*

by the international organizations or the national governments?

— We're a long way from it, a very long way. Because, you see, only in the last meeting of the Parliament there was a resolution put forward by right wing parties calling for the limitation of imports of vegetable oils and protein in order to protect the butter market. That is not only a conspiracy against the poor of the West, who would then find their margarine taxed and increased in price, but it is also a conspiracy against those developing countries to whom the export of oil seeds is a very important part of their economy. But the West goes ahead blindly. Most of them are just saying, "well, what about our problems? We've got to protect our incomes, our standard of life". I fear that we have a very long battle ahead before we can change that attitude.

► *The new Lomé Convention still only has modest means, but compared with the disappointing results of all the recent international conferences on Third World development, it seems to set a pretty good example. Do you agree with that?*

— I would agree that the parties to the Lomé negotiations, the ACP delegates and the members of the development committee of the European Parliament have a vision, are dedicated. If you sit in the conferences as I have done and hear the discussions there you say, "well, there is hope in the world"—because here are people who are selflessly coming together to plan the best use of what resources there are in the interests of developing countries. But as I said in my speech to the conference, I'm a member of the European Parliament's agriculture committee and when I go and sit there it is a different world. It is a world of introversion and self-interest.

"How you can have a European policy for development which leaves out India I cannot understand"

Now, I fear that the Lomé Convention in its origins was based on the wrong principle. It was not based on the principle of the Community saying "we must play a part in world development; let's discuss how we can best do it, without duplicating other people's activities". That isn't how it arose. It arose from the attitude: "all we member states have associated territories who took up links with us and we've got interests in keeping them close to us, because we get raw materials from them and we get political support from them". So it was a convention only for part of the developing world and some of the poorest

nations of the world, notably India, have been left out of it. How you can have a European policy for development which leaves out India I cannot understand, but it came from historical reasons. The ACP countries were the old colonies, the old allies of the member states. So we helped them and nobody else.

All right, it's changing a bit; I think there are many very noble aspirations behind the thinking of the people who really care about Lomé; but, unfortunately, I fear the whole idea has led to tremendous administrative overheads. There is duplication going on. All the governments, my own government, for instance, and all the others have their bilateral aid policies and they have little administrators; and then there's the World Bank, and the United Nations; and then along comes Lomé. And they're all sending their delegates, on fat salaries, around the world, organizing tiny pieces of aid. This is wrong. We ought to have multilateral aid, through the World Bank and the United Nations organizations, with the prime aim of cutting down the administrative overheads. So I am not surprised that Lomé I did not achieve anything like as much as the architects of it hoped, and I was encouraged by the spirit of criticism of Lomé I, and indeed of Lomé II, which has been shown at this conference.

► *Do you think the permanent dialogue between European and ACP states, in the framework of the joint committee, for instance, provides the sort of human contact that the Convention needs if it is to be fully implemented and if people's needs are to be fully expressed?*

— I agree with the creation of any institution which provides a meeting



Barbara Castle with Frank Allaun, chairman of the Labour Party at its 1979 annual conference

place between North and South. The dialogue doesn't go very deep.

► *Why not?*

— Because there isn't time, because we're not really in a position to get to know each other, because some of the ACP states, when it comes to discussions of various kinds, send their ambassadors. What I have suggested is that part of the money which is earmarked for the Lomé Convention should be set aside for what I would call a consultation budget, to make discussion in depth a reality, so that the smaller working parties which a number of us have said should be set up really try and examine a problem in depth. Regional cooperation is one of my pet obsessions: that working party should be financed out of the Convention's funds, instead of each side meeting its own expenses. Thus the developing countries wouldn't feel obliged to send their ambassadors in Brussels every time. The finance would be provided by Lomé. Bring us your ministers, bring us your parliamentarians, bring us your politicians and let a few of us at a time sit down and work out together problems of detail. I think that could be a very hopeful development.

II — The European Parliament

► *The new European Parliament began work last September, after the direct elections in June. With more than twice as many MPs a running-in period was necessary, but what is your assessment of its work so far?*

— The first months of the working of the European Parliament can only be described by one word. Disastrous. The provision of the sheer means of running a parliament is not there. I mean, we are in a parliament which hasn't even got a division bell, which hasn't even got a means of telling you, wherever you are in the building, whether a vote is taking place or who is speaking in the chamber. The procedure is chaotic! We're struggling. We're struggling. We're getting it a little bit more sensible. I have had 34 years in the British House of Commons and to me it is inconceivable that you could call this a parliament, because nobody knows what business is coming up or when; it gets changed in the most arbitrary ways—you go out to have a meal and somebody says, "do you know there has been a vote" and you say "no, I didn't know". It is totally chaotic and the facilities for work for the MPs are very poor. They voted unwisely, in my view, to cut the expenses of the running of the Parliament because this means that 400 people are operating with facilities

that were planned for 100. This is impossible. Whether we shall ever get any order out of this chaos, I don't know. It is not as bad as it was, but you have got to give me more time before I can tell you seriously whether I think there is any really effective work to be done by this parliament.

► *How do you view the problem of dual mandates at the European Parliament?*

— I would find it impossible to do the dual mandate. Some of the British conservatives have a dual mandate—they are members of both parliaments. But the Labour Party in Britain said it would not endorse candidates who were also going to be a member of the British House of Commons. There, you see, voting matters. Governments can fall on a vote. You need your people there. When we were in office during the period just before 1979, when the European MPs or delegations were chosen from the House of Commons, it used to be hair-raising. The whips would be going around biting their nails. "I've got six votes on the plane from Strasbourg", they would say, "are they going to get here in time?" That is serious, because what you vote in your domestic parliament counts. The votes in the European Parliament don't count very much.

► *For the moment, various ideas for improving procedures are taking up much of the Parliament's time. When these have been adopted, don't you think the assembly should spend more time on major issues, such as world hunger, energy and employment?*

— Yes, I do in theory. But I must tell you that all parliaments, whether domestic or European, usually come alive on unexpected issues that come up ad hoc. For instance, we had a great debate on unemployment in the European Parliament on a motion of the Socialist group, but most of the time there were about 20 people in the chamber. It is always the same in domestic parliaments, too I mean, the public complain and say, "well, where are they?" But people are in their rooms having meetings, they are interviewing people who come to ask them to change this and that, they are taking constituents around the place—you can't avoid that.

"A sermon sends everybody off to sleep; a fight wakes them up"

The set-piece debates are often disappointing; it is when you get con-



Barbara Castle, then Secretary of State for social affairs, with former Prime minister Harold Wilson applauding Michael Foot (seated), employment secretary, at the 1975 Labour Party conference

trovsey, it's when you get a clash, that any democratic institution comes alive. A sermon sends everybody off to sleep; a fight wakes them up. It comes alive at the moment when the parliament is engaged on a real fight, for instance, over Afghanistan, when there was a very good debate oddly enough, due mainly to the fact that one of the absurd procedures of this parliament was operating, namely the "explication de vote". There was a succession of three-minute speeches with people saying, "well, I'm not going to vote. All right, I totally deplore Russia's invasion of Afghanistan, but what about this and what about that?" Quick-fire stuff. And the place was crowded.

It is very similar in domestic parliaments. There was a real debate going on. The trouble is, if you take a big issue like unemployment, anybody can come and air any theory about anything. It's too amorphous. If you change things through parliamentary machinery, the argument has to concentrate on something concrete that people know they can or won't do, and the test case things that are so important.

Now, I would say that a debate on world hunger will turn out to be a succession of moralizing sermons; everybody will say world hunger is wrong and should be abolished. Everybody is against sin, but what matters are the test case arguments and the test votes. OK, people are going hungry—so are you going to do something in your own common agricultural policy which will make them hungrier still? That's the test. Are you prepared, as the affluent West, to give something up? Here is an example, a test, of whether you mean it or not. I don't think the world hunger debate will provide that kind of test. What I do think we can do, and should do more of, is these public hearings. I

think that's very important. But they should be followed not by motions for a resolution deploring sin—everybody will vote for that but by proposals for action which test the people, test the Council of Ministers, the elected members who have got farmers or workers in their constituency who are concerned about their own affairs. That is when parliaments come alive.

► *But it needs clear proposals and political will?*

— Yes.

III — Women's affairs

► *The European Parliament has set up an ad hoc committee for women's affairs, and employment and other questions concerning working women will be the main items on the agenda for the meetings of the committee. The committee chairman once described women as "the nurses of employment", by which she meant that they are hired and fired according to the needs of the job market. As a former social services minister, how serious do you think this problem is?*

— Well, I should have thought everybody was hired and fired according to the needs of the job market. I agree that in many cases women are the first to go. I think women's problem is that they are not encouraged to get the skills that are in demand. They are encouraged to take a succession of lower-grade skills, some of which will keep them in employment—hairdressing, for instance—but when a society is really dealing with a big industrial problem it requires skilled labour of a certain kind. One of the terrible things about the present unemployment situation is that there is

a shortage of skilled labour in many areas. But in that situation, women fall behind, because they have allowed themselves to be guided into jobs of secondary importance.

So the battle for the employment of women is the battle for women's minds, to make them believe in themselves, to make them assume naturally that they have equal status in society or in the workplace. Women still have not got that.

“At least 51% of the EEC commissioners should be women”

I had a very interesting example of this the other day where one of my colleagues, who was very interested in this whole question of women's rights and women's development, came to me and said, “Barbara, we want to put down the motion for a resolution saying that here we are, supposed to be having a women's committee promoting women and the rest of it, and we demand that at least three of the EEC commissioners should be women”. So I said to her, “I see, so you think women are a third as good as men”. “No, Barbara, no, but this would be marvellous if we could only get three”. I said, “I'm sure you're right, but if you begin by setting a lower rating on women, I'll tell you what: I will sign a motion that at least 51% of the EEC commissioners should be women, because that's the ratio of women in society”. “Oh, but Barbara, that's unrealistic. We'd never get it.”. I said, “look how you are thinking, how we are trying to condition the minds of our own sex”. We have at this moment exclusively male commissioners, which is to me a perfect indication of the failure of the European Community to produce anything but words about women's rights. It has never produced any action. I did in Britain, on equal pay, and my government did on sex discrimination. We acted, but the European Community talks and it hasn't got a single woman commissioner. When I first came over as a minister from Britain to attend one of the meetings of the Council of Ministers on social affairs, I looked around the Commission and they were all men. I said, “I cannot see a single woman commissioner in this place. What kind of a deadbeat show is this?” The effect for the Community is very bad indeed. There are some good individual commissioners, but there are some fifth-rate ones that are kept there simply by the doctrine of male superiority.

As John Stewart Mill once said when he was fighting for women's suffrage way back in the 19th century: “If only

men had to face competition from women on equal terms, the whole level of society would increase”. As long as you disfranchise, as long as you exclude, over half of your society's quota of ability, you're going to get half the value of the money. And this is what is happening in Europe. We have got a low level of commissionership in too many directions, largely due to the fact that, not by law but by convention and attitude of mind, women are excluded.

► *There may be a change next year.*

— Oh, we may get a statutory woman commissioner. Hurray, hurray!

► *Women are not always aware of their rights. Do you think there is a problem in informing them and indeed in informing the public in general?*

— About women's rights? Well, I think the organizations dealing with the fields of activity of women ought to be informing them. The trade unions ought to be informing the women members of their rights. Unfortunately, trade unions too are largely manned by male officials. In the same way, whether it's a woman teacher or anything else, their union should be informing her. The trade unions are the great channels on knowledge about rights and I don't think

there is any problem about getting the information to women. I again believe, just as I believe you will get no development policy worth tuppence without political will, that the information is there but the will to act is not. I think the information about women's rights is there. But the will to act on it is not, and it's not strong enough even among women themselves.

“Women in the first place will be helped by women”

You see, I don't believe that women are going to find a Shaftesbury who will come and abolish the slave trade as he did in Britain in the last century. I don't think that kind of solution is going to come from outside. It has got to come from women and it's got to come from women encouraging other women, who say, “go on, have a bash, don't be afraid, why don't you get up and speak? Why don't you get up and assert yourself?”

I think women in the first place will be helped by women, and I was only in the British House of Commons because women in the constituency where I was trying to get selected as candidate said: “we want a woman”. ○

Interview by A.L.

Katharina Focke (*)

“A much bigger and faster effort is needed to develop agriculture in most developing countries”

I — Report on the results of Lomé I

Trade questions

► *It is generally felt that Lomé I had rather disappointing results in the trade sector. In your report, you suggest a new approach to the range of trade promotion activities. What exactly would this entail?*

— The important thing is to see that, so far, trade, particularly trade promotion, has been too separate from the other instruments. The new provisions

(*) Author of the main report presented at Arusha, member of the EP's development committee and a former minister.

of Lomé II show that trade has to be considered more in relation to production and industrialization—in particular the on-the-spot processing of raw materials in the developing countries—and so a close link has to be established between trade and industry. Trade promotion must also be concerned with production, even the pre-production phases, and with price policy and marketing.

The second important thing, which is perhaps even decisive, is that we should not confine ourselves to EEC-ACP trade. We should also turn our attention to trade within the ACP group, since without this, these countries will never really be able to expand. It is encouraging to see that the new Convention lays more emphasis than in the past on this aspect of EEC-ACP trade.

Industrial cooperation

► *Another important aspect of the report was industrial cooperation. You noted that one of the reasons for the difficulties encountered with Lomé was the reticence of investors. You also said that the Centre for Industrial Development had not been entirely satisfactory. What do you think should be done in future?*

— First of all, there must be a genuine strategy for industrialization in the ACP countries and they must be given even more technical aid with the drafting of plans for it. As I see it, regional policy is involved here and there are certainly industries which are not worth developing in each country separately. There are apparently new instruments for mineral supplies and energy, the Sysmin, the role of the banks and so on. But we clearly also need the European Community to coordinate the approach and the action. So far, the EIB, the CID and the Commission have acted in isolation and I don't think there has been a great deal of coordination between the Community and the industrial cooperation policies in the various states. I think, finally, as has been made clear in many discussions, that co-financing and private investments should be boosted. Will the famous article 64 really provide us with the basis for this? We shall see. We should perhaps reflect on the matter further because it is a considerable problem and industrial policy is only really about to get off the ground now. Everyone agrees that this is the main drawback of cooperation to date.

► *This is the point you will be amplifying in your final report?*

— Yes. Above all because I do not yet think I have really shown why things haven't gone well. I think I have pointed out the main reasons, but I should like to know more about them, and what they mask, because there is a certain contradiction between what is said in European circles, that not enough projects are defined, and what is said in the ACP group, that not enough resources are offered.

Training

► *Another essential aspect of the development issue is training, which can often be a bottleneck when projects are being implemented. In your report, you said that most training schemes were for men. Back at the world conference in Mexico in 1975, the world conference on women, this was made quite clear. Doesn't this situation have adverse effects on development?*

— Yes, absolutely. This is one of the most serious omissions, as many people have pointed out during our discussions. You are right. When there is an agricultural project, for example, training is offered to the male population although, in many African countries, it is the women who handle most of the food production. So they have to be included in any training programme attached to rural projects and, most important, to integrated rural projects in which education, health and hygiene are all involved. I decided to emphasize the fact that all the human and social aspects should be taken into greater consideration than they have been so far. A colleague of mine, an MP in Zambia, has spoken very clearly on this topic, stressing that he thought this was of considerable importance for rural development.

My research work in the Commission revealed that there are very close links between training and many projects once they are actually programmed, and as regards ensuring that the project continues once it has been properly set up.

► *So you think that, when a project is devised, the training problem should be taken into account wherever necessary?*

— Exactly. Financial means for this must be provided in the financing decision and, in the contract ultimately signed by everyone concerned.

Rural development

► *In your report, you said that rural development accounted for slightly more than 32% of the EDF's total commitments as of 31 July 1979. You also said that only nine of the ACP countries had an agricultural production growth rate that was higher than the growth rate of the population. How do you think this situation could be improved?*

— This is the problem of hunger in the ACP countries, a problem I am also concerned with on the development committee. This emphasizes, obviously, that greater attention has to be paid to the rural sector: 36% has been committed to this sector under the 4th EDF so far. Without going into details of all the improvements that have still to be brought to the rural projects if agricultural production is to be increased, I think one of the important points is to try to forge links between EEC food aid and rural development. These two fields, so far, have been managed completely separately—and we know all about the problems of food aid. So far, we have had no multiannual contracts, we have had doubtful results as regards ensuring supplies and we have even



Katharina Focke

had cases where the local producers have been tempted to decrease their output—although local production, naturally, is essential. Perhaps you need imagination to seek other means of action than those used here. Lastly, I should like to emphasize what happened here at the joint committee. The absolute priorities for the Sahel, for the least-favoured countries, the landlocked countries and the islands—this is mainly a food problem and should be considered at once.

Slow procedures

► *One more question about your report, on the problem of delays in the implementation of financial and technical cooperation. You said that three months before Lomé I expired, one third of the funds had still not been allocated and more than three quarters had not been paid out? How do you think this situation can be improved?*

— What gives me hope is that a joint group of experts has been set up under Lomé II to monitor the procedures, the management and the practice and to make proposals for improvements. We often hear complaints but no one ever makes any practical suggestions about what to do about it. It seems to me as though there are bureaucratic problems on both the EEC and ACP sides. Look at how the procedures work, all the stages they involve. When I saw that for the first time I was frightened, and since then I am not at all surprised that things take so long to get done.

I should also emphasize the fact that the co-management that is at the heart of our cooperation takes more time than unilateral decisions. So we have to agree to certain delays because of it because we have to work together as partners.

It also has to be admitted that in all cooperation administrations, be they bilateral or multilateral, there is a

pipeline problem. The Community is no exception here, but the Community does have exceptional instruments, such as its delegates in the different countries and other permanent means of cooperation. So it is reasonable to be more demanding with the Commission about the speed of its management than with other organizations.

Finally, speed is not the only thing. You also have to consider the quality of the project—and it has to be admitted that integrated rural projects and co-financed projects take more time than road-building projects, for example. Generally speaking, large numbers of small projects take more time than one or two major and more spectacular projects.

II. — Hunger in the world

Reliable food supplies — a priority in the developing countries

► *In February you attended the hearings on world hunger in Brussels. Leading figures such as Willy Brandt were there. The various papers suggest that 800 million people in the world today suffer from hunger or malnutrition. And there was a dreadful figure—the 50 million people who die of hunger every year. What do you think we can do about this situation and do you feel that the hearings, which were intellectually most interesting, will be taken into consideration by the national governments and the major international bodies in their search for effective solutions?*

— I was disappointed that the general public heard so little about these hearings. There is still a lot of ground to cover here. The Brandt report is a programme for survival and it will get proper publicity of its own, I hope. All this, quite naturally, leads the way to the European Parliament's big debate on hunger in the world and is in line with the work of the committees, which should lead to agreement with a view to practical proposals. This is why we held the hearings.

But a much bigger and faster effort is needed to develop agriculture and achieve food self-sufficiency in most developing countries. This need is the focal point and progress towards it naturally means transferring far more resources than we have done so far.

We must remember the various new methods of food aid that should be used. There is a link between the problem of hunger and the problem of energy. This is of considerable importance and it should be taken into

account in a programme of priorities, as Willy Brandt proposed. There is not just the problem of cooperation and the contribution of the industrialized countries via greater transfers of resources than hitherto. There is also a need to develop price policies that are more encouraging and motivating. Agrarian reform also has an important part to play, particularly in South America. Finally, what we need now are plans for safe supplies of food, developed by each country in the light of its own needs and possibilities. Reliable food supplies should be a priority in the developing countries.

► *In May, the European Parliament will be having a debate on hunger in the world and, naturally, it will have the benefit of the hearings that took place before. Do you think the Parliament will come up with any practical resolutions?*

— I personally shall fight until a report containing practical proposals is on the table. I am against repeating a debate if there are no practical proposals. My experience so far suggests, quite frankly, that this may happen. I also think that the time is ripe for it, because people in all our countries are really aware of the hunger problem. I am convinced that there is a possibility of getting the governments and the parliaments to move faster in this field.

► *So at the moment there is a general awareness of some of the major problems affecting the world today and, thanks to the institutions, there is a permanent dialogue between the Community and the ACP countries in the meetings of the Consultative Assembly*



"I don't think the European Parliament has found its true role yet"

and the joint committees. Don't you think that these meetings, with the discussions and the contact they provide, are extremely useful?

— I think that the contact and the discussions of the joint committee in Arusha were certainly very fruitful and I hope this meeting will make a genuine contribution to progress, providing a better understanding of the problems and developing more candid contact, leading to a partnership from which reticence and susceptibilities are ruled out.

III - The European Parliament

A fairly negative judgment

► *We have never heard so much about Europe as since direct elections in June last year. The new assembly began work in September 1979, with more than twice the previous number of MPs, and there has naturally been a period of running-in. What is your general opinion of the work the Parliament has done so far?*

— Frankly, a fairly negative one. I think we did well to throw out the 1980 budget which was inadequate but as for the rest—there are too many badly prepared debates, there is an exaggerated tendency on the part of many MPs to think the European Parliament is an extension of the national parliaments and there is a bit too much ideology.

So I don't think the European Parliament has found its true role yet. I am willing to admit that I am impatient as I don't think we have much time to lose. I think that the interest of the press, radio, television, and the public will wane unless we make up for lost time. We are elected for five years. That's not a lot. And the time until the next elections will fly by. If we go on as we have been doing, I don't think we shall have a very good record.

► *What do you think about dual mandates and about relations between the national parliaments and the European one?*

— I am against dual mandates—except in exceptional cases like Willy Brandt who we obviously need in both parliaments. Personally I shall be happy not to be a Bonn MP and I shall have finished my term there in a few months. It's quite impossible to do your job properly in two parliaments at once. Dual mandates, which were normal until direct elections, have not to my mind done anything to ensure that the European approach is properly integrated

into debates in the national parliaments. It should be possible to find a new way of doing this without dual mandates. It is by contact in the parties that the directly elected MPs can introduce a greater European approach into the parties' programmes, decisions and congresses.

► *The general public thinks the European Parliament spends a lot of its time debating procedure. Don't you think that, after the period of running-in just mentioned, and which involved a number of difficulties, the assembly should now start dealing with the major topics, like hunger in the world, or expand its debates, like those on employment and energy?*

— Obviously we need major debates. But it would be wrong to neglect the procedural aspects. Frankly, the rules of procedure we have are not the ones a directly-elected parliament needs. We have made one or two small alterations and that will perhaps help a bit. But we will still get problems and endless debates on procedure. The old rules were for a gentleman's club where all the members got on. So this is a problem we have to tackle as a matter of priority.

IV - Women's status

► *You are an eminent member of the European Parliament and you are very well-known in Germany and throughout the Community. I should like to ask you a question about the status of women in Europe. As you know, there is an ad hoc committee that deals with this question. What do you feel about women's status in Europe, for example, the problems of equality of employment, wages and treatment? Does Germany have any particular problems in this respect?*

— The situation is much the same in all the countries of the Community. Inequality is the keynote and the situation is deteriorating at the moment because of unemployment. In Germany now, we are drawing up a law (for 1984) on social security and the care of the aged. We have useful laws now covering better pay, equal social security benefits and the possibility of equal career structures. But the laws are one thing and reality another. This is why I think the *ad hoc* committee on women's status should concentrate on one thing—how to boost practical progress in our everyday lives? I think there is still a lot of ground to cover here. I am very keen on progress with women's status and I consider it one of my most important duties. ○

Interview by A.L.

Anne-Marie Lizin (*)

“If we want to take the construction of Europe further, then we have to make it clear what the political stakes are”

I. Energy

“As things stand, we can stop investments in nuclear energy”

► *The Council of Ministers recently adopted an important research programme of 850 million EUA. With this reserve, since this is certainly a positive step forward, why you have said on so many occasions that there are problems, a bottleneck even, with our energy policy in the Council of Ministers?*

— I think the difficulties can be illustrated by pointing to the existing bottlenecks in certain very specific policies in the energy field, in particular the proposals for the use of coal and the draft regulations on the siting of nuclear power stations on the frontiers of member countries. The Commission has been making proposals about this for years and they are awaiting the minimum agreement in the Council before they can proceed.

► *But they have the support of the European Parliament?*

— Yes, very much so. Since the new Parliament was elected, we have discussed coal at almost all the plenary sessions and we have systematically called for action on this proposal. The Council never manages to agree because, clearly, there are member states who are totally against it. If you look at the problems of the energy policy as a whole, I think three categories emerge. First, at the level of design, there is a series of omissions—in the petroleum sector, for example. The Commission is now trying to make a proposal and we hope the situation will evolve a little, particularly as far as prices and taxation are concerned. The

policy for the rational use of energy has not been given the priority or the financial support it deserves either. Here again, the Commission is preparing a proposal on massive support for investments in this field for the new European Council. So there is a chance of making progress, although these are only the first steps.

► *Investments are obviously an important means of getting the common energy policy to advance. What do you think of the Commission project for an energy fund raised from taxation on oil imports?*

— I am in favour of it. I have to say that investments and investment support have so far been entirely reserved for the nuclear power stations which, in fact, have no need of them, as the Commission document so clearly points out. There is no problem attached to the financing of nuclear power stations as the capital market is at present, so there is no longer any need for intensive support, in spite of the fact that Euratom loans have just been increased threefold.

I am sorry to see nuclear energy developed to such an extent and since this option is something which the socialists find it difficult or impossible to restrain, we have to ensure that loans are available for the other types of investments alongside this. This is what the Commission is proposing. It's fine—on all but one point. The proposal concerns investments for rational energy use, coal investments, etc. So far, so good. But there are also the pilot research schemes in the field of breeder reactors and this is certainly a black spot. The justification is slightly different from the justification for nuclear investment, because these generations involve such large investments that special support is required and more is needed than recourse to the capital markets, as the Commission document says. But we do not think this

(*) Member of the EPs energy and research committee.

is something we should be wasting our financial resources on now.

So, with this reservation, the proposal for an energy fund seems reasonable to me. Then there is the use of solar energy, another good thing. As to the taxation aspect I think the Carter proposal is a very timely one and lends it serious support, as the Americans are proposing much the same sort of tax, 4.63%, I think, on imports. This is very timely as far as Mr Brunner(1) is concerned. Obviously, we have to see what kind of tax is the most effective and what kind is likely to have adverse effects on other sectors. But personally, I think the idea is a good one.

► *The forecasts suggest we are going to have a serious energy shortfall in the '90s and the year 2000 and many people are looking to nuclear power. Others are against it. What do you think?*

— I think that, as things stand, we can stop investments in nuclear energy. Let us leave what we have working and make radical changes in our political attitudes to safety. We should generalize a safety policy in Europe and create national security schemes too. But investments have to stop.

► *One more question on energy. The Community still seems to be finding it difficult to get the dialogue with OPEC going. How do you feel the various interests could be reconciled?*

— This is a major problem. It is one of the points on which the Commission, and particularly the Council can be criticized. We have emphasized this on many occasions and three months ago the Council in fact decided to reopen the Euro-Arab dialogue. But since it decided to make its gesture, nothing concrete has happened because the Arabs are not anxious to keep the discussions to economic matters. They don't particularly need Europe for their development and what interests them is solving their political problems. Europe is a conglomeration of states which are unable to realize their common interest and understand that politics have to be discussed in this field too and that this is the only way of maximizing their potential as oil-consuming countries in the negotiations. However, some states which feel they still have a foreign policy to run in this sector make political concessions. France is an example of this. Naturally these countries hope that the bilateral advantages they obtain will be the best possible, but they are wrong to do so, as all their neighbours think the same thing. Ultimately, this is useful to the Arab countries. They know they can play on the division and perhaps



Anne-Marie Lizin

achieve a certain development as well in their political problems in certain cases. So they are not very keen on getting involved in multilateral contact and we in Europe are unable to define a political position towards the Middle East. It is quite a problem to get a debate on this in the European Parliament, even in the political groups.

► *So you aren't very optimistic?*

— Not as far as the Euro-Arab dialogue and the Community's initiative are concerned. Not as things stand.

II. The European Parliament

"The plenary sessions only very partially reflect the real work"

► *The Parliament was elected in June 1979 and began working the following September. Naturally there was a period of running-in for both the procedures, the MEPs and the whole of the administrative machinery. What is your general assessment of the achievements of the European Parliament since September?*

— I think the profession of European MP is a fascinating one. But it is difficult to gauge the work because the plenary sessions only very partially reflect the real work that goes on. Committee work is more thorough and therefore more personally satisfying. Work in plenary sessions gives the impression of being more a series of great speeches for the benefit of the public and the press. It is important because that is where the press is, but you can have the impression that the debates are piecemeal, very diverse and lacking in cohesion.

Another problem for the socialists in the new Parliament is that, on most of

the major topics, they have not managed to get a majority to adopt a progressive attitude to most of the subjects under discussion. On employment, for example, nothing very practical has been achieved, although I think the blame lies less with the Parliament than with the Council and the Commission. The debate about multinationals we held at a recent session was more than disappointing. But the budget debate and the agricultural debate were fundamental affairs and not disappointing at all. I thought the debate on the budget and the conclusions in the voting really showed that there is an institutional dynamism in Parliament which pushes us forward and gives us reason to hope that it will develop its scope. The agricultural debate is a thorough-going discussion of the future of Europe and, through the financial side of things, of its ability for political action. So there, I think, the results are positive.

► *Public opinion tends to feel that the European Parliament would do better not to get bogged down in arguments about procedure and ideology and devote more of its time to major problems like those you have just mentioned or like world hunger, which is to be discussed in May. Do you agree with this?*

— I can't really say I do, in that there are two aspects to consider here. As far as the general public is concerned, we are European MPs and we are responsible for Europe—but we can't pretend that it is the same Europe in all cases. There are political nuances and practical policies which differ considerably from one party to another. Which means that, so far the information distributed about Europe has been official, bureaucratic blurb, put out by the Commission and the Council, which has never revealed the fundamental policies behind the decisions but tended to show a kind of unanimity to the outside world. This picture of Europe has to be altered. If we want to take the construction of Europe further, then we have to make it clear what the political stakes are.

► *What do you think of the dual mandates that we hear so much about?*

— I am against MPs holding both European and national jobs. They have different aims. If you want to do your job properly, then you have to espouse a European way of thinking that goes beyond your own nation and your own region and so you have to make a personal commitment which is by no means compatible with the sort of personal commitment you have to make if you are an MP in your national parliament. Or you have to decide to do one

(1) EEC energy commissioner.

job not nearly so well as the other—and that's wrong.

► *So you think there is incompatibility between national and European political responsibilities. Do you also think there is incompatibility between being a constituency MP and a European one?*

— No. That's different. It all depends what you mean by a constituency. If it means running the city of Brussels then clearly it would be difficult. But it is important for European MPs to keep some sort of contact at local level.

► *Doesn't this also ensure a link between the European Parliament and the various countries?*

— Obviously it does. So it ought to be possible to reconcile local activities with European ones, but I don't think that it is a good idea to combine national and European mandates.

III. Women's rights in Europe

"A problem of basic training"

► *The European Parliament has an ad hoc committee on women's rights and it has already met and laid particular emphasis on the problems of work and employment for women. Obviously there is a special difficulty here. It has even been said that women are the nurses of the employment market because they are hired and fired as the market requires. Isn't this a major problem?*

— I think that this is the basic problem for women who are trying to work but are badly placed to do so, lacking qualifications, and therefore the first to be made redundant. Employers too find them easier to sack than men. The reflex is there. I have seen it often. When employers are faced with a choice of sacking a man or a woman, they choose the woman because she isn't the head of a family and there is less responsibility involved.

But I think this is a social problem. Women are working more and more, both because the emancipation movements have enabled them to do so and because the economic climate demanded more labour 15 years ago, and now there is a crisis. Everyone is affected, but women are particularly badly hit. Note that women are more easily struck off the unemployment lists and that the unemployment regulations are more strictly applied to them. And there is a tendency only to recruit men in the anti-crisis schemes for the unemployed; only a tiny percentage of



"What can we do to get women to use their rights?"

women job-seekers are involved. This is unjust.

► *More and more women hold posts of responsibility at all levels. But don't you think there is a training problem for women who don't have qualifications? It exists for men, of course, but it is even more of a problem in the case of women because of the fluctuating nature of the female labour force.*

— This is a fundamental problem. But above all it's a problem of basic training. There are very few training courses for women which are really adapted to the profession they want to take up. The hairdressing trade, for example, is absolutely overstuffed. Perhaps their first reaction isn't to specialize in mechanics or something like that. This is an idea they have to be given at school: women should not systematically choose traditional women's professions as they are overcrowded. If they are properly guided from the start, they would have the qualifications they needed and they would also be in line for promotion. What we have to get the schools to do is to convince children that there are no jobs that are not compatible with being a woman. And at the same time, vocational training courses must be opened to men and women alike. We have almost achieved this. Women can then command the sort of money that their training warrants.

► *So there is also a problem of general information here. Women have to be told about their rights, as they are not always aware of them, and they have to be told about the possibilities of vocational guidance.*

— Yes. That much is obvious. But there is a problem with teacher training too. The teachers themselves must also

be made to realize that it is worth running training schemes for them. And grants from the European Social Fund must be made available to them because it has emerged that very few specifically feminine applications are made to the social fund because teachers and instructors in the member states are not aware of the problem or of the point of applying the subsidies. Now the Commission is going to be running a seminar for these teachers.

► *Are there particular problems with women's status in Belgium?*

— Not particularly. I think we have the problems that all European societies have—which is why this *ad hoc* committee is such a useful thing, because it can deal with all the problems that all the women of Europe share.

► *I noticed that the European Parliament had a debate on the UN convention on the elimination of all kinds of discrimination and came out in favour of signing and ratifying it. Do you think this is a step forward and a help as far as principles are concerned?*

— The problem is always the same. Legally speaking, it's progress. The ideas must be reflected in legislation, which isn't too difficult, and they have to be applied in practice—which is a significant problem for women. The Community has three basic directives on equality between the sexes. One on wages, one on access to employment, promotion and training and one on social security. These are to be applied, although there will be a wait before they all are. The first one is already in force, the second is going to be and we are going to have to wait longer for the third. So national laws have to be adap-

ted—we have already adapted ours in Belgium, Ministry of Employment committees have drawn up bills and the whole process is under way. But women still have to make use of these laws. They have to do so in labour tribunals, that's the classic procedure, but they don't like doing it because they get the sack. What can we do to get women to use their rights? It's difficult. With the right facilities we can see which practical situations are not covered, because there's still no proper control here. I should like the Commission to propose that a body be set up to control the application of directives in the member states, with the cooperation of new national institutions. Perhaps women could even have direct recourse to it and this would give the impression that there are women at the level of the Community who are concerned with their welfare.

“We must also do something about the status of women in the poor countries”

► *There is world-wide concern with women's status, as the international conference to be held in Copenhagen in July 1980 as part of the UN women's decade shows. Do you think this conference will help improve the situation of women in the world?*

— Yes. I am very much in favour of conferences of this kind. I went to the one in Mexico. A lot of bad things have been said about it and there have been digs at Women's Year too. But I think, on the contrary, that it is a fundamentally useful thing to talk about the difficulties that women have to face. I think it is important to talk about the problems so they can be properly situated and so those who don't usually dare talk about them stop feeling guilty. Copenhagen will take stock of what has been achieved over the past five years. The Commission has done a lot and Europe's record, we feel, is a positive one. But there are countries which don't have a good record. At any UN conference there are naturally some more political aspects tied up with the interests of the non-aligned members of the Group of 77, that is to say the women of southern Africa and the Palestinian women. I made a proposal to the *ad hoc* committee to get the women of Europe to try to encourage the Council to make a gesture towards the women of southern Africa. The UN must also give them massive support. I don't think we should just be worrying about European women. We are women of the developed countries as a whole and we must also do something about the status of women in the poor countries.

○

Interview by A.L.

EUROPE

Yvette Roudy

“In a period of crisis, there is a risk of *de facto* deterioration in women's status”

I. The environment, consumer protection and health

► *Europe doesn't have an environment policy yet, but can you tell us the fields in which you think the Community could start working right away?*

— There are priorities and they are obvious to anyone interested. The fight against pollution in all fields, but particularly against the sort of pollution that comes from high-speed technology and recent discoveries: the new chemicals and other products used in our major industries, and the development of nuclear power stations. The new energies and new products in industry involve considerable risk to the users, to the environment and to the public in general. What I mean is that there is no comparison between the factories that used to be set up in the country or even in the town in the past and the fantastic complexes going up today. I in fact asked to make a report on the Seveso affairs: I think that is a perfect example of what I am talking about.

► *This is what was called the risk of major accidents in certain industrial activities.*

— That's the expression used. The forces that control our society are economic and their main aim is economic development and profit. We can see that industry, most unwisely, fails to take account of people's health, of the ecological balance and of the environment. Seveso obviously need only have had very limited effects if the proper precautions had been taken.

So it is urgent to get people moving, to bring it home to them that they have to demand the protection to which they are entitled and which is indispensable. I think the environmental issue, which is linked to the problem of nuclear safety, should be one of the main concerns of politicians today, because these problems are new; we don't know much

about them and we aren't prepared for them. And many of the people in power keep things secret so that those actually affected by the conditions do not know all the facts. The effects of the new substances are often pernicious because they are not evident. A dam that collapses is, obviously, spectacular. But poisonous gas spreading in the atmosphere and radiation from a leaking power station are invisible. So for the uninformed, what the eye doesn't see, the heart doesn't grieve for.

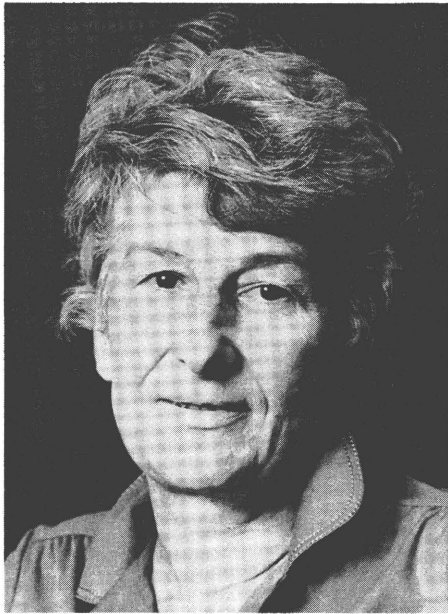
► *So you think the European Parliament ought to be concerning itself with the potential danger to the public and the environment of the development of nuclear energy?*

— This is why we in the socialist group called for a debate on nuclear safety as a matter of priority. I was very involved in this, as I had tabled a written question on fissures last October and I suggested to my group that we call for a debate on nuclear safety. We had it recently. But it was insufficient. I think we shall have to discuss the issue again, because the Parliament is not yet as anxious as it should be to protect us. People have boundless confidence in progress, but they considerably underestimate the risk of the international complexes, of the multinationals which are a danger because their main aim is, obviously, profit and not the safety of workers and the protection of the environment.

The balance of power is weighted heavily against the consumer

► *Do you think the European consumer is adequately informed, adequately involved in decisions that concern him and adequately protected in his daily life?*

— By no means. Bearing in mind all the information and knowledge the consumer needs to assess his purchases,



Yvette Roudy

he isn't informed at all. If you go out to buy a washing machine or any other household appliance today, you need to be a technician, engineer, chemist and so on, all rolled into one. But you aren't. And nowhere in your own locality do you have an official counsellor to help you. You go into a shop and you listen to the patter the salesman has been trained to give—but you haven't been trained to defend yourself. So the balance of power is heavily weighted and obviously you, the consumer, are in an inferior position. When I go and buy a washing machine or a refrigerator, I choose the nicest-looking one or maybe the one that goes best with my kitchen. But I can't tell how good the motor is, for example. There should be an information service for the consumer, a mediator, maybe, who could help and perhaps be available to the public in the town hall, for example.

► *An ombudsman?*

— Yes, but as the Swedes, not the French, see him. The present French system is only a caricature of this excellent Swedish idea. France has caricatured many a Swedish idea. People should be given consumer education on radio and on TV and in schools. There should be programmes to teach them about products and sales techniques so they can see how to go about it and what risks they run when they go to buy something in a shop. At least as much television time should be devoted to explaining and pointing out the traps as to advertizing. Identical amounts of money should be spent on advertizing and consumer information. And I would like to see an extra tax put on the advertizing budget of the manufacturers. This would restore the balance. But for the moment the situation is an unequal one.

► *You think the scales are tipped heavily in favour of the producers and the sellers?*

— Certainly. Only one side has the knowledge and the means and is in a position of strength. The other side, the consumer, is completely unarmed.

II. The European Parliament

“We are still apprentices”

► *The European Parliament elected last June started work in September and naturally, it was reasonable to expect there to be a running-in period for both procedures and staff, what is your general opinion of what the European Parliament has achieved so far?*

— We are still apprentices. The encouraging thing is that there is an enormous amount of energy, intense excitement, a great desire to work and to be useful. But we don't have the organization for it. I mean, we haven't got the services we need to back us in our work, to provide the documentation or the secretarial services, even to give us offices. We have none of this. We are flying MPs, we take our secretaries with us and we have nothing like the means and facilities the national MPs get.

As far as actual method is concerned, the way debates are organized needs a complete overhaul. The regulations by no means correspond to the needs. We can have decent debates and then the regulation that governs and organizes the voting can overturn them. And we have communication problems, as some MPs don't really understand the

The ad hoc Committee on Women's Rights

This European Parliament committee, chaired by Yvette Roudy, met EEC Commission President Roy Jenkins at the end of March.

Mr Jenkins stressed the importance of the committee, whose work “could only make a considerable contribution to furthering the construction of Europe”. Yet he had doubts, which the committee shared, as to the possibility of completing the work in hand before June, when its general report was due to be presented.

It was essential, Mr Jenkins said, for women and women's organizations to be properly informed about existing Community legislation on equality between men and women. But women not only had to be aware of their rights. They also had to ensure they obtained them in their daily lives and this meant that a sound legal information policy for women had to be devised. Mr Jenkins also said this was one of the Commission's intentions that it was already putting into practical application via the organization of seminars and press conferences—such as the Manchester conference on 28, 29 and 30 May which the women's rights committee would be attending.

In future, Mr Jenkins said EEC commissioner Vredeling would be directly concerned with women's rights.

When answering Euro-MPs' questions, Mr Jenkins said he too deplored the fact that women were inadequately represented in the upper ranks of the Commission staff and that he hoped to see women appointed to the next Commission.

Mr Vredeling took over from Mr Jenkins and a discussion was held on the basis of the commissioner's report on the Commission's intended action to promote women's status.

The EP women's rights committee has started an examination of the legal status of women in the EEC and it will be hearing a report on the situation in each of the member states. This information should reveal divergent and convergent aspects and the keynote will be “harmonization” to the level of the most favourable status. A warning has already been issued on the possible danger of laws intended to protect women which can, paradoxically, be discriminatory in practice.

The Committee held a first exchange of views on a document by Mrs Maij-Weggen (PPE, Netherlands) on work for women in the member states and the situation of women migrants in the EEC.

In examining this working document, Mrs Roudy recommended that they

— note that a “low-key but nonetheless real campaign” was being run to encourage women to leave work and stay at home;

— condemn the idea whereby women were a “reserve army” for the modern economy;

— propose ways of changing the situation.

At the end of the meeting, Mrs Roudy announced that the various themes would be dealt with one at a time at the next session and the various proposals subjected to thorough critical appraisal. ○

various possibilities, the system of oral questions for example. And some of them abuse it, so when you have a really important question, there is a reflex action against it. The whole method of organization needs changing. The rules need revising and we must have better working facilities. But there clearly are important new sources of energy and a large fund of talent, as many political figures have decided to devote themselves entirely to their European duties, as I am doing, and have dropped their other jobs.

► *I was going to ask you about that. What do you think about dual mandates?*

— I am against them. I don't see how people can do several jobs at once and do them all properly.

III. Women's rights in Europe

"The campaign against unemployment must be the top priority"

► *An ad hoc committee on women's rights has just been set up at the European Parliament. You are the chairman of this and 10 of the 35 members are women, I think. Before the summer recess, there is due to be a debate based on Mrs Maij-Weggen's general report. Can you outline this report for us?*

— I can tell you that we will not have all the information we need to write a proper report that reflects the ideas of all the members. Mrs Maij-Weggen will certainly be able to write a personal report but, if we want a synthesis, we will have to wait for the committee to supply the information we have requested and it has not yet had time to do this.

So there needs to be a lot of discussion. The work is most interesting. It is interesting to see how women from very different political groups and parties are perfectly able to discuss subjects on which they have initially divergent views in a tolerant and understanding manner. I think we also need to show that women are a force to be reckoned with and they are determined to defend themselves in a parliament where there is a comparatively large number of women. This is the parliament with the most women members.

► *67, I think.*

— Yes. Not quite 17%. Not much really. We are lucky to have 20% in the socialist group and there are 30% of French women, as you know. Obvi-



"There are never any problems with line words, but when it comes to practical decisions, all the political divisions reappear"

ously, if 30% of the European Parliament were women, things would go a lot faster. But they aren't and 16% is too little to exert proper pressure.

Politics, it has to be realized, is a power game and as long as there are so few women politicians they will be unable to make their presence felt. There ought to be at least 30 or 40%.

And what are we going to be involved in? I have got people to agree that the campaign against unemployment must be the top priority, as women are harder hit by unemployment than men. In France, 54 of every 100 unemployed are women and such the same applies in all the other EEC countries.

► *I think you said that women were the "nurses of employment", a kind of reserve army, I suppose, who are hired and fired as the market requires.*

— When the economy is sick, the women get sent home. So unemployment among them is very high. They are a floating labour force. We want to analyse the phenomenon. It is not just an economic thing. It is structural, too, and we want to show how the structures of employment for women differ from those of employment for men. Women get poor training, poor wages, poor preparation and poor promotion prospects. I have put forward a questionnaire on discrimination which has been accepted for the Eurobarometer series, but the results will not be available by June.

► *Does this mean discrimination in the broadest sense of the term, including economic, social and political discrimination?*

— No. Because our scope is limited and we are staying within the bounds of the Treaty of Rome. This is the job we have been asked to do and this is why my questionnaire is confined to the treaty and the three directives on employment and got the full support of the Commission. It is all based on the Community's legal texts.

There are three directives on equal pay, equal promotion prospects, treatment and social security benefits. The questionnaire is just concerned with this, although we will also be dealing with the problem of women's rights in relation to their legal status, to various kinds of freedom and, it must be considered, to health. The effect of women's health on the labour market is something we mustn't forget. Women often suffer from things men don't get, but it doesn't stop them working, contrary to what people often think. They may not be very well, but they work just as much as men because they put up with it and they live longer. So, if people would concern themselves with some of the conditions in which women work and which make them ill and give them handicaps, everyone would be better off, because wellbeing is one of the things the Community cares about. If you are discussing women's health, then the problems of motherhood come up. There are wanted pregnancies and there are unwanted ones, so it is impossible to avoid the contraception issue. We are going to investigate the situation with a view to harmonization.

We have already made a start on legal status and we shall be going as far as the right to do what one likes with one's body, the right to health and to

motherhood—which cannot be dissociated from the right to work.

“Marx said it, Bourguiba said it and Gandhi said it”

► *Your have touched on the very heart of the problem of the evolution of our society and adapting it to the demands of the period. Generally speaking, a country's degree of development can be judged by the status of its women.*

— Marx said it, Bourguiba said it and Gandhi said it. It's true. It's a barometer, an indication of the economic health of an expanding country. Women's rights did well in the '60s. When the economy expanded in the '60s, women's rights were promoted alongside it. This is why I say that what is happening at the moment is cause for concern, because

Petition from Women of Europe

At its meeting on 13 March 1980, the European Parliament's socialist group decided to support the following petition submitted by Yvette Füllet and the *ad hoc* Committee on Women's Rights chaired by Yvette Roudy.

“We, women of Europe, call for, in accordance with article 235 of the EEC Treaty, the harmonization of the various laws on contraception and abortion currently in force in the nine member states of the European Community.

We feel it is unacceptable for women who are citizens of the same Community not to have the same fundamental possibilities of making their own decisions about motherhood.

A simple comparison of the French and Irish laws, for example, once again highlights disparities that are counter to the aims set down in the EEC Treaty and which are those of European unity.

Furthermore, the UN convention on all forms of discrimination, the draft of which has already been approved by the member states of the European Community, lays down (article 16e) a series of provisions which, if objectively applied, would ensure legal equality for all women in the countries that sign it.

Consequently, we, women of Europe, ask the Council of the European Economic Communities to take the relevant steps to bring an end to this inequality between the women of Europe”. ○

when you move into a period of crisis there is a risk of *de facto* deterioration in women's status.

► *There is a UN convention on the elimination of all discrimination against women and the European Parliament recently came out in favour of signing and ratifying it. What does it actually involve?*

— Nothing. It's no more than a series of pious hopes that we voted in because we felt like it. A fine illustration of this is what happened the day we voted, just after the unanimous, problem-free, protest-free vote on the UN resolution. Not two minutes after that vote, we had to discuss the UK government's recent immigration provisions that discriminate against women who are married to British husbands but not born on British soil. We had hardly got started when certain group chairmen, notably Mr Klepsch, got up and said they had no intention of voting on this law—which plunged me into profound consternation and indignation. I jumped up and said I did not understand what was happening and that people were being incoherent. We tried to get the debate on a broader footing and we asked for more discussion. But we didn't get it. The president refused to budge. So we tried to protest afterwards. We explained things to the press and we tried, and only just failed, to get a nominal vote. Some MPs, from the centre and centre-right, said they couldn't understand what all the urgency was about and how the issue was directly related to the previous one.

We immediately got a straight left-right vote. A political one. The house was completely divided because we had touched on a specific practical issue in which each political and philosophical camp took the party line. There are never any problems with fine words, but when it comes to practical decisions, all the political divisions reappear.

► *You have already said a lot about women's status, women's health and work for women. And you mentioned contraception. What about the situation of a specific group of women—migrant workers?*

— They are in a difficult situation because they are right at the very bottom of the ladder. Male migrant workers are well down, below white women. You get the same thing with black women in the USA.

Migrant women whom we get to come and work in Europe get worse treatment than anyone else. They are the least likely to get their rights. They are entitled to the same things as the

other workers, to protection, to health, to job security, to social security and so on. But they don't get them.

► *Don't you think there is a problem of information here, both of informing women about their rights and informing the general public?*

— Naturally there is. This is why, in the work of this committee, I never neglect anything that can help spread information. This is why I asked Mr Jenkins to let someone from his information department to sit in on our discussions and Mrs Fausta Deshormes now attends all our meetings. This is why we decided to open our debates to anyone interested and our meetings are now public. This is why we issue regular press communiqués and whenever we feel there is anything important to say we call press conferences. This is why I toured various countries to explain the point of our committee. But this is not enough. We haven't got enough access to radio and TV. For instance, *Le Monde*, the most important paper in France, still hasn't mentioned the existence of the committee.

► *But an article of yours has appeared in Le Monde.*

— I wrote it in December, just before the vote. And another thing is that I haven't got anyone to deal with public relations and the press. We are a bit short of means. Clearly, there is a need for information campaigns to make women more aware of their rights. They run them in some countries already, in Italy now and Germany. And they have run them in the UK. But French women don't get enough broadcasting time on their rights—the “Une minute pour les femmes” programme isn't enough.

► *So on this problem of information you think France has special difficulties that other countries don't have?*

— We are lagging behind. They have facilities in Italy, in the UK and Ireland and Germany that we do not have in France.

► *A world conference is being held in Copenhagen in July 1980 as part of the UN Women's Decade. Do you expect any interesting resolutions to come out of it?*

— If we get a text like the one we adopted, then it will always be useful. The Mexico conference was useful and the text we adopted at the European Parliament was the outcome of that. A conference of this sort is a cultural event, a get-together—but what I want is to see it become a political event. ○

Interview by A.L.

A glance at Community life⁽¹⁾

EUROPEAN PARLIAMENT



English is to the fore in the Tower of Babel

Anyone who has ever paid even a fleeting visit to Italy cannot have failed to notice that there is one thing Italians love to do and that is to talk.

This national characteristic seems, however, to have deserted those sons and daughters of Romulus elected to the European Parliament, and, given politicians' well-established delight in the sound of their own voices, this relative silence among Italian politicians should come as a double surprise.

Equally surprising, perhaps, is the fact that the same degree of vocal shyness does not afflict the traditionally reticent Englishmen abroad in Strasbourg, who, according to a table showing the use of languages in the European Parliament from July to December last year—the first six months of the new directly-elected Parliament—flexed their vocal chords to greater effect than any of their fellow Europeans.

The table uses a column of text in the record of the Parliament's debates as its unit of measurement, and its results show up some interesting facts:

- the 81 talkative British MEPs (ably abetted by 15 Irishmen) inflicted a masterful 1 132 columns of rhetoric on their unsuspecting colleagues;
- the French and francophone Belgian speakers were the next most vociferous with 1 056 columns;

- the quietest of all (even "out-silencing" the Italians, who only managed 481 columns) were the Germans with 475 columns: a mere murmur;
- the traditionally taciturn Danes (16 of them in the house) used up 139 columns between them (an average of 8.6 columns a head, which compares favourably with the Anglo-Irish average of 11.7 columns per head; or mouth, perhaps, to be more accurate);
- the Dutch (assisted by the Flemish Belgian members) actually averaged out better than the anglophones at 11.8 columns per speaker.

Of course the problem with using the column of text as the unit of measurement is that the results it throws up are somewhat incomplete. For instance, a couple of verbose anglophones could have droned on endlessly, to make their record look so impressive, whereas dozens of eager Italians or Germans could each have chipped in a "Hear, hear" or "Resign!" apiece, and we would be no wiser. Nor is there any indication of how many members were actually listening to the pearls which were cast their way.

Still, the table does perhaps show that the English have adapted well and quickly to the novelty of European Parliamentary procedure.

One last thought, though. Anybody who knows Italians will also know that they employ a stunning variety of gestures and manual sign language (especially when they are aroused) to express what soon becomes their obvious opinion. And is there not, after all, a saying that actions speak louder than words...?

TECHNOLOGY

Computer link-up could help to save lives

The marriage between the most modern techniques in medicine and computers is already of long standing. But studies are being conducted that could lead to even more intense collaboration that will benefit the suffering patient and save lives throughout Europe.

While computer diagnoses and analyses have been incorporated into modern medicine's capabilities, what is now being examined is a broader geographic connection that would permit the patient and doctor in one country to tap resources in another.

A study was recently conducted under the sponsorship of the European Commission in Brussels into the possibility of interconnecting organ and blood banks in the European Community through computers.

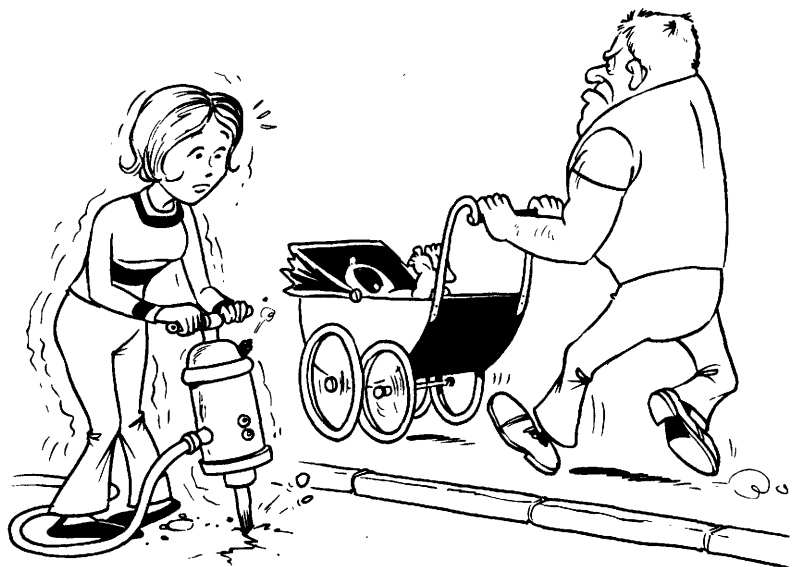
The study concluded that such an interconnection is possible. While in the early stages it is recommended that it should only deal with the matching of potential kidney donors and recipients, it could eventually be extended to blood and bone marrow and other types of transplantation.

This could be accomplished by the installation of computer terminals in organ banks that could be linked via telephone lines. The costs have been estimated and contacts are currently being made to study the operational aspects.

In addition, the Commission is building up its information about highly specialized installations and equipment capable of performing transplants with a view to coordinating their activities through computer connections.

Another aspect of this preliminary research in a related field involves a questionnaire sent by the Commission to the governments of the nine member states on the installations and equipment that could be made available to the public throughout the Community in case of major accidents. The replies to this survey should lead to the compilation of an inventory on the technologies available throughout the member states that could be used in case of emergencies.

(1) Extracts reproduced from *Euroforum*.



Mismatch: a phenomenon of modern times

“Mismatch”, a word which you would expect to roll off the tongue of a sportsman more easily than that of an economist, is a growing phenomenon in the European Community.

It is used to describe the paradox where, despite rising unemployment—almost certainly near six and a half million now—a large number of jobs remain unfilled.

The reasons for this are fairly evident. Often those out of work are poorly qualified to fill the vacancies, or else the new jobs are not in their country or region and they are reluctant to travel or leave their home town.

In all Community countries except France this phenomenon is on the increase. In 1978 unemployment was running at just under six million, yet public employment offices among the Nine reported some 612 000 unfilled vacancies.

Of these, 245 000 were in Germany, where there were 992 000 people out of work. The United Kingdom reported a further 210 000 jobs available for some of the 1.5 million unemployed.

The highest ratio of “mismatch” was in the Netherlands where the 205 000 unemployed could choose from 63 000 jobs.

Only in France (and to some extent in Luxembourg) did the number of notified vacancies decrease between 1976 and 1978, in the French case by 40 000 down to 87 000.

In the United Kingdom, on the other hand, vacancies almost doubled during the same period from 120 000 to 210 000. An increase which was virtu-

ally identical to the rise in the numbers of unemployed.

A Community system known as SEDOC—the International Clearing of Vacancies and Applications for Employment—exists to promote closer contact between the nine national employment agencies. Officials from these agencies are brought together several times a year by the European Commission, which coordinates the system.

SEDOC is still in an experimental stage but it is nevertheless beginning to play an increasingly important role in making workers in search of jobs aware of vacancies which exist in other member states.

TRANSPORT

Moves to improve safety standards for passengers

A recent United Kingdom government initiative to make the fitting of anchor-

ages for safety belts compulsory in certain seats on buses, coaches and goods vehicles is to be taken up at Community level.

The European Commission is shortly to propose changes in its current law which makes the fitting of safety belts compulsory in all vehicles in the internationally recognized M1 category (that is, passenger cars with up to nine seats including the driver's).

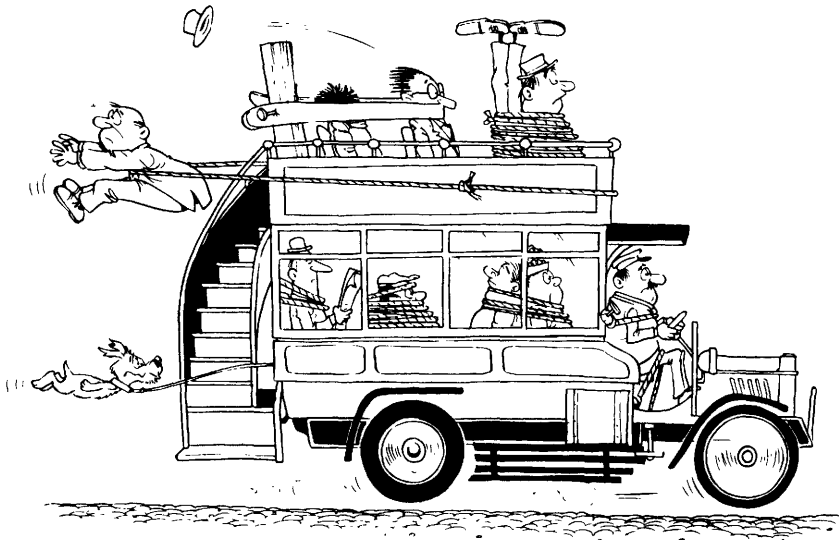
The new proposals would extend provisions for compulsory safety belt anchorages to all seats in buses, coaches and goods vehicles that have no other seat directly in front of them. In general, this means the driver's seat, the front seats and the central rear seat. The fitting of actual safety belts to these anchorages would remain voluntary.

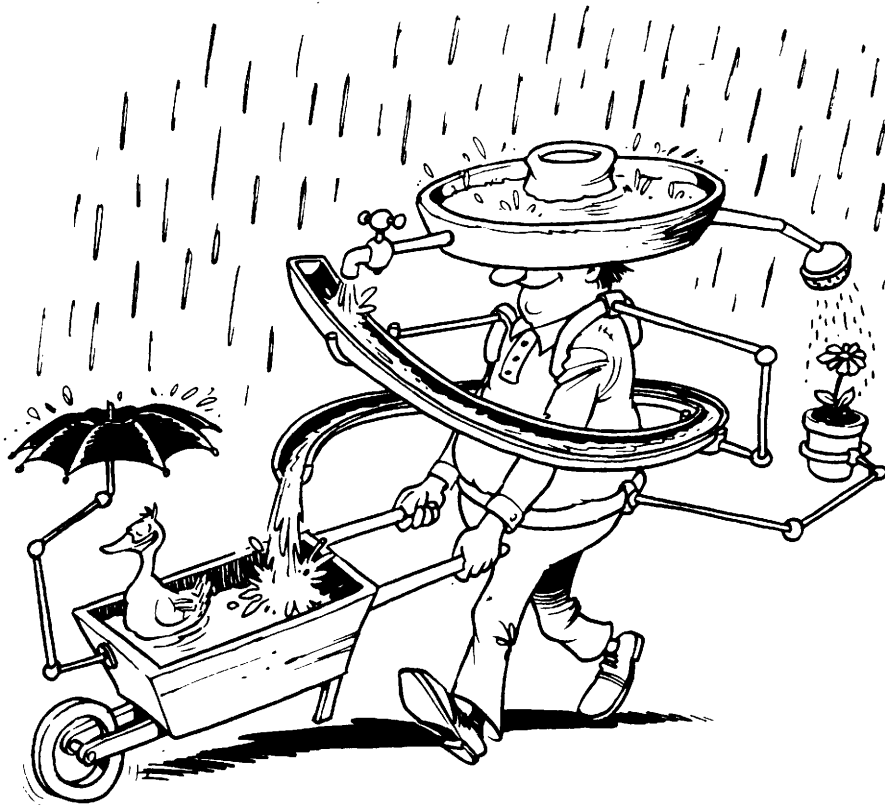
The UK proposal lays down standards for these anchorages with which vehicles coming onto the British market would have to comply. These too could be taken up at Community level.

The Commission revealed its intention in a reply to a European Parliamentary question from a British Conservative member, John Mark Taylor, who wanted to know how many other Community member states had compulsory fitting of safety belts and also mandatory wearing of crash helmets by motorcyclists.

All the Nine have had measures in force making the fitting of safety belts compulsory since the beginning of last year. In all Community countries except the UK and Italy, the actual wearing of safety belts is also required by law. (A private member's bill in the House of Commons aimed at enforcing the wearing of safety belts in the UK was recently given a second reading, and was supported by most MPs, so a change may be on the way there).

On the question of crash helmets, the Commission reported that they are mandatory headgear for motorcyclists in all Community member states except Italy.





European patent makes invention more profitable

The first European patents have just been announced by the European Patents Office (EPO) in Munich, which has been accepting requests since 1978.

The patents are not cheap—at just over £ 1 000 a go they are more expensive than if an inventor were to register his product in just one country.

But it saves inventors or manufacturers having to apply for separate patents in different countries. And if the European patent is filed in at least three other countries it becomes profitable, according to Mr Van Benthem, the Dutch president of the EPO. It also saves a vast amount of paperwork and legal fees.

The idea of a European patent which is recognized throughout the Community is to enable inventors and manufacturers to take full advantage of the existence of the common market.

Larger firms are the EPO's best customers, with 55% of the applications. This is understandable, since operating on an international scale, these com-

panies want their products to be known in as many countries as possible.

At the same time, the number of applications filed with the Munich organization was increased in leaps and bounds. From 450 per month a year and a half ago, it has now climbed to 1 400 per month.

The many requests received by the EPO show that throughout Europe the inventive spirit is still as alive as ever. One ambitious gentleman in Switzerland has filed a patent for that elusive product: an instrument to help roll spaghetti around a fork!

WOMEN'S RIGHTS

Equal treatment: Commission takes defaulters to task

The principle of equal pay for equal work, while widely accepted as right and just, is still not being properly implemented in a number of Community member states.

The European Commission has now decided to send reasoned opinions to four member states for their continuing failure to implement aspects of a 1975 Community law which provides for

equal pay for men and women doing the same work or work of equal value.

The countries in question are the United Kingdom, Belgium, Luxembourg and the Netherlands. The Commission action, which is the second stage of its infraction procedure, could eventually lead to these countries appearing before the European Court of Justice if they don't comply with the terms of the Community law.

Of the four member states, two have taken steps to eliminate the remaining discrimination following complaints from the Commission, which is responsible for monitoring the implementation of Community legislation.

Belgium has drafted a royal decree which would change the present system under which only a married male employee in the Belgian public services automatically benefits from a family allowance. Until now, only a married woman looking after her children alone has been able to benefit from this addition to her salary.

In Luxembourg, the Government Council has adopted a draft bill which will go before parliament and which is designed to make it possible for married women to benefit from "head of family" allowances currently paid only to married male civil servants, as well as from a housing subsidy which is now received by their male counterparts in the public service as well as men working in banks, insurance offices and the steel industry.

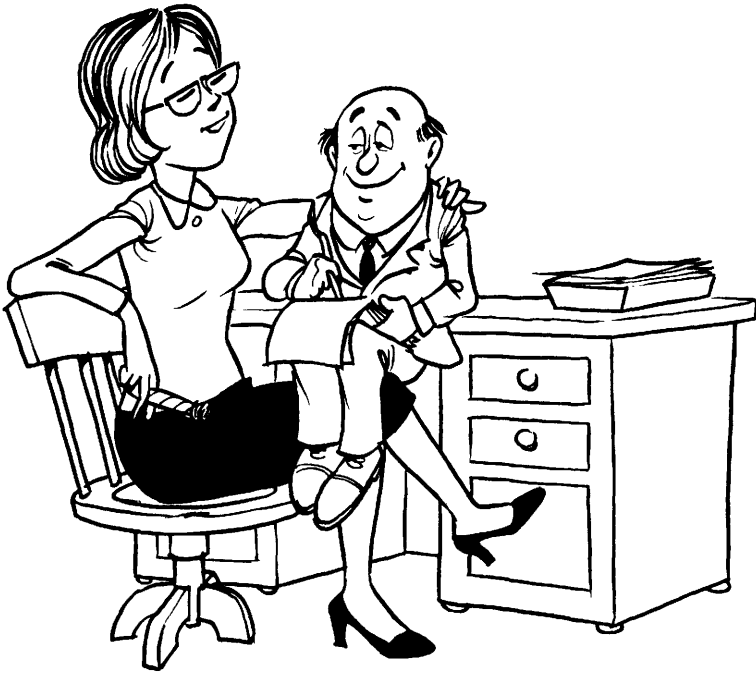
In the Netherlands, equal pay for women doesn't extend to female employees in the public services. A proposed change has not yet been submitted to the parliament but only to the Council of State for an opinion.

The United Kingdom's Equal Pay Act doesn't permit a female employee to claim equal pay for work of equal value unless a job evaluation scheme is practised in the firm where she works.

Last March, three other member states, France, Germany and Denmark, received written warnings from the Commission about discrimination against women with regard to equal pay.

In response to the warning, France has now repealed the law which discriminated against women in the semi-state sector in the matter of housing allocations. The Commission has now dropped the case.

In Germany, where the legal basis for equal pay was very ill-defined, the government has submitted a draft bill for examination by the parliament. The



Commission has agreed to an extension until next June for the necessary legislation.

As far as Denmark is concerned, the law on equal pay for equal work applies only when men and women are employed in identical jobs, not for work of equal value. Denmark has so far done nothing to change this, and the Commission services are still examining the case before taking a further decision.

The Commission has also sent letters warning Germany, the Netherlands and Luxembourg that they are infringing a second Community law which says that member states must treat men and women equally in the areas of employment, training, promotion and working conditions.

Germany has since set up a legal framework to guarantee equal treatment in the same draft bill already mentioned that covers equal pay and the Commission's deadline has been extended to the same date.

In the Netherlands a similar draft bill is in its final stages before the parliament, while Luxembourg has not yet taken any action and its case is still being examined by the Commission.

If the Commission is not satisfied with the efforts made by a member state to implement Community legislation to which it has already agreed in the Council of Ministers it can refer the matter to the Court of Justice for a ruling.

REDUCING BARRIERS

Here's to variety, and cheers to the European Court

As elbows are bent and glasses raised throughout Europe, the toast will be "to the Court!"

Very rarely do people feel affected by legal decisions, but a series of recent judgments by the European Court of Justice in Luxembourg—the Community's highest legal body—is expected to mean a reduction in the price of spirits in general in France, Italy and Denmark.

Over a year ago the European Commission started legal proceedings against these three countries because, in its view, they discriminated against imported beverages and protected their own domestic tipples.

Both the French and Italians had different systems of taxation, which meant that spirits produced from grapes or fruit—brandy, armagnac, poire williams or grappa, for example, paid less tax than grain—based beverages such as whisky.

Denmark had similar arrangements whereby the duty on a bottle of the country's world-famous aquavit was considerably less than on imported drinks like brandy and whisky.

In the Commission's view—and it was supported by the Court of Justice—whisky and brandy compete for people's palates with aquavit and grappa and so the various practices were illegal under the Community's rules, which prevent discrimination between similar products and aim to give consumers a wider choice.

But the Court has still to give its final verdict on a case against the UK, which is being eagerly awaited by the country's wine drinkers.

The Commission reasons that, on average, wine is three times more potent than beer and so it should not have to pay tax higher than three times that on beer. In the UK this ratio is greater. The conclusion drawn by the Commission, and by certain wine-producing countries, is that the British government is protecting beer and penalizing wine.

But to prove their case to get a reduction in the price of wine, it must first prove that beer and wine are competing drinks and that you are just as likely to go into a pub and ask for a glass of wine as for a pint of beer. The British ridicule this approach, but others take this argument seriously.

The Court is still mulling over the evidence—some would say it is savouring it like a good malt whisky—and its final word on the matter is not expected for another 12 months. ○



Books about Europe

François VISINE — **The "dictionnaire Visine", dictionnaire de l'Européen** — 550 Bfrs, 80 FF — 336 pages — 1980

François Visine's works on Europe should need no introduction. His monumental, eight-volume "ABC de l'Europe", a reference book for research; "l'Europe, suite ou fin?", published in European election year as a militant and convinced European's profession of faith; and "Comment fonctionne l'Europe?", which won an Académie Française history prize, have now been followed by this European Dictionary, which compiles and analyses all the minutiae of institutional, political, legal and technical EEC terminology, past, present and future.

It is another milestone in the laborious but fascinating work Visine has always devoted himself to, and will further enlarge his already wide and diverse readership. No doubt the dictionary will be known by its author's name, like the "Robert" or the "Larousse".

Visine is an international legal consultant, a doctor of law and economics, who runs the Fondation du Mérite européen under Gaston Thorn's patronage in Luxembourg.

European Yearbook (Vol. XXV). General editor A.H. ROBERTSON. Published under the auspices of the Council of Europe in English and French. To be published in October 1980. \$100. Order from Kluwer Academic Publishers Group, Distribution Centre, P.O. Box 322, 3300 AH Dordrecht, The Netherlands

With the publication of its twenty-fifth volume the European Yearbook has now been in existence for a quarter of a century. The aim of the European Yearbook is to promote the scientific study of European organizations and their work. It is published under the responsibility of an editorial committee, which is an unofficial and nonpolitical body precluded from expressing an opinion on any aspect of international affairs. The articles published in French have an English summary and vice versa, while the documentary section appears in both languages in its entirety.

Le Droit de la Communauté Economique Européenne, Vol. 8: *La Banque Européenne d'Investissement* (1979, 144 pages, 450 FB); Vol. 9: *l'Assemblée, le Conseil, la Com-*

mission, le Comité économique et social (1979, 480 pages, 1 450 FB), Université Libre de Bruxelles, Institut d'Etudes Européennes, Editions de l'Université de Bruxelles (Parc Léopold, rue Belliard, 137a, B 1040 Brussels)

Two new volumes in the series on European Economic Community Law have now appeared. The series is sponsored by the Institute of European Studies of Brussels University. Mr Franco Mosconi, professor in international law at the law faculty of the University of Pavia, has written the eighth volume on the European Investment Bank, showing how it is organized, its resources, credit facilities and the Bank's part in association agreements. Prof. Mosconi concludes with a positive evaluation of the Bank's activities.

Volume 9, which deals with institutional problems (the Assembly, the Council, the Commission, and the ESC) has been written by Jean Amphoux, Jean-Victor Louis, Jean Vergès and edited by Jean-Louis Dewost. Mr Dewost points out that Community's institutional structure is designed for joint action and cannot be regarded merely as a forum for airing views on how European countries should coordinate their action. For this reason, a whole chapter is devoted to the decision-making process. We should point out that information contained in both these volumes goes up to 1 August 1979. When complete, the series will total fourteen volumes.

J.P. SIEMERS — **European Integration, Select International Bibliography of Theses and Dissertations**, 1957-1977, Sijthoff & Noordhoff (P.O. Box 4, Alphen aan den Rijn, Netherlands), 1979, 240 pages, 97 guilders (47.50 dollars)

This one-volume bibliography includes 1200 titles of theses and dissertations dealing with European integration which have been accepted during the last twenty years by universities and other institutions in the Community as well as outside it (from Austria, Switzerland, the United States and Spain). The book has been compiled by Mr J.P. Siemers, deputy head of library at the European Commission, in conjunction with Mrs E.H. Siemers-Hadma. The introduction, table of contents and key word index have been provided in French, German and English. New editions of the book are to be published every two years.

Paule BOUVIER — **L'Europe et la coopération au développement — un bilan de la Convention de Lomé (Europe and development aid — Taking stock of the Lomé Convention)** — Editions de l'Université de Bruxelles, Parc Léopold, 1040 Bruxelles — 191 pages — 1980

In this work, Paule Bouvier, currently a teacher at the Université Libre de Bruxelles, explains the pros and cons of the recently-expired Lomé Convention. She analyses the arguments of the supporters and detractors, gives figures to back them up and runs a comparison with the two Yaoundé conventions that preceded Lomé. She concludes with her own views on the scope of the conventions, the Community's margin for manoeuvre and the effects the ACP countries can expect from the machinery thus created.

One of the best points of this book is the copious selection of statistics on Community aid and on the development of trade between the partners. There is also an extensive bibliography at the end of each of the main chapters.

European Communities Glossary (French-English) — Glosaire des Communautés Européennes (Français-Anglais), 7th edition, distributed by the Office for Official Publication of the European Communities. Price: Bfrs 500 — 1980

This French-English glossary gives the main body of terminology used by the European Communities. Although it is not an "official" publication, this glossary—prepared by the English translation division at the Council—is very useful working tool, as has been proved by the success of the six previous editions among translators. This seventh edition replaces the December 1975 edition, and contains a number of improvements to the layout—and in particular by a system grouping all connected terms under one key-word.

Noël DE WINTER — **Leo Tindemans, les ricochets d'un destin** — Foreword by Emilio Colombo, "Ceux de Strasbourg" series, Fernand Nathan, Editions Labor, Bruxelles — 106 pages — 245 Bfrs — 1980

It has become difficult to think of Europe without thinking of Tindemans. However, it is also difficult to think about or try to understand the deep-rooted problems of the Belgian

community without the personality of Léo Tindemans coming to the fore.

We say "personality" because although he often tries to reconcile people, get them together and organize meetings, sometimes successfully, Tindemans never abandons his deep-rooted commitments and more than anything never gives up accepting them, if not imposing them (democratically). This is why a description of him once put forward as a "realist without illusions" does not seem entirely satisfactory. This is mainly because it implies a certain degree of cynicism. The degree of cynicism in Tindemans is barely enough for survival in politics. His efforts to mingle everybody else's truths with his own always prevail. The definition also implies a certain amount of resignation, whereas a determination to fight and question seems to us more in line with Tindemans' personality.

He is, then, a man of constancy rather than compromise. A European "unitarist", he is nevertheless a deeply convinced supporter of "federalism" in the real sense, i.e. uniting all efforts to develop national and regional characteristics. This is why, without wanting to take a stand in Belgian politics, his alleged national "unitarism" seems to us, looking at him from a distance but not without (European) feeling, to be borrowed from the same source, i.e. his determination to see the nation's impact increased and not destroyed by the development and blossoming of its components. Unfortunately, and what is happening in Europe now confirms this, it is more difficult to unite than to divide. This makes those men who are trying to unite all the more admirable.

Our colleague de Winter has put together a very lively biography of the Belgian statesman and European. It is very lively because the Tindemans story is perhaps only just starting...

Hans VON DER GROEBEN, Rudolf HRBEK & Heinrich SCHNEIDER, Hans MÖLLER — **Die Europäische Union als Prozess**; Volume 1 in the "Possibilities and limitations of a European Union" series, Nomos Verlag (Postfach 610, D7570 Baden-Baden) — 564 pages — 89 DM — 1980

Although this work is marked as Volume 1, it is the last of six volumes prepared by the Bielefeld working party on the "Possibilities and limitations of a European Union" research project. The editors are Mr Hans von der Groeben, former member of the

European Commission, and Professor Hans Möller of the University of Munich. This final volume gives an overall view of the EEC's integration during the late seventies. It contains the report by Mr von der Groeben on enlargement (the report has already been published as a special volume). The main part of the work, however, is the report on the process of European union by Mr Rudolf Hrbek and Heinrich Schneider, whose aim is to point out to politicians and the public which problems have to be overcome if we are to move any further along the road to an integrated Europe.

The other five volumes, which came out between 1976 and 1979 and were reported on by us at the time, covered the following subjects: economic powers (Vol. 2), transnational cooperation and fiscal harmonisation (Vol. 3), research and training (Vol. 4), monetary union (Vol. 5), and agricultural policy (Vol. 6). They form a scientific basis for any new discussion on European integration.

Catherine FLAESCH-MOUGIN — **Les accords externes de la CEE**, essai d'une typologie, foreword by Jean-Victor Louis, Editions de l'Université de Bruxelles (Parc Léopold, B-1040 Brussels) — 1979 — 320 pages — Bfrs 750

This work comprises a first part dealing with the "agreements concluded in accordance with Community tactics" and a second part on the "agreements inspired by a Community strategy". Originally the agreements concluded by the Community reflected a policy adapted to fit the circumstances in response to the external initiatives. Under the pressure of various factors, a genuine Community strategy made its appearance in some areas of its foreign relations. The first evidence of this was the global approach in the Mediterranean, followed by the beginnings of a policy on a world scale (in Latin America, Asia and with the state trading countries). Currently the two movements are superimposed on one another and their combined action aims at achieving the Community goals.

Walter GANSHOF VAN DER MEERSCH — **L'ordre juridique des Communautés Européennes et le Droit International**. Series by the International Law Academy of the Hague, Sijthoff & Noordhoff (P.O. Box, Alphen aan den Rijn, Netherlands) — 1979 — 433 pages

In his book, Mr Ganshof van der Meersch, who during his long career

has been a lawyer and chairman of the European Studies Institute of the University of Brussels, gives an overall picture of the part played by international law and the rules of Community law in the running of the institutions of the European Community, as far as possible on the basis of the case law of the European Court of Justice. The book, which is based on a lecture given at the International Law Academy of the Hague in 1975, deals in the opening chapters with constitution and international organization in relation to Community law. In the remaining chapters, the author reviews the Communities' institutional system and international law, international agreements to which the EEC is signatory and the general principles and peculiarities of Community law.

Marcel VON DONAT — **Europe: quité tire les ficelles?** — Presses d'Europe (17 rue du Foubourg Montmartre, Paris) — 1979 — 223 pages — 35 FF

This is the French translation of the excellent book by Marcell von Donat on "what goes on in Brussels", which came out in 1975 under the title "Brüsseler Machenschaften" (Nomos publishers). Mr von Donat, who for some years was a Commission spokesman and who is now an adviser to Mr Ortoli, a Commission vice-president, gives what is frequently an ironical inside look at the Commission, the Council and the lives of the Brussels eurocrats.

Willem MOLLE with Bas VAN HOLST and Hans SMIT — **Regional Disparity and Economic Development in the European Community** — Saxon House (Teakfield Ltd, 1 Westmead, Farnborough, Hants. GU14 7RU, England); distributed in North America by Allanheld, Osmun & Co (19 Brunswick Road, Montclair, New Jersey 07042) — 419 pages — 40 dollars — 1980

This volume is the first in a series on regional economic development in the European Community, based on comparable data and undertaken by a team from the Netherlands Economic Institute in Rotterdam. The aim of the study is to improve the knowledge of the situation in Europe by providing a complete data for a set of carefully selected indicators. The researchers work concerned the relationship between the population, the gross national product and employment to explain the differences in development. Half of the book is taken up with appendices explaining the basic data. ○



Afrique photo

Cocoa in the ACP states

Cocoa is one of the most geographically concentrated of commodities. It mainly ends up as chocolate, 60% of it consumed in the United States and the EEC alone. Of the 1 500 000 tonnes of cocoa beans produced each year all but 5% are produced in 15 developing countries, eight of them ACPs. The nine members of the European Community account for 50% of world cocoa bean imports. The total value of world production (if it were all exported) is in the region of US \$ 5 000 m a year, quite a sum for a product which the world could easily, though perhaps not happily, live without. And if we really must have chocolate, then there are an increasing number of cocoa substitutes, mainly vegetable fats, which can be used. So why is cocoa so important? Quite simply because it is there, and a large number of people in the developing and industrialized worlds depend on the growing, processing and trading it.

As with all commodity trade, and particularly for the farmers and industries which directly depend on it, price levels are crucial. The cocoa market in this respect is

problematical, tending since the war to move in 7-8 year cycles of high and low prices. Put simply, high prices tend to encourage investment in cocoa production, but newly planted trees don't produce for several years, and when they do there is a sudden glut which knocks prices down again, discouraging new planting, which in turn creates new shortages and higher prices.

The International Cocoa Agreement, which came to an end on 1 April this year, was supposed to even out the extremes, but it never did. During the seven years of its existence prices were consistently higher than the maximum fixed and as a result the agreement remained ineffective.

Although theoretically we are at the end of a high price cycle, producers and consumers do not agree about future supply and demand and price trends during the 1980s. The international cocoa economy is at something of a turning point, with all involved agreeing that greater stability is needed, but differences remaining on how it should be achieved. ○



From currency to commodity

The first known plantations of cocoa were in the Yucatan province of southern Mexico around 600 AD, although it is likely that the spreading Mayan civilization which was responsible for them had cultivated cocoa for several centuries before. Cocoa beans were used mainly as a form of money and, under the Aztecs six hundred years later, cocoa was collected as tribute from conquered peoples.

During these long centuries cocoa was unknown outside South and Central America and when Christopher Columbus landed in Nicaragua on his fourth voyage, in 1503, he was little impressed by the strange plant with berries from which the local population made an aromatic drink. The beans were still being used as money and the Spanish soon began to put down plantations. One such plantation owner, Hernando Cortez, brought the first cocoa to Europe in 1528 and the chocolate industry made its first hesitant steps.

Success in Europe

The 18th century saw the spread of cocoa throughout Europe. In 1609 the first book appeared in Mexico on chocolate, and naturally enough it was in Spain that chocolate first became popular outside the Americas. The marriage of Louis XIII of France to Ann of Austria in 1615 brought chocolate to the court in Paris, and later in the century Pope Pius V's decision that chocolate drinking did not break the lentern fast was an indication of the spread of the beverage. Eating solid chocolate, however, had to wait for Easter! Meanwhile the Spanish were establishing plantations outside the Americas, most notably in the Philippines.

Confectionery uses of chocolate were now developing. The first chocolates appeared, and by the mid-1670s London coffee shops were offering "Spanish" chocolate cakes. And so it spread, to Germany, Austria and the Low Countries and into northern Europe. In 1704 Frederick I of Prussia imposed a tax on chocolate imports—cocoa had become a commodity.

Better late than never

It was some time before the chocolate habit re-crossed the Atlantic to reach North America in 1755, but it was tea rather than cocoa that brought on the American revolution. A little later, in 1780, in Barcelona, Spain the first chocolate factory was set up—cocoa had become an industry.

However the Spanish-speaking world did not give up lightly its dominance of the cocoa and chocolate trade. Even by 1810, Venezuela still produced over half of the world's cocoa beans and one third of all the chocolate made in the world was eaten by the Spanish. But Brazil, today's cocoa giant, was not far behind. In 1822 the first plantations were set up in Brazil, and within a few decades Brazilian production was playing an important role in the cocoa trade. On the consumer side, a Swiss, Daniel Peter, launched the first milk chocolate on the market in 1875. In the present century the USA and Europe have established themselves as the main enthusiasts for chocolate and cocoa has become an important agro-industrial commodity, in developing as well as industrialized economies, and in international trade. ○

IAN PIPER

The international cocoa market

Interview with U.K. Hackman, executive secretary of the ICCO

Since 1973 the world cocoa trade has, in theory, been regulated by an international cocoa agreement aimed at creating a buffer stock, purchased with a 1 US cent per pound levy on cocoa sales, which would be used to intervene in the market to even out prices between agreed minimum and maximum levels. There have so far been two three-year agreements, in 1973 and 1976. The second was extended until 31 March 1980 while negotiations on a third agreement were underway, negotiations which have, in fact, failed. The agreements involved producer countries representing 90% of world exports and consumer countries representing 70% of world imports. However, the difficulties in reaching a third agreement demonstrated how strained consumer-producer relations had become, and how differently both sides saw the future evolution of the international cocoa trade. U.K. Hackman (Ghana), the executive-secretary of the International Cocoa Organization (ICCO), set up in 1972, has followed the recent negotiations closely and the workings of the first two agreements; he gave the *Courier* his views on the present and future prospects of the international cocoa economy.

► *What have the problems been in trying to reach a third international cocoa agreement?*

— The main difficulty has been the negotiation on price levels. During the current and the previous agreement the market has always run away from the prices in the agreement, so the producers were of the view that this third time we must get the prices right. The consumers understandably wanted to beat the prices as low as possible. The consumers' view is that the production-consumption picture is changing; they think we are now entering a new cycle, a cocoa production-consumption scenario where there will be more cocoa on the market. I think it would be wrong to structure prices, which do not reflect what is going to happen in the near future, into a permanent agreement. This is where the misunderstanding was. Producers thought that they need prices at least around the present market level to make it worthwhile to enter into a long-term commitment. The consumers, on the other hand, thought that prices in the near future were going to be lower because there are prospects of larger crops in the offing. It is difficult to bridge the gap between the two because each of them seem to have their own set ideas on the evolution of prices in the future.

► *Could you explain how this price mechanism was supposed to work in the first two agreements? There was in theory a buffer stock and minimum and maximum prices, but the world price was in fact always higher than the maximum price in the agreement. So how did it work in practice?*

— Well, the price system never worked. Since the agreement came into force in 1973, world market prices have always been higher than those in the agreement. So the price provisions in the agreement have been irrelevant. What we have been doing is just to collect the levy on cocoa exports and imports and invest the money. We envisaged a situation whereby when prices went below the minimum price the buffer stock manager would come onto the market and purchase surplus cocoa (which was pushing the market down) until prices rose above the maximum, when he would release the cocoa to bring prices back within the minimum and maximum. But since prices have always been above the maximum, and since we have not been able to purchase any cocoa for the buffer stock, we have had no ammunition to keep prices between the range.

► *So in the last seven years the main provisions of the International Cocoa Agreement have, in fact, been ineffective?*

— They have been ineffective, except that we have been able to adopt a system of controls, a very efficient system whereby we keep track of exports and imports, and through that we have been able to collect the levy and invest it. But we have not been able to buy or sell cocoa. We have been investing the money on the euro-dollar market, at very good interest rates.

► *And with no agreement, what will happen to these funds?*

— Well, the funds will be distributed among the cocoa producing countries on the basis of contributions paid.

► *Wasn't it foreseen in 1972, when the first agreement was made, that the market was evolving and the price range was unrealistic?*

— The 1972 and 1975 agreements were designed to meet economic conditions which failed to materialize. In the 1950s, when the consumers and producers first started consultations about an agreement, it was the high prices of 1953-54 which sparked off a demand for an agreement, the initiative at that time being taken by the consumers. By 1958 the producers were seriously interested in an agreement. Cocoa prices had fallen from the higher levels of 1953/54 to the relatively low levels of 1956/57, so the wheel had gone full circle. Meanwhile the high investment in production made by some producing countries was beginning to show results leading to expectations of higher crops. By November 1962, when the FAO cocoa study group met in Rome to discuss the economic provisions for an international cocoa agreement,



U.K. Hackman

the concept of the cocoa agreement had crystalized into a mechanism which was to serve as an insurance against the adverse economic effects. Although the world cocoa economy underwent several changes from 1962 to 1972, when the first agreement was adopted, this perception of the cocoa agreement remained, but expectations of light crops which could have resulted in large surpluses never materialized. All along the consumers thought that no agreement should interfere with the operation of the market itself, and an agreement shouldn't have a mechanism which would interfere directly in the market; it was only necessary to have an agreement which would come in to purchase surpluses from the producers when they do produce very large surpluses.

Therefore the whole idea of this agreement was not to have a kind of mechanism which would intervene to smooth out the operations of the market, as you have with the tin agreement for instance, but only an agreement to come in when there were very large surpluses. Of course, cocoa production moves in 7-8 year cycles. In 1953/54, when people started talking about high prices, that was a time when producers started producing a lot of cocoa. Then we moved into a cycle of lower prices. Producers became less interested in investing more in cocoa and that was just about the time when the agreement was concluded. So the agreement came into force at a time when we were moving into the cycle of high prices because the low prices of the previous few years had led to lack of investment. In fact the past seven years of this agreement have been a period when the production-consumption situation didn't really require an agreement at all. But we are just about running into another cycle of seven or eight years, when I am quite sure an agreement would be very much needed since production prospects are going to be quite different. It's very unfortunate that this is the very time that producers and consumers want to break up.

FAO



The cocoa harvest in Jamaica

► *Was there any change between the first and second agreement?*

— The second was more or less a continuation of the first agreement. The buffer stock provisions were a little different but that's all. The two agreements were based on quotas and then the buffer stock. At certain trigger prices the quota mechanism would come in and then the surpluses to the quotas would be purchased by the buffer stock manager, and when prices went back to certain levels, cocoa would be sold back on to the market.

► *What has the buffer stock manager been doing for the past seven years?*

— Well, the buffer stock manager has been investing the funds. He's been a bank manager.

► *How serious has the absence of the United States, one of the main consumers, been for the agreements?*

— It hasn't had much effect. I mean, the country consumes about 22% of world production and ought to be a very important member of the cocoa community. If you had quotas operating then perhaps the United States would have constituted a very important and dangerous loophole, but since the economic provisions were never operative, the importance of the United States, or the absence of the United States, was never really felt.

► *What are the problems which both sides face which bring them together in the sort of negotiations we have seen recently?*

— The cocoa market is one of the most unstable markets in the world, with the gyrations of prices all over the place.

This instability can hurt both the user of cocoa and the producers of cocoa, so the idea was to try to cut off the top and the bottom of the market, and try to keep prices within the middle range. In 1977 prices went as high as £3 000 per tonne; now prices are around about £1 400 to £1 500. So within the short period of three years, prices have been halved.

For the manufacturers who were paying those prices of £3 000 per ton then, the present prices are quite a relief. On the other hand the producers who were receiving prices 50% higher than what they are now think that they are having a very raw deal.

► *Are the producers at all worried, when prices rise, that cocoa substitutes will increasingly be used?*

— Yes. But I think we have to divide the producers into two, those who are immediately concerned with the cocoa situation itself and who know a great deal about what happens to cocoa after it has been harvested, processed and shipped overseas, and those who regard cocoa as a commodity which earns them foreign exchange with which to import.

For this latter group, it will always be a question of getting as much as they can from the commodity. Perhaps this idea of substitution doesn't ring true in their ears, they don't want to hear it. They think it is probably a kind of bogie which the consumers use to whip them into submitting to lower prices. But the problem of substitution is a very real one and these higher prices have not really done cocoa much good. To some extent this is why we are having lower prices now, because at £3 000 the producers of substitutes had a field day and cocoa consumption has been checked considerably because of the intrusion of substitutes. Substitutes have been gaining ground.

The cocoa bean contains a large amount of ordinary fat, hard fat, and this can be substituted with fat from palm oil, shee butter and from so many vegetable fats. If you can substitute vegetable fats for the cocoa fats all that you need is the flavour. Vegetable fat, is as good as cocoa butter and if you just sprinkle some cocoa powder on it, then you have a product like chocolat. Not very many consumers are very discriminating these days, not like the old days when people used to eat special brands of chocolate. So it is quite easy to produce substitutes nowadays. In America and other countries there are products which contain no cocoa at all and they look like chocolate and taste like chocolate. These are very serious dangers, but at the same time this cannot be used to make producers abandon their fight for higher prices.

The Cocoa Producers' Alliance

► *Is there a high level of cooperation between the main producers?*

— Well, the main cocoa producers formed what they call the Cocoa Producers' Alliance as far back as 1962. It has got its own secretariat in Lagos, and the main producers meet once or twice a year. They are very very effective. It has taken them a long time, but on a political level even the heads of state are getting involved.

As this present agreement runs out, the producers will try to have their own agreement and organization to protect themselves from the market. The actual details of what they are going to do are very sparse at this stage. We hear they have been talking about building silos to stock the cocoa in times of plenty and they will release the cocoa when there is a shortage on the market. So basically they intend to do the sort of thing which the buffer stock manager intended to do under the agreement with the consumers. So it would be a producers' buffer stock system, without the consumers being involved at all.

► *What are their other objectives? Are they interested in other aspects of the cocoa trade, more processing on the spot for example?*

Cocoa growing is an important provider of jobs in rural areas



— There has been a lot of interest in more processing and several developments in this area in some of the producing countries. Brazil now processes half of its production, and the Ivory Coast's processing has gone up considerably in the past five years, I think by 100%, and other countries are also interested in more processing. It doesn't normally go to the extent of the final products. In the Ivory Coast they have got a chocolate factory but I don't think this is for export. In many producing countries they now have factories for making chocolate, in Ghana and Cameroon and, of course, in Brazil, where there is a considerable market.

The advantage is that it provides jobs for people. It's one way of transferring technology to a developing country, and the developing countries therefore attach a lot of importance to it. As far as the economics of processing is concerned, I think the advantages don't appear to be very clear at this stage because I understand the market is very narrow. It is not as free and as wide as the market for cocoa beans because of tariff walls.

► *You mentioned the Cocoa Producers' Alliance on the producer side. How organized are the consumers?*

— The consumers are not organized at all. I think the most organized unit is the EEC; the nine countries have a forum for discussing cocoa matters. The problem is that when we have a conference the EEC have to get together and sort out their position and then they have to get all the other consumers together and try to come to a common position. As far as the consumer group is concerned, it's very difficult to have a common position. For example, the Nordic countries are very willing to pay higher prices for raw materials from developing countries. Japan doesn't mind very much, after all cocoa is not so important to it. But the EEC countries like Germany and the United Kingdom have a considerable cocoa and chocolate industry and pricing is a big problem.

► *Now there is no new agreement, how will that affect the international cocoa trade? Will it really make much difference?*

— Well, so far, the cocoa agreement has not had any effect at all on the international trade. I think that the international cocoa trade will continue as usual, it will continue to have its ups and downs as before. When we run into a period of relatively low prices, the producers might try to do something on their own. If they are able to run an agreement on their own it will involve a sensible price level, not too high, not too low, and maybe they could bring some stability into the market. If the producers are not able to do anything on their own you will have very low prices which will discourage future investment in cocoa. Then, after the seven year period, we will run into another period of high prices.

► *This organization, the ICCO, came out of the two agreements. What role could it have, without a third agreement?*

— Well, it's possible for the administrative provisions to be extended and all the economic provisions could be suspended. We would still have the organization to do research. We have a very good economic studies division which published the quarterly bulletin of cocoa statistics and does a lot of studies on cocoa production and consumption. This is very much appreciated by both producers and consumers. They would both like to have the organization around to call conferences, bring producers and consumers together under the advisory group on world cocoa matters so that experts from the cocoa world can come together and discuss their common problems. It would also leave the door open for a future coming together to negotiate a new international agreement with economic provisions. ○

Interview by Ian PIPER

The International Cocoa Organization

The 1972 cocoa agreement was negotiated at the United Nations cocoa conference in Geneva in October 1972, which was held under the auspices of the United Nations Conference on Trade and Development (UNCTAD). It entered into force on 30 June 1973 and expired on 30 September 1976. The 1975 International Cocoa Agreement was a continuation of the 1972 agreement and entered into force on 1 October 1976 for a period of three years. Like its predecessor, its main objective was to ensure the production of adequate supplies of cocoa at prices which were remunerative to producers and fair to consumers, and to prevent excessive price fluctuations. In the long term the agreement sought to encourage the expansion of the world cocoa trade and to secure a balance between supply and demand.

Establishment and structure of the ICCO

The International Cocoa Organization (ICCO) was established under article 5 of the first International Cocoa Agreement to administer the provisions of the agreement and to supervise its operation(1). The organization consists of the International Cocoa Council and its subsidiary bodies, which comprise representatives from member states, and the secretariat, which was established by the council to provide facilities for its work.

Membership of the International Cocoa Agreement, 1975

Membership of the International Cocoa Agreement, 1975, numbered 45 countries. There were 18 exporting countries, accounting for more than 90 per cent of world exports of cocoa beans or cocoa products and 27 importing countries accounting for more than 70 per cent of world imports of cocoa beans or cocoa products. In addition, the European Economic Community(2) participates in the work of the organization as an intergovernmental organization without voting rights.

International Cocoa Council

The International Cocoa Council is the highest authority of the ICCO and consists of all members of the agreement. The council holds one regular session in each half of the cocoa year, which runs from 1 October to 30 September. The council may meet in special session, however, when circumstances require it to do so. Voting powers in the council are evenly divided between exporting and importing members. In the case of exporters, votes are based on a member's share of world production, while the votes of importers are based on a member's share of world imports.

Executive committee

Many of the council's powers are delegated to an executive committee which is composed of 16 members—eight exporting and eight importing members—elected annually by the council. The committee is responsible to and works under the general direction of the council but has decision-making powers of its own on matters other than those specifically reserved for the council under the provisions of the

(1) At the time of going to press, the future of the organization was unclear. Negotiations to agree a third international agreement failed in London, but the summit of cocoa producers in Yamoussoukro, Ivory Coast, suggested a continuation of the non-economic provisions, allowing the ICCO to continue.

(2) Member states of the EEC also have individual membership status.

agreement. In practice, most matters considered by the council are first examined by the executive committee, which normally holds four series of meetings a year. The executive committee is assisted in its work by a number of permanent committees which specialize in key areas of the operation of the agreement and the administration of the ICCO, such as finance, statistics, rules governing the movement of cocoa in world trade and rules governing the operation of the buffer stock. Members are elected annually to these committees by the executive committee, which also appoints sub-committees on an ad hoc basis to examine matters of a technical or specialized nature.

Role of the International Cocoa Council

The main function of the International Cocoa Council is to supervise the operation of the agreement and the administration of its numerous provisions. Regular reports from the secretariat and the executive committee on these matters form the basis of the council's work at its two regular sessions each year.

In addition to its supervisory role the council provides the world's cocoa producing and consuming countries with a forum for the exchange of views and information on all aspects of the world cocoa economy. Matters relating to cocoa production, consumption and prices are kept under constant review. Regular reports on these subjects are commissioned and considered by the council in its deliberations on the best methods to achieve the agreement's objectives. One of the functions of the secretariat is to conduct research into the various facets of the world cocoa economy in both areas of production and consumption and provide the council with data and economic analyses upon which council decisions can be based. The major work so far produced in this field is the *Study of Production and Consumption Capacity*. The study contains detailed surveys of the main cocoa producing and consuming countries and estimates of world production and consumption in 1979/80 and 1984/85.

Secretariat

The secretariat provides the council and its subsidiary bodies with the facilities to conduct its work. Its duties include the preparation of documents, translation, research, monitoring the movement of cocoa in world trade and ensuring compliance with ICCO rules and regulations, assembling and analysing statistics, and arrangements for meetings, which are conducted through simultaneous interpretation. The ICCO has four working languages — English, French, Russian and Spanish.

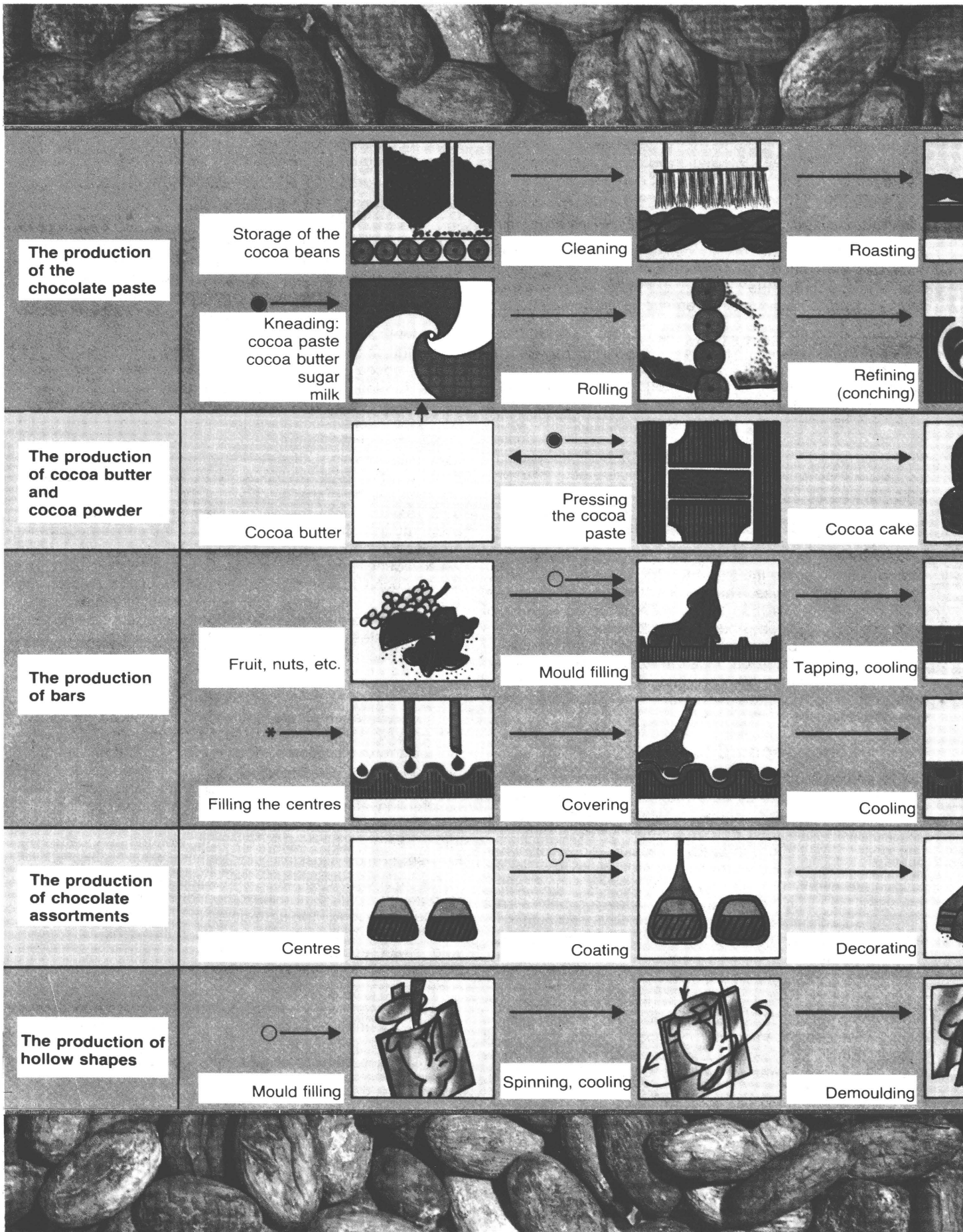
The executive director is appointed by the council and is responsible for the administration of the organization and for the operation of the agreement in accordance with council decisions and instructions. The buffer stock manager, who is also appointed by the council, is responsible for the operation of the buffer stock.

The ICCO, which has its headquarters in London, has a permanent staff of 60, recruited from among the nationals of member countries on as broad a geographical basis as possible. Contributions to the organization's budget are assessed according to a member's voting strength.

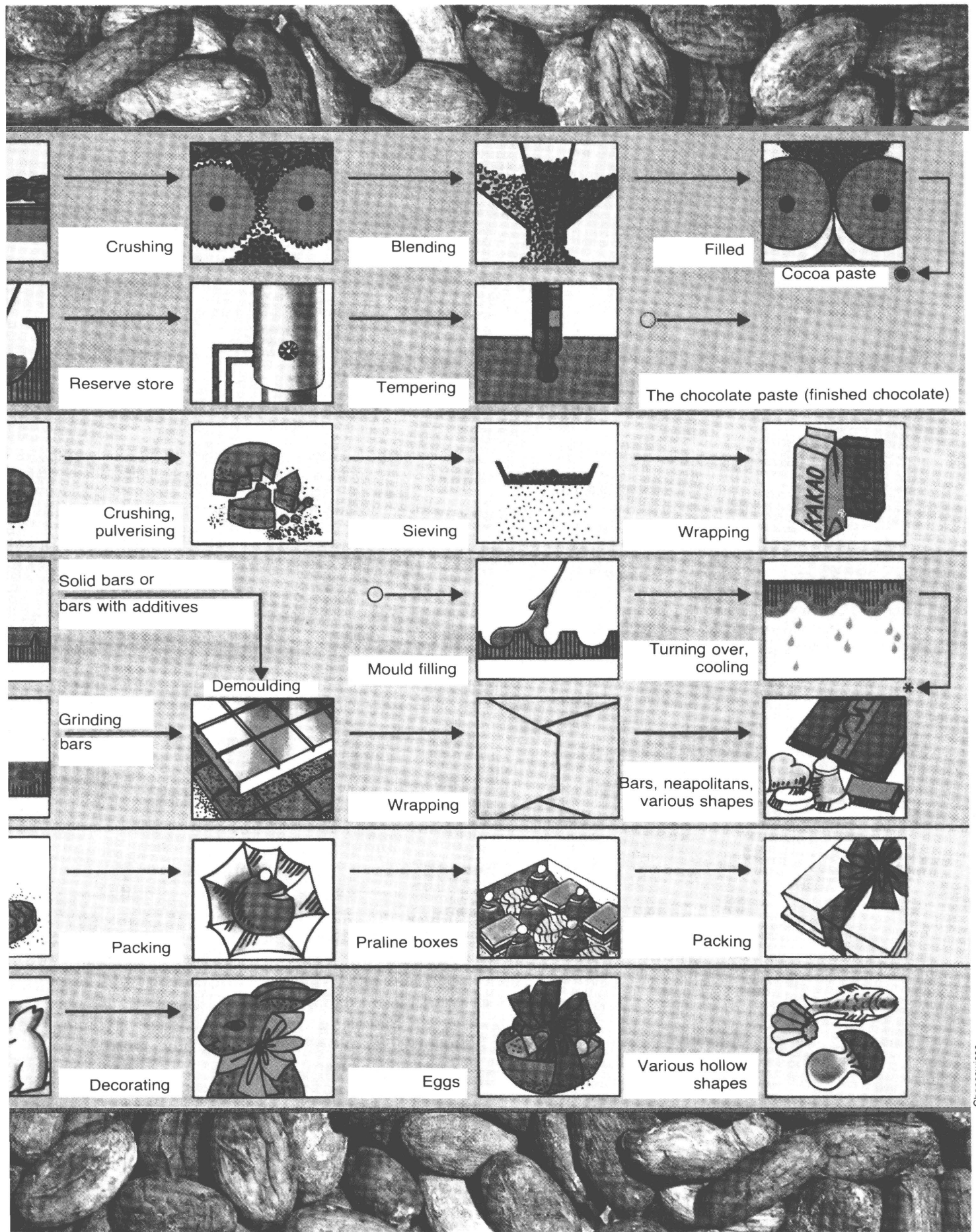
Information

The ICCO has become the international centre for the collection and dissemination of statistical information on world production, sales, prices, exports/imports, consumption and stocks of cocoa. This information is included in a *Quarterly Bulletin of Cocoa Statistics* which is published by the organization and which is available on subscription. ○

From beans ...



... to chocolate



The International Cocoa and Chocolate Office (OICC)

A scientific association working for industry

by Emile TOEBOSCH,

director general of the OICC

The OICC, an independent body, was set up in 1930, when Mr Martougin, a Belgian chocolate manufacturer, realized there was a need for the chocolate industry to unite to defend its interests. The first meeting of the association, which nine countries attended, was in Antwerp, where the national associations of Germany, France, Switzerland, the Netherlands, Austria, Italy, Spain and the UK agreed to join with the Belgian national association in OICC activities.

The statutes of the organization, which is still too little known, state its aims as being to encourage scientific research, to develop the cocoa and chocolate industry and to protect its interests.

The OICC council has held 56 sessions since then. Every two or three years there is a general meeting of representatives from the chocolate industry all over the world. Although there were only nine members to begin with, 24 national associations are now actively involved in the work and, in addition to the countries of western Europe, there are now representatives of the USA, Japan, Israel, Ecuador, New Zealand, Brazil and Australia and individual members from Greece and India too.

On the initiative of its chairmen, Mr Martougin first, followed by Paul Cadbury (UK), Dr del Boca (Switzerland), Mr Wursteisen (France) and the present head, Mr Viskil (Netherlands), the OICC has considerably extended its scope.

Scientific research, dealt with by a committee of experts and a research policy committee, is one of the OICC's main concerns.

Activities of the committee of experts

Some 80 chemists, biologists and technicians are currently working in 17 working parties set up by the committee of experts. Periodically, the council invites the experts to investigate a problem of importance for the industry. A working party is then set up, on as international a basis as possible, and experiments are run in laboratories in various firms. The committee has dealt with the problem of iso-oleic acids and fermentation in cocoa beans, run a chromatographic study of fats, etc.

After several years of testing, the working parties submit their conclusions and a method of analysis is devised. About 40 methods, recognized by the Association of Official Analytical Chemists and Codex Alimentarius, have been produced in this way. The methods are also useful to scientific groups in the EEC Commission and they are of considerable import-

ance for the industry in general in both consumer and producer countries.

One of the problems with which the experts are dealing at the moment is the fixing of quality standards for semi-finished products and for cocoa butter and cake. For some years now, quite understandably, various of the cocoa producing countries have been producing cocoa butter, so the chocolate industry is now being plied with cocoa butter from Ecuador, Ivory Coast, Cameroon, Brazil, Ghana and more and it is logical for it to want to know how the cocoa butter, which is of such importance to the finished product, is made. The Fraunhofer Institute in Munich, which specializes in food technology and packaging, has also produced a document on quality standards for roasted cocoa paste. The OICC experts will be looking at the methods of analysis used, the sampling, etc. and, obviously, they hope to be able to do this with the cooperation of experts from the producing countries.

This is only one example of what OICC experts do.

A major problem — transport

In 1976, the OICC asked a working party to look into the problem of transporting cocoa beans in containers. At the moment, beans are transported in sacks, but many shippers use containers for other products and they do not see why the same system cannot be used for cocoa. The idea is not to deliver beans at a lower price in a way that suits the buyer better, but to do away with a system that many feel is now outmoded. The essential argument is that, in 10 or 15 years' time, there will be virtually nothing but container traffic. The working party was invited to make technical recommendations.

The problem was that, if beans were put in sealed containers, the cocoa would rot. Experiments were carried out with beans packed in plastic-lined sacks which were then loaded into containers. It soon emerged that special containers were needed to ensure that ships could be loaded rapidly and that there was proper ventilation during the voyage. Contact was then made with the shipping companies.

The working party has since met roughly twice a year to examine the results of transport trials carried out with the

When beans are dried in the sun they have to be turned regularly to ensure a uniform effect



financial collaboration of a number of firms. Tests were run with different types of containers, some of which the shippers had constructed specially. It was found that, in winter, when there was a bigger difference between the temperature in West Africa and in Europe, condensation in the containers was greater.

Tests which were run in 1978 and 1979 by the Deutsche Afrika Linie produced far better results. Five containers were despatched, three sealed and two ventilated, and humidity dropped from 8% to 6%. Other companies, like the East Asiatic Company and African Container Express, also cooperated with the OICC working party. Further consignments were sent last winter and the working party will be meeting again soon to discuss the results.

In addition to the purely technical side, there are commercial problems for the industrialists to handle. Let us not forget that this issue was also examined by the advisory group on the world cocoa economy in London (under the auspices of the International Cocoa Organization (ICCO)) in January 1980.

The OICC and West Africa

The OICC tries to maintain and improve its contact with representatives, official bodies and stabilization funds in the producing countries. In November/December 1978, it sent a mission out to four countries of West Africa (Ivory Coast, Ghana, Cameroon and Nigeria), the fifth such trip it had organized.

The mission was led by the late Mr Wursteisen and the present head, Mr Viskil, and consisted of 20 representatives of the cocoa industries of Europe. It had considerable contact with the various ministries and with heads of research centres and it also met with the president and members of COPAL, the producers' alliance, a body with which, we feel, the industry would do well to maintain regular relations. Frank discussions were held on cocoa production, the effect of the large decrease of the last few years in certain countries of Africa, cocoa prices, the functioning of the international agreement, the quality of cocoa and the manufacture of cocoa cake in the producing countries.

The OICC has observer status at the International Cocoa Organization in London and its chairman and delegates often get the opportunity to meet COPAL representatives, with whom they have already established a cordial relationship.

It has been suggested that an OICC/COPAL council joint meeting be held in the near future.

Research in the field

Although it is important to run laboratory tests and devise analytical methods, research on the plantations themselves should not be overlooked.

For some years now, the OICC has had a research policy committee, to which 11 national associations currently belong. The committee has financed research into capsids and published a very interesting report. Since 1973, it has investigated black pod, the disease responsible for so much production loss in certain countries. Three British researchers went out to Gambari, to the Cocoa Research Institute of Nigeria (CRIN). The team has now completed its work, after seven years of research, and is drafting a report which will be



A cocoa research laboratory in Mexico, where the first known plantations were established over 1300 years ago

presented to the council and widely distributed. It should be noted that this research in the producing country was possible thanks to the cooperation of African researchers and the hospitality of the African authorities.

Once the work on black pod is finished, the committee will probably be financing other projects. Attention should be drawn to the very important contribution made by delegates from the French coffee and cocoa institute and those of the American Cocoa Research Institute to this work.

Maximum contact

The OICC is constantly in touch with the producers' alliance and has the status of observer at the International Cocoa Organization in London. It has the same status at Codex Alimentarius and one of Cadbury-Schweppes' research workers went to the session on residual pesticide in cocoa in June 1979.

All this shows how effective the OICC can be and how dynamic the council members are as, in spite of absorbing duties at the head of their own firms, they are convinced of both the need for international cooperation and greater solidarity in the industry and the importance of a dialogue with all the institutions concerned, particularly the representatives of the producing countries. No problem today can be solved on a national basis alone or even in a community like the EEC.

All problems are now of international dimensions and cocoa, because it is produced on continents other than those which consume it in the greatest quantities, is a living example. ○ E.M.

The prospects for production and consumption 1980-1985^(*)

Both the production and consumption of cocoa is geographically heavily concentrated. Production, for example, is dominated by five countries, Brazil, Cameroon, Ghana, the Ivory Coast and Nigeria, which together account for more than three quarters of world production. Fifteen countries, eight of them ACP states, account for more than 95% of world production. The main ACP producers are Ivory Coast (312 000 tonnes in 1978/79), Ghana (265 000 t), Nigeria (160 000 t), Cameroon (108 000 t) and Papua New Guinea (30 000 t)(1). Total world production in 1978/79 was 1 500 000 tonnes. Estimates by the ICCO for 1979/80 show a rise to 1 512 000 tonnes.

Imports of cocoa beans, paste, powder and butter are also dominated by a few mainly western countries. The main bean importing countries, for example, are the United States (17.5% of world imports), Germany (15.2%), the Netherlands (15.1%) and the United Kingdom (9.3%), which means that four countries account for 58% of total world imports (1977/78). The EEC as a whole accounted for 50% of world imports of beans in 1977/78. The figure for the Soviet Union was 8%. Total world imports for that year reached 1 006 620 tonnes.

Past production trends

Production is very variable, depending particularly on the amount and distribution of rainfall, but also on such factors as the use of fertilizers, insecticides and fungicides, changes in husbandry, and the number of trees coming to fruit-bearing age or being abandoned. Sometimes the changes are quite dramatic. In Brazil in 1973/74, production was 53% more than in the previous year. In Nigeria in 1970/71 production was up by 38%, but in 1976/77 was 23% lower than the previous year. In Ghana in 1964/65 production was 36% up on the previous year, but then fell by 28% the following year.

A number of ACP countries process some of their production into cocoa butter (left), but most of it is still exported in beans and the grinding takes place in the consuming countries (right)



Stocks of cocoa at any given time are difficult to estimate since figures are not always reliable. Estimating stocks can be done by comparing production to grindings. Large crops in the early 1970s produced surpluses, while after 1973 deficits began to build up. With increases in production in view, surplus stocks are expected to increase in size again. Estimates of stocks of cocoa beans at the end of 1977 were in the region of 400 000 tonnes.

Of the 15 main producers, the Latin American countries are also significant consumers. Colombia in particular, which is the world's 10th most important producer, actually imports since it does not cover its own needs. Mexico consumes two thirds of its own production. The African producers, however, produce mainly for export. Brazil, therefore, which has successfully struggled to overtake both Ghana and the Ivory Coast in terms of production, exports considerably less than they do—118 000 tonnes in 1977/78 against over 210 000 tonnes for both Ghana and Ivory Coast. Total world exports of beans in the early '70s were over 1 100 000 tonnes annually, but with the increase in processing facilities in the producing countries and lower production levels, the world total has fallen below the million tonne mark.

Exports of cocoa products, both by producers and by importers of beans, have been steadily increasing. The most notable improvements in the export of cocoa products on the producers' side were by Ecuador and Brazil. Ivory Coast and Cameroon also saw modest improvements, but Ghana and Nigeria slight declines. Increases in exports of cocoa products by bean-importing countries were most marked in the case of the Netherlands and West Germany. Large increases in imports of cocoa products, as opposed to beans, were recorded by the USA, France and the USSR.

Final consumption

Import figures of cocoa beans or products do not necessarily indicate final consumption. For example in the Nether-

(*) This article is based mainly on ICCO documents.

(1) The estimates for 1979/80 are, in the same order, 300 000 t, 270 000 t, 180 000 t, 110 000 and 30 000 t.

lands, one of the top importers, grindings in 1976/77 reached 400 000 tonnes, while the chocolate and other cocoa-using industries consumed one quarter of that amount. The majority of the grindings, as in many of the importing countries, were for re-export.

Final consumption of cocoa (measured in beans equivalent) varies greatly from country to country. Switzerland is the highest, with 3.6 kg per head, followed by Austria, Belgium and Luxembourg (2.9 kg). France and the UK consume the EEC average of 1.8-1.9 kg per head. This compares to a world average of 0.3 kg. The highest per capita consumption in the producing countries is 1.3 kg in Colombia. The four leading ACP producers register only 0.1 kg per head.

The price factor

The prices cocoa fetched during the 1970s were also important for the health of the cocoa trade, and here there was a lack of stability. Prices ranged between 26.4 US cents per pound and 164.8 US cents. There have been price and production cycles since the Second World War. Prices were relatively high in the '50s, but declined in the period 1958-1965. With lower production between 1965-1969 prices rose, only to fall after the 1969-72 drop in production. The average annual percentage change in cocoa prices between 1970-1978 was 37% compared with a change in production of 7% and of grindings of 3.5%.

World production prospects

Against the current background of the world cocoa economy the ICCO has attempted to estimate trends in production and consumption until 1985, based on often variable information on land area, characteristics of the tree stock and production programmes in individual countries. The ICCO believes that world production will increase at approximately 2.9% per annum until the 1981/82 season and then at 5.5% per annum until 1984/85. That would give a world figure of 1 872 000 tonnes by 1985. Although considerable variations are still expected from year to year in individual countries, the overall trend is not expected to change. The calculations made by the ICCO give the following figures:

Cocoa production estimates in the major producing countries and in the world, 1979/80 to 1984/85

(thousand tonnes)

Country	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85
	(1)					
Brazil	300	287	315	351	402	449
Cameroon	110	116	117	120	124	129
Dominican Republic	27	37	38	39	41	43
Ecuador	78	65	66	67	68	69
Ghana	270	275	269	265	262	257
Ivory Coast	300	322	340	360	382	406
Nigeria	180	196	204	214	224	235
Papua New Guinea	30	34	35	36	38	40
Others	194	200	208	218	231	244
World total	1 484	1 532	1 592	1 670	1 772	1 872

(1) Revised forecast by the ICCO, 25 October 1979.

At the beginning of the '70s, Ghana was by far the largest producer. The figures for the 1970/71 season were Ghana 406 000 tonnes, Nigeria 304 800 tonnes, Ivory Coast 179 600 tonnes, Brazil 182 400 tonnes and Cameroon 112 000 tonnes. That year was a peak for Nigeria, as the following season was for Ghana (470 000 tonnes). Both subsequently saw a decline. Ghana was overtaken by the Ivory Coast, which thereby became the world's biggest producer in 1977/78.

Although in the ICCO forecasts the Ivory Coast will remain the biggest ACP producer, it is predicted that Brazil will take on the position of world leader by 1983/84. By the mid-'80s the five major ACP producers will be responsible, according to the ICCO, for 57% of world production, a drop of 7% over a decade. In the same period Brazil's production will have risen from 17% of world production to 24%.

On the consumption side, the ICCO has calculated grindings until 1985 which make certain assumptions on real income growth in the main consuming countries (3% or 4% p.a.) and price levels of 100 US cents or 150 US cents per pound. Using their equation they came to the following results:

Projected world grindings of cocoa beans, 1980-1985

(thousand tonnes)

Year	Real income growth rate of 3% p.a.		Real income growth rate of 4% p.a.	
	150 US cents per lb in 1978 prices	100 US cents per lb in 1978 prices	150 US cents per lb in 1978 prices	100 US cents per lb in 1978 prices
1980	1 470	1 582	1 487	1 601
1981	1 496	1 610	1 522	1 638
1982	1 523	1 639	1 557	1 676
1983	1 549	1 666	1 593	1 715
1984	1 575	1 695	1 630	1 754
1985	1 603	1 726	1 668	1 796

Within the country by country analysis by the ICCO it is clear that there is still considerable potential for consumption, especially in the USSR and East Europe.

Assuming that the 4% annual real growth in incomes for the OECD and CMEA countries is correct, projected grinding for 1985 is 1 669 000 tonnes at 150 US cents per pound (1978 prices) or 1 797 000 at 100 US cents per pound.

This compares with a production figure of 1 872 000 tonnes for 1984/85. Such a level of production would be 18% higher than the record 1971/72 season, and the ICCO studies suggest that over the next five years 75% of the increase in production will be accounted for by two countries, Brazil and the Ivory Coast.

Prices, which during the 1970s were consistently above the maximum prices in the 1972 and 1975 International Cocoa Agreements, are predicted to go as high as 175 US cents per pound, falling to 112 US cents per pound in 1985. O I.P.

Cocoa bean production in countries producing more than 5000 tonnes a year (1978/79) (000 tonnes)

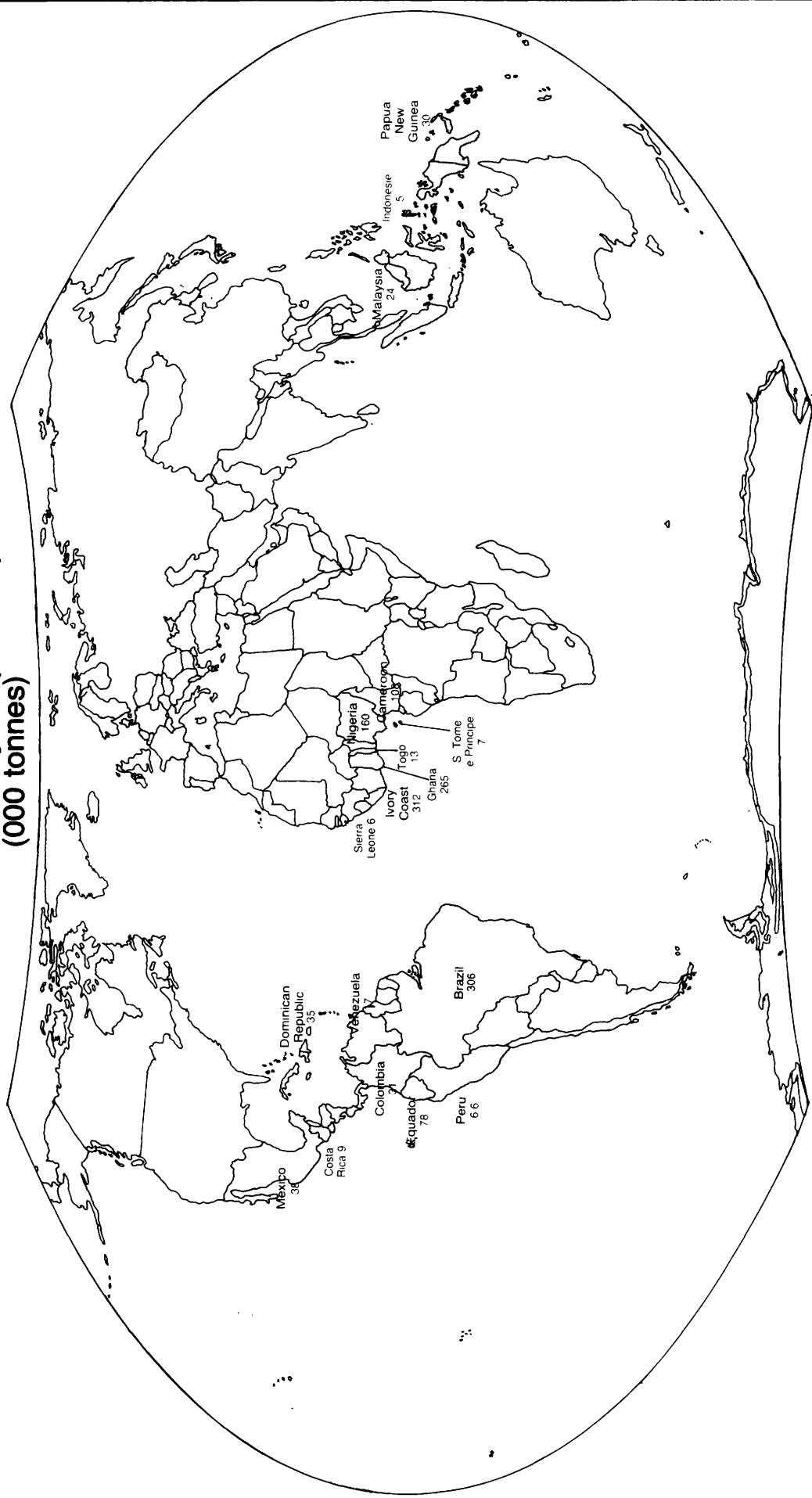


Table 1
Production of cocoa beans by country, 1970/71 — 1979/80 (*)

Thousand tonnes

Country	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80(1)
AFRICA										
<i>Members (ICCO)</i>										
Cameroon	112.0	123.0	106.9	110.0	118.0	96.0	82.0	108.2	108.0	110.0
Gabon	5.0	5.3	5.0	5.0	5.0	4.0	3.5	3.5	4.0	4.0
Ghana	406.0	470.0	415.7	343.0	381.6	396.0	324.0	271.3	265.0	270.0
Ivory Coast	179.6	225.8	185.4	210.0	241.0	227.3	230.0	303.6	312.0	300.0
Nigeria	304.8	256.6	241.1	215.0	214.0	215.0	165.0	202.0	160.0	180.0
Sao Tome and Principe	10.4	10.4	11.3	10.4	7.9	7.0	5.5	7.0	7.0	7.0
Togo	27.9	29.0	18.6	16.5	15.0	17.8	15.5	16.7	13.0	15.0
Zaire	5.6	6.4	5.0	5.0	4.5	4.0	4.5	4.5	3.0	3.0
<i>Total</i>	1 051	1 127	989	915	987	967	830	917	872	889
<i>Non-members</i>										
Angola	0.4	0.5	0.6	0.7	0.5	0.3	0.3	0.2	0.2	0.2
Congo	2.0	2.0	2.1	1.5	2.1	2.5	2.0	2.0	2.0	2.0
Equatorial Guinea	30.0	22.0	10.0	12.0	12.0	11.0	8.0	5.0	5.0	5.0
Liberia	2.2	2.6	3.0	3.1	3.0	2.8	3.0	3.5	3.5	3.5
Madagascar	0.9	0.9	0.7	1.2	1.0	1.6	1.6	1.5	1.5	1.5
Sierra Leone	5.3	6.3	6.6	7.7	6.0	6.0	5.0	6.0	6.0	6.0
Tanzania	0.5	0.5	0.6	0.6	1.5	0.6	1.0	1.0	1.0	1.0
Others	15.0	10.0	20.0	5.0	2.0	2.0	2.0	2.0	3.0	3.0
<i>Total</i>	56	45	44	32	28	27	23	21	22	22
TOTAL	1 107	1 172	1 033	947	1 015	994	853	938	894	911
NORTH, CENTRAL AND SOUTH AMERICA										
<i>Members</i>										
Brazil	182.4	164.3	158.7	242.4	265.5	251.1	226.2	279.3	306.0	300.0
Colombia	21.0	22.0	23.0	24.5	26.0	26.0	28.0	28.0	31.0	37.2
Dominica	0.1	0.1	0.1	0.1	0.1	0.1	—	—	—	—
Ecuador	71.6	64.9	54.0	71.3	75.3	60.0	72.3	80.0	78.0	78.0
Grenada	3.0	2.3	2.4	2.6	2.7	2.5	2.5	2.5	2.0	2.0
Guatemala	0.8	0.6	0.6	0.7	0.4	1.0	1.0	3.0	2.0	2.0
Jamaica	1.9	2.4	2.5	1.7	1.8	1.7	2.0	1.5	1.6	1.6
Mexico	25.0	30.0	29.6	28.1	32.0	33.1	24.2	34.7	38.0	38.0
Peru	2.0	2.0	2.0	2.0	2.0	3.5	4.5	5.4	6.6	6.6
St Lucia	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
St Vincent	—	—	0.1	0.1	0.1	0.1	—	—	—	—
Trinidad and Tobago	4.1	4.5	4.8	3.4	4.7	3.0	4.0	4.0	3.0	3.0
Venezuela	19.0	19.0	16.0	16.4	19.0	16.0	16.5	16.0	17.0	17.0
<i>Total</i>	331	312	294	393	430	398	381	454	486	485
<i>Non-members</i>										
Bolivia	1.3	1.4	1.4	1.4	1.4	1.5	2.0	2.5	2.5	2.5
Costa Rica	4.2	7.4	4.6	6.6	7.1	5.7	7.9	8.0	9.0	9.0
Cuba	1.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Dominican Republic	34.6	45.0	31.3	40.7	33.2	32.0	38.0	35.0	35.0	27.0
Haiti	3.7	3.0	3.5	3.5	3.5	3.0	2.5	2.5	2.5	2.5
Honduras	0.3	0.3	0.3	0.3	0.1	0.3	0.3	0.5	0.5	0.5
Nicaragua	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
Panama	0.6	0.5	0.6	0.5	0.6	0.5	0.5	1.0	1.0	1.0
Others	—	—	—	—	—	1.0	1.0	0.5	0.5	0.5
<i>Total</i>	47	60	44	56	49	47	55	53	53	46
TOTAL	378	372	338	449	479	445	436	507	539	531
ASIA AND OCEANIA										
<i>Members</i>										
Papua New Guinea	28.0	29.9	23.1	30.0	36.0	31.9	28.5	29.5	30.0	30.0
Philippines	3.6	3.0	3.5	4.0	4.0	3.5	3.5	3.5	3.0	3.0
Samoa	2.3	2.4	0.9	1.6	1.5	1.5	1.5	1.5	1.5	1.5
<i>Total</i>	34	35	28	36	42	37	34	34	34	35
<i>Non-members</i>										
Fiji	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Indonesia	1.7	2.0	2.0	3.0	3.3	4.0	5.0	5.0	5.0	5.0
Malaysia	3.5	5.0	7.0	10.0	12.0	16.0	18.0	22.0	24.0	26.0
New Hebrides	0.7	0.3	0.8	0.7	0.7	0.6	0.8	1.0	1.0	1.0
Solomon Islands	0.1	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2
Sri Lanka	2.2	2.0	1.3	2.0	2.0	1.4	1.7	2.0	2.0	2.0
Others	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5
<i>Total</i>	9	10	12	16	19	23	26	31	33	35
TOTAL	43	45	40	52	61	60	60	65	67	70
<i>Total for Members (ICCO)</i>	1 416	1 474	1 311	1 344	1 459	1 402	1 245	1 405	1 392	1 409
<i>Total for non-members</i>	112	115	100	104	96	97	104	105	108	103
WORLD TOTAL	1 528	1 589	1 411	1 448	1 555	1 499	1 349	1 510	1 500	1 512

(1) Forecasts by Statistics Committee of ICCO, 25 October 1979.
(*) Source ICCO, London.

Table 2
Cocoa consumption
(by final consumer)
by country⁽¹⁾

Thousand tonnes

Country	1975/76	1976/77	1977/78
WESTERN EUROPE			
Austria	18.6	21.5	20.7
Belgium/Luxembourg	25.3	27.1	27.8
Denmark	9.4	8.9	9.1
France	93.1	92.0	91.8
Germany, Fed. Rep.	135.6	136.7	143.1
Greece	6.0	6.8	6.6
Italy	35.2	32.9	31.0
Netherlands	21.8	21.9	30.0
Norway	8.6	9.0	9.1
Spain	17.8	18.7	16.3
Sweden	13.2	15.7	13.3
Switzerland	20.5	21.9	24.0
United Kingdom	102.6	104.7	88.8
Yugoslavia	12.3	17.0	12.2
EASTERN EUROPE			
Bulgaria	12.1	15.3	10.9
Czechoslovakia	19.2	18.3	18.8
German Dem. Rep.	27.5	27.6	23.2
Hungary	14.1	14.0	18.6
Poland	33.8	36.0	36.3
Romania	10.7	10.1	10.0
USSR	153.6	118.4	88.9
NORTH, CENTRAL AND SOUTH AMERICA			
Argentina	9.3	8.8	7.2
Brazil	27.3	26.7	23.9
Canada	36.2	36.5	29.4
Colombia	41.9	32.6	33.9
Dominican Republic	9.1	8.5	9.1
Ecuador	6.0	6.5	3.1
Mexico	23.5	16.9	23.9
United States	373.1	343.7	325.7
Venezuela	5.6	5.1	7.1
ASIA AND OCEANIA			
Australia	20.7	19.1	20.9
China	5.2	4.7	7.4
Japan	55.7	52.3	40.2
Philippines	6.7	5.6	4.6
TOTAL⁽²⁾	1 411	1 342	1 267

(1) Calculated as grindings of cocoa beans plus net imports of cocoa products and of chocolate and chocolate products in beans equivalent.

(2) The countries included in the table account for approximately 95 per cent of world consumption.

Table 3
Exports of cocoa beans by country

Tonnes

Country	1974/75	1975/76	1976/77	1977/78
AFRICA				
<i>Members (ICCO)</i>				
Cameroon	74 442	71 228	54 242	66 071
Gabon	4 202	3 681	3 458	3 152
Ghana	332 499	343 039	270 192	213 953

Table 3 (cont.)

Country	1974/75	1975/76	1976/77	1977/78
Ivory Coast	181 104	163 175	193 853	212 182
Nigeria	162 406	223 700	169 715	197 688
Sao Tome and Principe	7 907	5 956	4 697	6 994
Togo	13 455	17 699	15 430	15 862
Zaire	5 305	4 168	3 892	4 511
Total	781 320	832 650	715 480	720 410
<i>Non-members</i>				
Angola	472	120		
Benin	1 700	1 000		
Comoro islands	40			
Congo	2 264	2 375		1 800
Equatorial Guinea	12 000	11 000	8 000	4 600
Kenya	—	20	90	50
Liberia	2 916	2 752	2 749	3 405
Madagascar	1 000	1 600	1 613	1 372
Sierra Leone	5 393		6 379	
Tanzania	618	768	750	700
Uganda	137	96	100	262
Total	26 540	25 300	23 500	20 900
TOTAL	807 860	857 960	738 980	741 310
NORTH, CENTRAL AND SOUTH AMERICA				
<i>Members</i>				
Brazil	168 622	142 342	107 278	118 113
Colombia	—	—	—	—
Dominica	121	107	34	30
Ecuador	52 732	22 201	21 385	13 244
Grenada	2 379	2 943	2 123	2 029
Guatemala	862	637	2 830	2 000
Jamaica	1 648	1 443	1 558	1 067
Mexico	2 639	6 813	5 146	5 425
Peru	—	462	1 644	2 332
St Lucia	115	112	73	99
St Vincent	10	6	10	28
Trinidad and Tobago	4 972	2 168	3 927	3 381
Venezuela	13 569	8 544	8 994	6 393
Total	247 670	187 780	155 000	154 140
<i>Non-members</i>				
Costa Rica	5 609	4 111	5 719	5 664
Dominican Republic	22 268	19 697	28 980	25 289
Haiti	294	310		
Honduras	172	180		
Nicaragua	371	471		
Panama	723		382	800
Suriname	38			
Total	29 480	25 300	36 000	32 650
TOTAL	277 150	213 080	191 000	186 790
ASIA AND OCEANIA				
<i>Members</i>				
Papua New Guinea	33 265	31 263	27 752	29 083
Philippines	—	—	—	—
Samoa	1 461	1 500	1 363	1 317
Total	34 730	32 760	29 120	30 400
<i>Non-members</i>				
Fiji	68	78	81	
Indonesia	1 339	1 059		2 000
Malaysia	10 809	13 267	15 000	18 000
New Hebrides	635	546	753	1 008
Solomon Islands	141	111	162	226
Sri Lanka	1 075	1 425	1 278	849
Total	14 070	16 490	19 000	22 200
TOTAL	48 300	49 250	48 120	52 600
<i>Total for Members</i>	<i>1 068 720</i>	<i>1 053 190</i>	<i>899 600</i>	<i>904 950</i>
<i>Total for non-members</i>	<i>70 090</i>	<i>67 090</i>	<i>78 500</i>	<i>75 750</i>
WORLD TOTAL	1 133 810	1 120 280	978 100	980 700

Table 4
Imports of cocoa beans by country

Tonnes			
Country	1975/76	1976/77	1977/78
WESTERN EUROPE			
<i>Members (ICCO)</i>			
Austria	11 123	10 450	9 049
Belgium/Luxembourg	16 073	15 731	16 582
Denmark	3 689	2 940	2 399
Finland	2 182	2 206	1 733
France	42 998	44 341	43 525
Germany, Fed. Rep. of	144 232	156 520	157 684
Ireland	7 113	6 085	6 335
Italy	33 979	27 941	30 223
Netherlands	127 002	139 713	152 582
Norway	5 432	5 160	5 359
Portugal	2 201	1 533	191
Spain	27 445	29 734	23 480
Sweden	6 121	5 543	4 978
Switzerland	13 437	15 929	16 578
United Kingdom	98 453	75 719	94 262
Yugoslavia	10 694	16 328	11 761
Total	552 170	555 870	576 720
<i>Non-members</i>			
Greece	4 966	4 128	4 434
Iceland	76	34	
Malta	20	34	44
Total	5 060	4 200	4 520
TOTAL	557 230	560 070	581 240
EASTERN EUROPE			
<i>Members (ICCO)</i>			
Bulgaria	10 500		
Czechoslovakia	19 672	17 557	16 422
German Democratic Rep.	23 583	23 146	19 009
Hungary	14 840	13 818	15 784
USSR	123 215	88 129	79 885
Total	191 810	151 650	136 100

Loading cocoa exports



Chocobuisse

Table 4 (cont.)

Country	1975/76	1976/77	1977/78
<i>Non-members</i>			
Poland	33 630	35 115	29 705
Romania	10 677	10 002	
Total	44 310	45 120	39 700
TOTAL	236 120	196 770	175 800
AFRICA			
<i>Members</i>			
Cameroon	—	2 000	—
Total	—	2 000	—
<i>Non-members</i>			
Algeria	400		
Egypt	1 380	755	1 172
Kenya	—	—	110
Morocco	374	198	173
South Africa	5 028	4 281	3 237
Sudan	21	1	
Tunisia	460		
Total	7 660	6 050	5 500
TOTAL	7 660	8 050	5 500
NORTH, CENTRAL AND SOUTH AMERICA			
<i>Members</i>			
Canada	12 422	11 838	10 745
Colombia	7 000	2 000	2 000
Guatemala	140	11	
Peru	—	—	—
Total	19 560	13 850	12 760
<i>Non-members</i>			
Argentina	7 327	2 645	
Chile	1 000		
Cuba			
El Salvador	345	287	280
Nicaragua	217		
United States	276 544	193 138	176 127
Uruguay	433		
Total	286 400	198 200	179 700
TOTAL	305 960	212 050	192 460
ASIA AND OCEANIA			
<i>Members</i>			
Australia	12 922	14 756	11 655
Japan	31 394	32 716	20 999
New Zealand	2 988	5 309	1 869
Philippines	3 600	3 000	2 830
Total	50 900	55 780	37 350
<i>Non-members</i>			
China	7 000		
India	292		
Iran	152		
Iraq	110		
Israel	1 463	1 700	1 248
Korea, Rep. of	450	524	
Lebanon			
Malaysia	34		
Singapore	3 894	2 850	3 040
Syrian Arab Rep.	27		
Turkey	1 789	1 528	1 316
Total	15 400	14 400	14 000
TOTAL	66 300	70 180	51 350
<i>Total for Members (ICCO)</i>	<i>814 440</i>	<i>779 150</i>	<i>762 930</i>
<i>Total for non-members</i>	<i>358 830</i>	<i>267 970</i>	<i>243 420</i>
TOTAL	1 173 270	1 047 120	1 006 350

The economic importance of the cocoa tree in the ACP states and the different varieties grown

by J. LIABEUFL(*)

The ACP group contains almost all the cocoa-producing countries, which, curiously enough, are all a long way away from the areas where the tree grows naturally. The cocoa-tree is a lower canopy shrub from the tropical forests of central and southern America, outside the ACP zone. The Mayas grew it in Mexico, but it was not known to the Europeans until the early 16th century when Cortez found the Aztecs using cocoa beans both as a form of primitive currency and to prepare a nourishing drink.

At the end of the 16th century, cocoa trees were grown in most of the tropical countries of southern and central America and the Caribbean and cocoa beans began to be consumed in Spain and then throughout the rest of Europe.

The Spanish and the Portuguese introduced it into Africa, to Fernando Po and Sao Tomé and Príncipe, at the beginning of the 19th century, but it was not until the end of the century that it found its way to continental Ghana and then Nigeria, Cameroon and Ivory Coast. At the same period, the Dutch took it to south east Asia.

Cocoa production has soared this century, peaking at around 1 500 000 t 12 or so years back.

The most remarkable thing is the shift in production. It was exclusively American for centuries and is now mainly African, the latter continent supplying two thirds of the world cocoa harvest (Ivory Coast 312 000 t, Ghana 265 000 t, Nigeria 160 000 t, Cameroon 108 000 t and Togo 13 000 t) in 1978/79.

Cocoa is of major economic importance to the ACP group because of all the African producing countries which belong to it. With coffee and timber, it is one of the main sources of

income. In 1978, it accounted for 38% of the value of Ivory Coast's main exports, 42% of those of Cameroon and 65% in Ghana.

Although the production of the Caribbean ACP countries is minimal, the rôle that used to be played by the Imperial College of Trinidad in spreading plants etc to Africa was of capital importance and should now be again with the EEC's aid for the relaunching of the cocoa research unit based in that country.

In the Pacific, Papua-New Guinea, which produces around 30 000 t, is the only ACP country with any sizeable production.

The wide variety of cultivated cocoa-trees can be divided into three main groups:

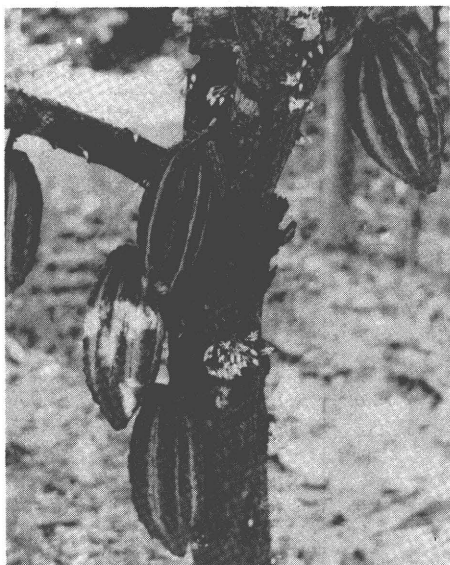
The Criollo group

This used to be grown in Mexico, central America and Venezuela. Its main features are its white, fleshy beans. The pods are red or green before they ripen, and tend to be elongated, with a sharp point and deep ridges. The cortex is usually pimpled and always slender and soft, although some cultivars (Porcelana, Venezuela), have smooth pods.

In spite of the fine quality and subtle aroma, Criollo cocoas tend not to be grown now. There are some plantations in Mexico, Nicaragua, Guatemala, Columbia, Venezuela, Madagascar, the Comoros and Java, but they are disappearing now because they are more disease-prone than new varieties and hybrids. They were overpriced before, compared to ordinary cocoa, and only used in luxury confectionary and they have lost their usefulness now that technology has improved and there is no longer any special trade in them.

(*) Agronomical engineer, INA, and deputy director general at the IFCC.

From left to right, a Criollo cocoa pod from Madagascar, an Upper Amazonian hybrid and a Trinitario ICS 40 clone in fruit



The Amazonian Forastero group

All west African cocoas, ordinary Brazilian cocoa, the "national" cocoa of Ecuador and most of the cultivars of central and southern America belong to this group, which originated in the Amazon basin. This family supplies more than 80% of world cocoa production.

Forastero, typically, have fairly flat beans that are violet when fresh. The pods are green, yellow when ripe and variable in shape (Criollo to Amelonado), i.e. oval, with a smooth surface with few or no ridges. The cortex is thick and woody.

The most common cultivars are Amelonado (West Africa), a homogeneous variety with green pods that ripen to yellow, have a smooth surface and slight ridges. The beans are of average size and deep violet in colour. This is the standard cultivar beloved of chocolate manufacturers. It is grown in Ghana, Nigeria, Ivory Coast and, to a certain extent, in Cameroon.

The "common" cocoa of Brazil accounts for 90% of that country's production and it is very similar to the Amelonado of West Africa. The "cocoa nacional" or Arriba of Ecuador has rougher pods than the typical Amelonado but its lighter violet pods give a more subtle aroma than the standard varieties.

Mention should also be made of the Upper Amazonian Forastero kinds, which include populations from selections made in Trinidad from material gathered in the Upper Amazon basin in 1937/38 by Pound, who was looking for a disease-resistant strain.

Pods from various clones from the Trinidad upper Amazonian collection were brought into Ghana in 1944. The plants which these pods yielded, which were fully adapted to local ecological conditions, were of exceptional strength, precocity and productivity. They also displayed a tolerance to the swollen shoot virus. A major Upper Amazonian seed distribution programme was organized, constituting a fairly heterogeneous population of cocoa trees in which non-Amazonian pollen was used in successive hybridizations. So the Amazonian hybrids (hybrid descent from crosses between Amazonian and non-Amazonian clones) were born. All selection programmes in Africa and America use this stock, associating it with Forastero or Trinitario, with a view to curing the main defect of Upper Amazonian varieties, namely their tiny beans.

The Trinitario group

These currently supply about 15% of world cocoa production. They are of medium quality, halfway between Criollo and Forastero but, in view of their hybrid nature, they vary considerably.

They are cultivated mainly in countries where Criollo used to dominate, i.e. in Mexico, central America, the Caribbean, Columbia, Venezuela and even Ecuador (where they are tending to replace the disease-prone "cacao nacional").

In Africa, Trinitario is common in Cameroon, but it is mixed with Forastero, forming a cocoa whose aroma is of the Forastero type but has no distinctive quality of its own.

Because they are hybrids, the Trinitario populations are ideal material, which can only be maintained by vegetative process, for selection. Trinitario selection has resulted in the creation of clones, some of which, like the ICS (selection of Imperial College, Trinidad), UF (United fruit, Costa Rica) and SNK (Nkoemvone, Cameroon), are internationally known and used as male genitors in hybridization with Upper Amazonian varieties.

At the moment, Forastero predominates on the market. The reference quality is west African Amelonado, which is appreciated by industrialists and has a flavour that is popular with the consumers. ○ J.L.

Principal diseases of the cocoa tree

by Raoul A. MULLER(*)

Cocoa, of which more than 1 500 000 t is produced annually, is a key product in the economy of a number of developing countries and so anything that can affect the crop is of particular importance. Like any agricultural product, cocoa is affected by climatic and, above all, biological factors connected with encroaching vegetation, insects, and micro-organisms, including viruses and fungi. In this article, we simply deal with diseases caused by the two last-named, the former causes having been discussed elsewhere. We shall deal with those aspects of the climate and biological environment that have a direct influence on the tree, encouraging the intervention of weak parasites or determining the activity of serious ones. Since the cocoa tree originated in humid forest areas, the conditions which ensure that it flourishes also encourage the fungi which are normally active in high-humidity and obviously, this makes it extremely difficult to combat them or avoid their effects.

The list of parasitic diseases affecting the cocoa tree is a long one. We shall only deal with one or two of the more destructive of them here, discussing, successively and very briefly, those which endanger the plant itself or its productivity and those which attack the fruit which, although they may be economically very serious, only affect local production.

Diseases of the vegetative organs

Root rot

This affects the roots of ligneous plants. In the case of the cocoa tree, the condition is usually caused by the *Basidiomycetes* fungus.

Rot of this kind, which harms the roots and the base of the stems, ultimately brings about a general weakening of the plant. It is common in recently cleared forest areas which are extremely suitable for the establishment of new cocoa trees. The sources of contamination are the trunks of forest trees left after felling. The parasite spreads from the centre of infection through the mycelial strands, the rhizomorphs which go from diseased to healthy roots. The process is a slow one and the infection rarely reaches dramatic proportions, which is fortunate as the means of combatting it are somewhat impracticable and not very effective. They involve digging ditches round the centres of infection to break the rhizomorphs chain and felling diseased trees. If small centres of infection are detected early on, they can be treated with methyl bromide and a fallow period, during which only grass is grown, has to be ensured before the contaminated zones are replanted.

(*) Docteur ès sciences, head of research at ORSTOM and head of plant pathology at the IFCC.

Tracheomycosis

We shall deal with two diseases here:

The first is caused by a fungus of the *Ascomycetes* family, *Calonectria rigiduscula*, which infects the vascular system of the wood and the inner bark. The parasite is very common in west Africa and penetrates the upper parts of the plant through blisters caused by plant bugs, one of the greatest threats to the cocoa-tree in Africa. So the fungus invades the plant from top to bottom, accentuating the damage caused by the insects themselves, bringing about a gradual withering of the foliage and ultimately reaching the vessels of the trunk and killing the plant altogether. If the infection is detected fairly early on, the plants can be saved by cutting back below the areas already infected. But obviously, this disease should be prevented by thorough insect-control campaign.

The second is caused by *Verticillium dahliae*. This has been studied in east Africa, particularly Uganda, where it is known as "sudden death". It causes a sudden drying of the plant, often affecting only one or a few branches to begin with and only becoming generalized later on. The leaves wither rapidly but do not fall from the tree. The infection starts underground but, once the fungus has penetrated the plant, it rapidly spreads to the upper parts too.

The pathogenic nature of the fungus has been shown in experiments. But it has also been shown that the parasite only develops and, particularly, only has an effect on the plant under certain special environmental conditions. In Ugandan conditions, which are considered somewhat marginal for cocoa because of the rather poor rainfall, the fairly low temperatures and the strong light, the disease kills trees where there is not enough shade or there is too much sun. It does not occur, or is very rare, where cocoa trees are grown in shady areas. It can therefore be prevented by growing the tree in the right conditions and regulating shade in the light of the ecology of the country.

"Witches' broom"

This is a serious disease of the vegetative organs of the cocoa-tree caused by *Marasmius pernicius*. It is rife in several countries of Latin America but unknown in Africa.

The disease, which originated in the Amazon basin, affects all meristematic tissue—young shoots, flower buds and young fruit. It gets its name from the young infected shoots which display diametral hypertrophy and an anarchic proliferation of the sides. These "witches' brooms" are not viable and die in a month or two. Small "brooms" of the same type appear on the infected cushions. The infected young buds stay small and dry before maturity. Infection of the young shoots and the cushions can lead to a 50% loss in production and repeated attacks on the branches leads to a reduction in leaves and a general fall in productivity. The parasite thrives on dead organs, so these should be destroyed to prevent contamination. The selection of resistant strains would appear to be the safest way of fighting this disease.

Various diseases of leaves and branches

We shall only say a few words about the diseases that are confined to very dark and humid plantations. The parasites are the sign of excess shade and inadequate care and can only be combatted by preventive agricultural methods whereby the plantations are established in sufficiently airy places. The same goes for the fungal disease characterized



A pod which has been attacked by brown rot. It starts from the ends where water retention is greatest

by whitish or salmon pink crusts on the upper ligneous parts of the tree which then wither and die.

Swollen shoot

There are various viral diseases that cause serious damage to the cocoa-tree and endanger its life. We shall only discuss swollen shoot here, a disease found in West Africa where it has caused considerable damage, particularly in Ghana, where more than 150 000 000 trees (150 000 ha) have been destroyed. It has also been found in Togo, where more than 1 300 000 trees were lost. All these losses were caused either by the disease itself or by the eradication campaigns when trees in infected areas were pulled up (this being the only known way of containing it until recently). Swollen shoot was reported in Ivory Coast 30 years back when a number of small areas of infection were discovered. However, it has never developed any further there, for reasons which have not so far been identified.

The disease gets its name from one of the more spectacular symptoms, the swelling of the shoots, which can double or treble in size over a length of a few centimetres. But this is not a constant symptom and another, more common manifestation is discoloration of the leaves, around the main veins or along the spine, particularly in young plants. The diversity of symptoms reflects the great diversity of strains of the virus. Swollen shoot causes a gradual weakening of the plant accompanied by a sharp drop in productivity. Death follows, usually within four or five years. The virus is transmitted by various kinds of insects and a number of spontaneous species of forest flora are known harbourers of it. The campaign against the virus is difficult. For many years the method was to try to contain it by the systematic destruction of affected trees, but this was never really successful.

Research into a more effective remedy has concentrated on the selection of resistant or tolerant varieties. Until recently, most of this work was carried out in Ghana where encouraging results were obtained and a team of researchers have been engaged in active research in Togo for three years now.

Generally speaking, the cocoa-trees of the *Amelonado* (*Forastero*) family, the most commonly cultivated in the whole of western Africa, are the most prone to the disease. A

certain degree of resistance is found in *Trinitario* (*Criollo-Forastero* hybrids). But the best chance of finding highly tolerant or economically viable resistant strains would appear to be in the Upper Amazonian types. Various other studies should be run alongside this research. An epidemiological study is called for to improve our knowledge of both the insect populations that carry the disease and the sources of the virus. Various other investigations would also be useful.

Diseases of the pods

Although diseases which attack the fruit do not usually endanger the life of the plant, they nevertheless cause serious damage... We shall deal with two such infections here.

Monilia, which only exists in one or two Latin American countries (Ecuador and Colombia) at the moment, is considered to be a limiting factor on production and can destroy 15-80% of the fruit. The infection is linked to heavy humidity, heavy rainfall and high temperatures and it is characterized by patches that are initially the colour of the ripe pod. They go brown with yellowish edges, are covered with a layer of white mycelium which produces many cream-coloured spores. Liquefaction of the seeds and internal tissue is the final stage—which gives the disease its name of watery pod rot. Spraying is recognized as an effective method of fighting this infection.

Black pod is the most famous of these diseases. It occurs in almost all cocoa-growing areas. For years it was attributed to *Phytophthora palmivora* alone, but for some time now, thanks to work carried out in Nigeria and the UK, a number of strains have been identified and it is now thought that black pod is caused by various kinds of *Phytophthora*.

This distinction is not a purely academic one. It seems to reflect the diversity of the disease in its various forms across the world, the diversity of diseased pods and the diversity of the forms of attack on the fruit, the trunk, the leaves and the branches. It also reflects the diversity of the ecological areas which the pathogen prefers—according to region it will be more abundant in the soil or in the cushions. There is also considerable diversity in the size of the attacks and we think this has much more to do with the diversity of aggressivity of the various strains of the pathogen than to differences in climate and other factors.

Black pod has caused the destruction of an estimated 10-15% of world production—i.e. the equivalent of 150 000-225 000 t of cocoa on the market. But this general figure masks the potential seriousness of the disease. The attacks are of varying intensity and major producers like Ghana and Ivory Coast only suffer small losses, except in one or two specific areas, and others are hit by massive destruction. Cameroon, for example, has lost an estimated 50% of its production because there have been no effective steps to contain the disease. Generally speaking, the pathogen is linked to high humidity as its biological cycle involves zoospores that move in water. The disease is spread by anything that moves on a plantation—water, insects, etc.

In certain countries where the soil appears to be the primary source of infection (Cameroon, for example), a clear epidemiological pattern, characterized by initial contamination of the lower pods and gradual infection of pods higher up the tree, has been traced. In these regions, chemical treatment can be confined to the first pods affected in the early part of the year—which is a saving. In regions where the soil is not the main source of infection, but where cushions and bark blisters are abundant, the epidemiological pattern is not so clear and all the pods have to be treated. Diseased pods are particularly strong sources of contamination throughout

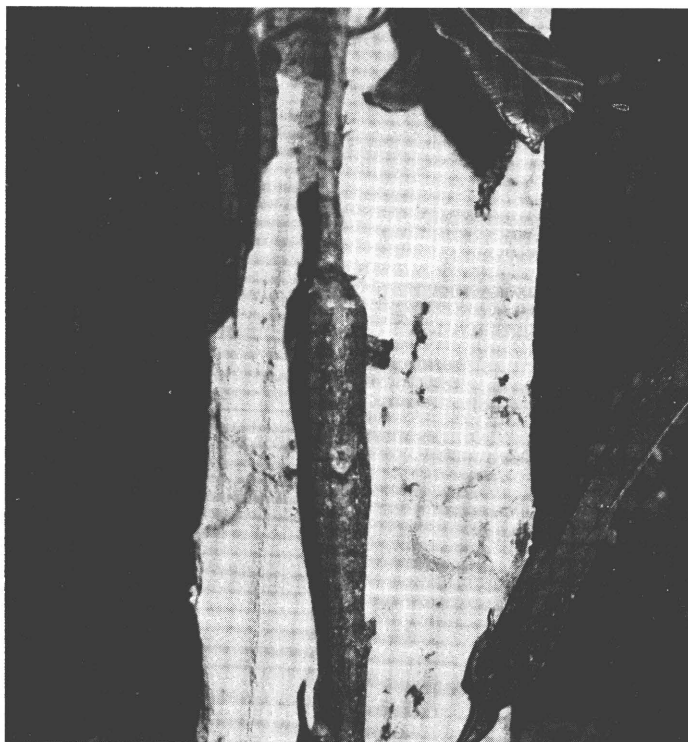
the year. Obviously, the productivity of the plantation and fair remuneration for the farmer must be borne in mind when cocoa trees are being treated.

A genetic solution to the problem is being envisaged in most countries which have proper research facilities. The process is a long and difficult one because it requires knowledge of successive generations and the cocoa-tree only bears fruit after a few years. It can be speeded up by early sensitivity tests—there seems to be a good correlation, at least for certain strains of the pathogen, between sensitivity of pods and sensitivity of other organs in the young plant (roots, stems and leaves). The effectiveness of research into resistant varieties depends on having vast collections that provide as wide a genetic base as possible. Although certain cultivars seem resistant to local strains of the pathogen, they are not resistant to others. So the potential genetic solutions are still only partial ones and it would be reasonable to expect that, as the pathogen is so diverse, only regional solutions will be found.

This article has shown that certain diseases of the cocoa-tree are linked to factors which should be dealt with as a matter of priority. The plant bugs which cause tracheomyces are an example of this. Other diseases only, occur if the environment is unfavourable to the plant, so care should be taken to ensure that the right agricultural conditions are maintained. Some diseases (swollen shoot, for example) will probably be contained by genetic means.

Those that respond to chemical treatment will not doubt also be able to be dealt with more elegantly by genetic methods. This aspect of research should be given more attention and support so that the maximum of genes can be combined in one collection. Meanwhile, the economic viability of chemical treatment depends on the productivity of the individual plantations. A campaign to boost productivity should therefore be run, possibly involving the creation of high-yield cultivars, the proper use of fertilizer (techniques are still poor in general), irrigation etc. More efficient fungicides should be produced so that the farmer's work is reduced. This, and the search for less sensitive varieties, is a matter of priority. But fair returns for the peasant farmer should be the greatest incentive for any chemical treatment that is necessary. ○

A typical case of swollen shoot



Cocoa tree pests in ACP countries

by E.M. LAVABRE(*)

Plant bugs of the Hemiptera family cause the most damage to the crop as it not only reduces the harvest, but harms the trees themselves, so that production is soon out to tiny amounts as potential is diminished. The two species in question, *Sahlbergella singularis* and *Distantiella theobroma*, are responsible for the loss of between 20% and 30% of production.

In America, insects of the *Monalonion* family cause lesser damage and in Asia and the Pacific, cocoa trees are threatened by bugs similar to the *Distantiella*.

A further threat in Africa is a viral disease, usually called swollen shoot, which is transmitted by beetles. This disease is thought to have appeared in Ghana in 1922 but it was not until 1934 that it was identified in the New Juaben district (see previous article).

In addition to these major pests, there are other less common insects which can be extremely troublesome locally. They include:

— *Earis biplaga*, a moth, whose burrowing larvae delay the formation of the crown of the young cocoa trees for one year or more;

— *Bathycoelia* (*B. ovalis* & *B. Thalassina*), a bug which pierces the cocoa pods. This is fairly widespread in Ghana in particular and in Nigeria and western Cameroon as well;

— *Tyora tessmanni*, psyllids, which pierce the stems causing shortening and, in many cases, extensive defoliation;

— *Selenothrips rubrocinctus*, the cocoa thrip, which until recently was little known in continental Africa but an exceptionally serious threat on the islands of São Tomé and Príncipe. However, over the last few years, its most serious attacks have been in Ivory Coast;

— *Tragocephale*, *Glenea* & *Phosphorus*, various kinds of branch and trunk borers. *Phosphorus* recently caused severe damage in southern Cameroon.

In addition, there is a whole series of borers, burrowers, defoliators etc., but we only mention the most harmful here.

African cocoa bugs

In the 50s, these bugs were kept fully under control by the use of lindane-based insecticides, but they developed a resistance and other means of controlling them now have to be developed.

We shall not discuss the serious consequences on the health and production of cocoa trees of the lesions provoked by these insects. All we need to know is that treatment with chemicals usually leads to 20-30% higher production in the three years that follow.

Ghana in 1955-65 and Ivory Coast in 1960-79 are good illustrations of this, since in the former case production went from 200 000 t to 500 000 t p.a. after treatment and in the latter case from 65 000 t to more than 330 000 t. Obviously, this was not all due to the insect-control treatment—better



Damage caused by plant bugs—the branches gradually dry

quality trees, and improved agricultural methods also played their part. But the chemical treatment was a great success.

Ghana had a very bad year in 1965 when insecticide-resistant bugs spread over many provinces, causing disorganization and then total breakdown of the work of the plant health teams in charge of the campaign. This led to a large drop in national production.

Resistant bugs were then found in Nigeria and large areas could no longer be treated with the insecticide.

However, now, in early 1980, there are still large areas where lindane-based insecticides can still be usefully applied. The Sangha region of Congo, Cameroon, where alternation with a different kind of product has prevented the development of resistance, Togo, where the national coffee modernization company has had excellent results so far and certain areas of Nigeria and Ghana, where the resistance to insecticides has been attenuated, are all examples of this.

However, a recent IFCC survey in Ivory Coast has shown that it was wise to substitute carbamate pesticides for the lindane-based insecticide previously used, in certain regions at least. Not all have proved equally effective. Arprocarb has always been exceedingly good and PPC3 is nearly or as good, but others, like Dioxacarb, have been abandoned, in spite of very promising preliminary testing. Diazinon has also proved very effective.

However, a problem the size of the insect invasion cannot be solved simply by finding the best pesticides. A proper control policy involves knowing about the laws which govern the dynamics of the insect population and their seasonal fluctua-

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tion. It also involves an understanding of the phenological cycle of the cocoa tree.

The annual cycle of the plant bugs is remarkably constant in western Africa. It is roughly as follows:

- a latent period when the population is very small;
- a period of progradation over two generations;
- a period of recession, as low as multiplication was high, lasting over two generations.

The damage is particularly serious when the shade or the foliage of the cocoa trees is broken. In the agrosystem in question, pesticides are only applied at given periods and in minimum quantities so that the balance of the environment is only slightly and temporarily upset.

This is the basic principle in the current insect-control campaign, but there are other possibilities involving the selection of trees which are less sensitive to these insects.

Other predators

The *Erias* family is well-known for the damage its caterpillars inflict by eating the leaves. However, they create even greater havoc by burrowing into the trees.

Eggs are laid at the base of the leaves and, when they hatch, the young caterpillars make for and penetrate the bottom of the bud. Once inside the plant, the young larvae are difficult to detect until they reach the third stage in their development when the evacuation of their excrement betrays their presence in the bud.

The caterpillar then forms its chrysalid in a cocoon made of matted silk threads. The damage inflicted is of little economic importance on adult trees but it can be very harmful to young ones as it interferes with their growth.

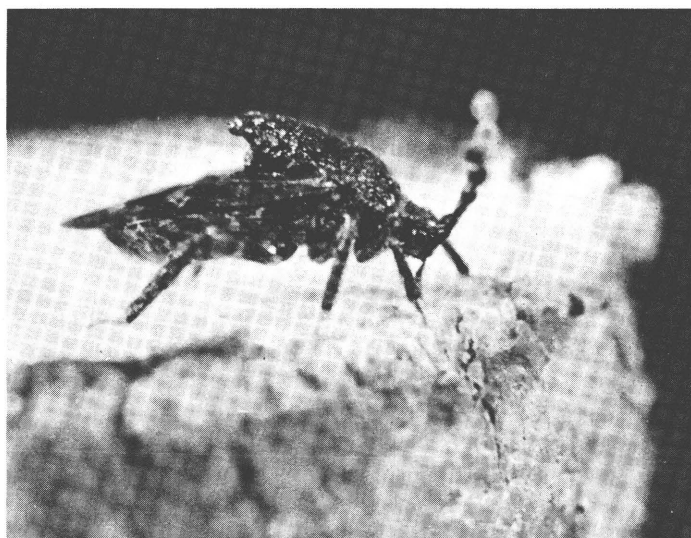
On new plantations where there is very little cover, *Earias* bugs create considerably more damage than on young cocoa trees on traditional plantations.

This is why a thoroughgoing study of these predators is required, particularly in Ivory Coast, where young plants have got as much as six months behind in their growth. The tree reacts to the destruction of the terminal bud by forming axillary buds.

The relation between shade and oviposition of females has been shown on experimental plots. The more the shade is reduced, the greater the invasion.

Although chemical treatment of *Earias* has been satisfactory for some time, there are certain drawbacks to the

Distantiella theobroma (female) boring the end of a cocoa branch



method, particularly when it is used on hybrids that form their crowns at any period of the year. So the possibilities of exploiting the natural enemies of *Earias biplage* have been investigated and particular attention has been paid to the role of *Trichogrammatoidea lutea*. This exerts a certain amount of control of natural plantations and, when released at specific times, its action is heightened.

Bathycoelia thalassina is another example of a species which has developed from a pest of secondary importance to a serious problem in certain of the countries of western Africa.

In Ghana, for example, the insect has caused losses of almost 18% of the harvest. In Nigèria, however, the estimated damage is small, as it is in Ivory Coast.

If the multiplication of these insects had followed the generalization of lindane-base insecticide against the Miridae family, the same phenomenon ought to have occurred in Nigeria, Cameroon and Ivory Coast—but the losses in these countries are, in all but very localized cases, far from being cause for concern.

It is likely that this multiplication was encouraged by a change of cocoa tree (hybrids bearing fruit over long periods) and a change in agricultural methods (thinning of forest cover).

Whatever the reason, the problem posed by the *Bathycoelia* species should not be underestimated and a campaign against them should be seriously envisaged.

Psyllids (*Tyora tessmanni*) are a serious handicap to the growth of the cocoa trees in certain regions. Repeated boring by these insects shortens stems and causes severe defoliation.

The cocoa thrips, *Selenothrips rubrocinctus*, so far considered as only a secondary problem, are now becoming a major cause for concern in continental Africa, particularly in Ivory Coast, although it was only really known on the islands of São Tomé and Píncipe and in Brazil before. This is partly due to the new agricultural methods now being used (plantations are more open to the sun) and to the fairly severe weather of the last few years.

Generally speaking, the *Typhlocibidae* bugs, which are also dangerous because they bore holes in the leaves, can cause serious defoliation on plantations, particularly those where there is no shade.

We shall round off this short introduction with a few comments on plant-health protection and of growing methods on cocoa plantations.

In all the countries of the world, cocoa trees were traditionally, grown under forest cover without a great deal of light and production, although regular, was fairly small (around 350 kg dry cocoa per ha). Modern agricultural techniques with only a small amount of shade or no shade at all yield harvests three times as big—but the risk of damage from insects is greater.

At the last international conference on cocoa research, in Douala in November 1979, Dr Saunders, an American specialist on the problems of plant health in neotropical cocoa-growing, stressed that, in most cases, the greatest care was called for in the handling of shade until our knowledge of the entomofauna of this crop increased.

One conclusion is that, although modern agricultural techniques give much larger yields, they demand considerable vigilance as regards insects, particularly the borers, and they require technical knowhow that is beyond the scope of the average planter.

Some people think that the safety margin offered by the traditional methods vis-à-vis the biotic and climatic factors is partial compensation for the extra cash derived from intensive growing methods. These are two quite different conceptions of cocoa-growing and the second is still the one the majority prefer. E.M.L.

The cocoa research unit, University of the West Indies, Trinidad

Retrospect and prospect

by L. L. de VERTEUIL(*)

That famed institute the Imperial College of Tropical Agriculture first came into being as the West Indian Agricultural College, which was established at St. Augustine, Trinidad, in 1921. Its name was changed in 1922, to reflect its wider interests. Influencing this thinking was the expectation that there would be a chain of agricultural research stations throughout the tropics and there would develop a unified agriculture service in the British Commonwealth. For staffing this service the Imperial College became the main training centre and cocoa took its rightful place in the curriculum of the college.

Professor Chessman, then professor of botany, prepared a scheme for biological research on cocoa with the aim of higher yields and improved quality. By 1930 financial support for the proposed 5 year scheme was coming from several cocoa growing countries; Gold Coast, (now Ghana), Nigeria, Ceylon, Trinidad and Grenada. The chocolate manufacturers Cadbury Bros. Ltd., J.S. Fry and Sons Ltd., and Rowntree and Company, all of the United Kingdom, and the British government, completed the list of financial contributors. Thus from its earliest days cocoa research in Trinidad had an international flavour, the field was wide open and it was the first coordinated research effort on the crop.

This first phase which was interrupted by the second world war ended with the setting up of a new and bigger scheme in 1950. This was financed jointly by the British government and the Cocoa, Chocolate and Confectionery Alliance Ltd., representing the manufacturers in the United Kingdom.

In 1955, there was a further re-organization of the scheme, when the regional research centre (RRC) was instituted at the college. This did not in any way alter the programme which was re-stated as the elaboration of techniques for removing factors that limit optimum yield and, the evolution of high yielding trees bearing beans of desirable flavour. It was recognised that the research of the cocoa section of the RRC was not confined to Caribbean problems, but was world wide in its range.

In 1960, the college was merged with the University of the West Indies to become the faculty of agriculture. Financial problems were arising and the research staff was reduced and re-organized into the cocoa research unit as from 1963, under D. B. Murray as first head of unit.

In May 1975, the regional research centre was re-organized into the Caribbean Agricultural Research and Development Institute—outside the control of the university—though located in the St. Augustine campus. Cocoa was excluded from the new arrangement and the unit remained a separate entity within the faculty of agriculture.

Achievements

During the intervening period of fifty years, the researchers in Trinidad have made notable contributions in solving the many problems of cocoa bean production in the world. For example, in the field of plant breeding, production by way of selection and breeding of high yielding, high quality disease resistant varieties. This continuous work embraces the activities of several cocoa-collecting expeditions in the Amazon basin over the decades. These have resulted in the enlargement and enrichment of the cocoa germplasm collection in Trinidad which is internationally recognised as the most comprehensive in the world.

In cocoa genetics, the unit has produced the fundamental studies which have revealed the nature of several genetic phenomena in cocoa, including self-incompatibility and its practical significance in cocoa breeding and growing.

In the field of cocoa physiology, the unit has contributed largely to the understanding of the relationships between light requirements of the tree and response to fertiliser. Similarly, in biochemistry, the unit has contributed predominantly to the scientific knowledge available on fermentation and processing of the cocoa bean, including biochemistry of flavour.

In the field of plant pathology, the unit has elucidated the epidemiology of several diseases occurring in the Caribbean and the Americas, thus providing a basis for control of these diseases and consequently reducing the level of loss of crop due to this factor.

The unit's activities, 1975-1979

The staff of the unit is housed in the biology building at the St. Augustine campus—where adequate laboratory space is provided. Its physical resources include a germplasm collection, a field station—Las Hermanas, and nursery and propagation facilities.

The administration of the unit is shared between the university and the cocoa research advisory committee which comprises representatives of the financial contributors to the unit and university with an independent chairman. This latter body is responsible for determining the policies of the centre, and approving programmes of work and expenditure. It finds the funds required for the operation of the unit.

In 1975, the three contributors to the unit, the governments of Trinidad and Tobago and Jamaica, the Cocoa, Chocolate and Confectionery Alliance Limited of the U.K. and Cocoa Research Limited, agreed to a minimum three year commitment of funds. The programme adopted was an interdisciplinary plant improvement scheme with emphasis on disease resistance, involving plant breeding, agronomy, pathology and biochemistry which was organized and costed on a project basis.

It was, however, recognized that the financial resources were marginal and accordingly a concerted effort had to be made to find additional funds.

An outline summary of activities during this period (1975-79) includes the following:

- Distribution of selected cultivars from germplasm collection to Kew Gardens, UK, and Miami (ACRI).
- Evaluation of germplasm collection in terms of genetic potential for disease resistance, yield, and bean size.
- A hybridization programme based on cultivars showing resistance to black pod is currently in progress. This has

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resulted in the addition of five hundred genotypes in the Germplasm collection.

- Recording of progeny trials at Las Hermanas field station.
- Development of the Sreenivasan method and its application as screening techniques for identifying varieties resistant to *Phytophthora palmivora*.
- Studies in the biology and distribution of morphological forms of *Phytophthora palmivora*.
- Studies in the biological control of *Phytophthora palmivora*.
- Studies on cocoa fermentation resulting in a new sweat-box design which has given improved fermentation.
- Development of a "float test"—a procedure which has distinct advantages over the standard "cut test" for assessing the quality of cured cocoa beans.
- Investigations of the relation of bean colour to quality and flavour.
- Investigations of the problem of acid beans in cocoa processing.

The biochemistry programme was terminated on the resignation of the biochemist on 28th February 1978. However, a one-year project involving electron microscopy studies of fermenting cocoa beans has been established in the centre. It engages Dr. B. Biehl of the University of Braunschweig, West Germany, and Dr. V. Quesnel, the former biochemist of the centre. This project should give a clearer insight into the changes that occur in the bean during fermentation and may in time lead to better definition of optimum conditions for fermentation.

Links with South America

The Inter-American Committee on Cocoa Diseases was set up at a meeting at Itabena, Brazil, in 1975 under the sponsorship of the Ministry of Overseas Development (UK) and it was agreed that:

- Three co-ordinating centres be set up, CEPEC-Brazil for black pod disease, INIAP—Pichilique, Ecuador for witches broom and monilia and Concagua—Venezuela for caratocystis.

Cameroon

Research into cocoa

Cameroon's cocoa plantations were started 100 years ago. Now, thanks to a climate, that is particularly suitable for this crop, they stretch from the coast to the eastern regions and to the south-central areas of the country. With the sole exception of 1942, cocoa production has gone steadily upwards (from 2 500 tonnes in the twenties to 105 000 tonnes in 1978) and at the same time research has been carried out into improvements to the crop. This article contains details from a paper by Mr. M. Mboudji of the agronomical research centre in Yaoundé on cocoa-growing in Cameroon.

Genetically speaking, he says, the types of cocoa grown in Cameroon appear to come from Sao Tomé and Equatorial Guinea. Between 1949 and 1951, the only improvement attempted was in general selection but, between 1951 and 1972, new varieties were brought in from Ghana, Trinidad and Ivory Coast.

Since then, considerable efforts have been made to bring about genetic improvements with the aim of enabling the supply of young plants and selected seeds to distribution services as soon as possible. The production of selected young plants by vegetative propagation, the system perfected in 1952 and used from the start, had to be replaced from 1969 onwards by a generative process, says Mr Mboudji.

A good deal of comparative testing of hybrids has been carried out since 1964. The best of them (as regards production potential) have been reproduced in biclonal seed beds. More and more cacao pods are distributed every year—800 000 in 1978 and an anticipated 1 200 000 p.a. during normal operation from 1980 onwards.

Now that better production potential is assured, research is being geared to the selection of hybrids which tolerate

insects and resists the *Phytophthora palmivora*, the fungus which causes black pod.

Entomological research began back in 1952. It has been found that, of the many insects preying on cacao trees in Cameroon, only the psyllids and the capsids has economic consequences. The capsids are by far the worst. They multiply from June to October throughout the period when the fruits ripen and damage is apparent at the beginning of September when the insects attack and kill the young branches.

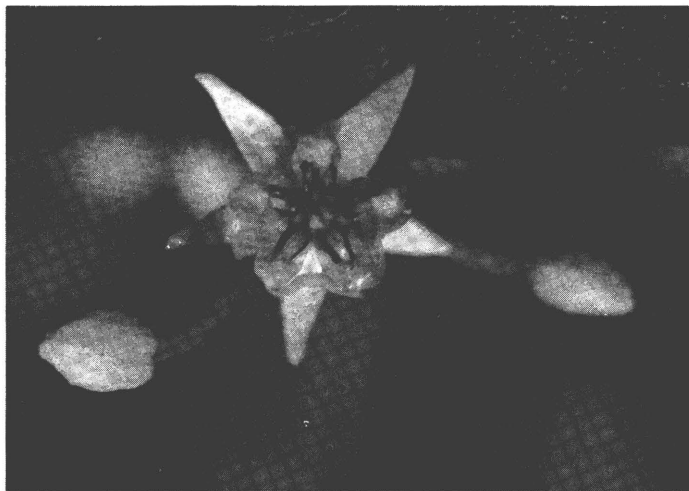
After capsids, psyllids cause the most damage—which is made worse by the removal of shade necessary for boosting production. Psyllids attack young shoots and lead to defoliation of the branch ends.

Our knowledge of the biological cycles of these pests is still limited. Although satisfactory results have been achieved by spraying, the long-term solution seems to be to select resistant types.

The main disease of the cocoa tree is black pod, which is caused by the fungus *Phytophthora palmivora*. The Cameroonian kind seems very active compared to those in other cocoa-producing countries and the damage they cause is very considerable, sometimes leading to the loss of 40-60% of the pods. The disease is being controlled by spraying with fungicides selected in testing in both the laboratory and on the plantation. Research is currently concentrating on systematic fungicide, on the substances in the pod which combat or encourage the disease and, most important, on the selection of resistant varieties.

Although good agricultural results have been achieved with high Amazonian hybrids on completely shade-free plantations, there is still a lot of work to be done on fertilization.

As far as pedological research is concerned, we have regional and local maps (various scales) of the cocoa-growing area and reports on the cocoa-growing potential of various geographical areas are available and can be used with a view to development.



The first step—a cocoa seed is planted (left), and one of the results, a cocoa flower in bloom (right)

— Three co-operating centres be set up, cocoa research unit—UWI Trinidad, cocoa centre—Turrialba, Costa Rica and cocoa station—Chocolate Luker; and the government cocoa research institute, Colombia.

The committee has met five times, twice in Ecuador and Venezuela and once in Brazil. It has one project under its umbrella, a cocoa collecting project (1979) financed by the Cocoa Trade and Cocoa Association of London, located in Ecuador. Some of the material collected will be evaluated in Trinidad.

The ACP project: 1980-83

It is of interest to note that twenty-two ACP countries produce cocoa, which in 1978 amounted to 975 000 tons. (This represented 63% of world production, some 60% was from Africa.)

Existing cocoa areas in the world are deteriorating and naturally fertile virgin lands are shrinking while cocoa diseases are exacting an increasing toll on production. To counter this, improved high yielding disease resistant cultivars are needed. The cocoa research unit is especially well equipped to perform this function, for the following reasons:

- The African continent—the world's largest producer of cocoa beans—is entirely dependent on the western hemisphere for new genotypes. Trinidad represents an important link in this connection and holds a special position among the Lome Convention countries.
- A germplasm bank with the widest range of genotypes in the world. The majority are at a bearing stage.
- Existence of three major cocoa diseases.
- Geographical situation which allows for easy access to the Amazon region for making further additions to the germplasm collection.

Based on these considerations, an application for financial support was made to the EEC which has now resulted in a grant of 950 000 EUA to fund a programme which will evaluate and enlarge the existing germplasm collection of the unit.

It is perhaps providential that in 1980—the 50th anniversary of cocoa research activities—substantial financial support has come from the European Development Fund on behalf of the cocoa producing countries of the ACP which include the contributors of 1930.

Available finance:

Based on the present budget and the grant of 950 000 EUA from the EDF on behalf of the ACP, it is anticipated that over the next three years the revenue of the centre will be in the order of TT\$6.5 m. Sources of funds are shown below:

Contributors	TT\$
EDF	3 277 500
Cocoa, Chocolate and Confectionary Alliance, UK, and Cocoa Research Limited, UK	1 022 800
Jamaica government	990 000
Trinidad government	1 174 000
Total	6 464 300

The project:

- The objectives of the proposed project are:
- (a) To evaluate one thousand cultivars in terms of:
 - early bearing
 - yeild potential
 - bean size
 - ease of establishment and growth habit
 - resistance to the major diseases, black pod (phytophthora), witches broom (crinipellis) and wilt (ceratocystis).
 - (b) To enlarge the collection by means of collecting expeditions to the areas in South America where the cocoa plant is indigenous and occurs in the wild. In the light of present knowledge this is mainly in the Amazon basin.

Staff:

Allowance is made for six senior scientists between the discipline of agronomy pathology and plant breeding. The head of unit will be first the head of his particular discipline.

Benefits:

The long term benefits to be derived from the injection of more diverse germplasm into cocoa breeding programmes, would accrue from future planting material with pest and disease resistance, drought resistance and precocious heavy cropping. ○ L.L. de V.

Cocoa production in five ACP states

Of the 10 countries which in the 1978/79 season produced more than 30 000 tonnes of cocoa, half are ACP states—Ivory Coast, Ghana, Nigeria, Cameroon and Papua New Guinea. The International Cocoa Council (ICCO) has recently studied the production in all five of these countries and the following are edited versions of the ICCO's conclusions.

Cameroon

Cocoa production in Cameroon was analysed in detail in August 1975 and was projected to increase by 50 per cent over the period 1974/75 to 1984/85. The bases for these projections were an estimated land area of 430 000 hectares and an age structure which were derived by extrapolating earlier estimates made by SEDES (Société d'Etudes pour le Développement Economique et Social) (1973).

More recent information on the characteristics of the existing cocoa tree stock and on other factors influencing cocoa production in Cameroon has now become available, which indicated the need to review the earlier forecasts.

The information on total land area planted with cocoa and on its age structure is derived from a detailed statistical analysis, made by the *direction des études* of the Cameroon Ministry of Agriculture in April 1977, of the results of an agricultural survey conducted in 1972/73 on those aspects relating to cocoa. Estimates of hybrid plantings, which differ substantially from those made in 1975, have been based on information provided by SODECAO (Société de Développement du Cacao) (1978), particularly with reference to officially sponsored plantings, and on information contained in a report specially commissioned by the Ministry of Agriculture with a view to identifying the problems of cocoa production in Cameroon. In this context, it should be noted that the latter report makes a reference to the very substantial losses of improved planting material which have occurred in Cameroon in recent years between the time when it is distributed in the form of pods and the actual planting of seedlings. In 1975/76, for instance, it is estimated that total hybrid plantings outside the framework of those carried out by SODECAO were only 20 per cent of what they could have been, given the availability of improved planting material. With regard to officially-sponsored hybrid plantings, the most recent information obtained from SODECAO would suggest a success rate of around 70%.

There is also a distinction between rehabilitated and non-rehabilitated cocoa land reflecting the expected improvement in yields under the World Bank—assisted rehabilitation programme currently being executed by SODECAO. For the purposes of this analysis, it is assumed that this rehabilitation programme will be carried out on land planted before 1951/52.

The yield assumptions used in respect of traditional trees and hybrid trees are in general, slightly lower than those in 1975.

If it is assumed that there will be no major change in the effectiveness with which pest and disease problems, in par-

ticular black pod, are controlled, then cocoa production in Cameroon is projected at 129 000 tonnes in 1984/85. The projected levels of production for 1974/75, 1979/80 and 1984/85 all imply average yields in the vicinity of 290 000 kg/ha, which is indeed consistent with the results of a special survey on yields conducted by SODECAO in 1977/78.

It should, however, be emphasized that these yields are low in relation to those obtained elsewhere, and reflect the high incidence of losses from black pod. If, however, the authorities succeed in their efforts to limit the damage caused by disease, production could be substantially higher.

Ghana

Previous studies by the ICCO secretariat have indicated for Ghana either a rising trend in production (August 1975) or a stabilization of production, with the possibility of an increase given the adoption of certain yield-improvement programmes. By contrast, Ghana's recorded production of cocoa beans has in the 1970's clearly been tending downwards. Hence there is a need to make extensive revision to earlier work by the ICCO secretariat on Ghana's production prospects.

One of the criticisms of the first report on Ghana's production was that it understated Ghana's cocoa land area. This view is supported by the results of the intensive cocoa survey conducted in Ghana which began in 1970. The interim report on the survey, covering the 83% of the cocoa land completed by the end of 1976, has been issued (Ministry of Cocoa Affairs, 1978). Assuming a similar pattern of production in the remaining 17% to be completed, cocoa was found to be grown on 2 000 000 hectares (5 000 000 acres). However, of this, 1 300 000 hectares (3 200 000 acres) could be classed as good cocoa and the remaining as fair, poor or in dying condition. In this study, the area of good cocoa is used as the estimate of cocoa land for the year 1974/75. As a large part of the survey was conducted before 1974/75, it is assumed that much of the poor and fair cocoa would be abandoned or be of little economic consequence by 1974/75. Of the land with good cocoa, 15% had cocoa trees aged 30 years and over, 57% had trees aged 16-30 years, 18% had trees aged 8-15 years and 10% had trees aged up to 7 years.

In the projections exercise account was taken of the various state programmes to plant cocoa: the "block planting" and the "plant-as-you-cut" programmes of the cocoa production division, the Suhum and Ashanti region cocoa projects, and the plantation projects of the Ghana Cocoa Marketing Board and the cocoa production division. Plantings of hybrid varieties by farmers were estimated using the information on pods and seedlings distributed by the cocoa production division. Higher loss rates were used for the allocations made directly to farmers than for the projects because of the planting practices of farmers and difficulties in transportation and supervision. As in previous exercises, estimates of total new plantings by farmers, particularly of traditional varieties, were very difficult to make. The estimates of new plantings were reduced in this exercise from previous exercises because of the emphasis in government programmes on the large projects, the limited amount of improved planting material available, for farmers, particularly at the time of expansion of government plantation projects, and evidence suggesting that there has been little planting by individual farmers in recent years.

The yields used have been revised, on the basis of data on cocoa grown under experimental conditions, so as to give a slower build-up of yield on hybrids, i.e. lower yields in the third to sixth years, and a peaking of yields on traditional varieties in the 10th to 14th years rather than 15th to 19th years. It is of interest to note that the experimental results on the early hybrids planted in the 1950's suggest a greater degree of maintenance of yield beyond the 20th year than is the case with traditional varieties.

The lower level of production experienced in recent years is explained to a considerable degree in terms of declines in levels of yields (i.e. declines additional to the ageing process). Assuming no recovery in yields, production in Ghana is projected to fall to 257 000 tonnes in 1984/85. However, should yields recover to the level assumed for the period 1969/70 to 1974/75, production would be projected at 273 000 tonnes in 1984/85.

There are many qualifications which must be placed on any forecasting of Ghana's production. Projections must necessarily be based largely on a continuation of present trends. New policies may make much more economic use of the very large reservoir of old cocoa trees. On the other hand, it is possible that pest and disease problems may accumulate and conditions deteriorate, or that planting projects currently envisaged will not be completed as timed. There are, in addition, the very large year-to-year variations in production which make forecasting particularly difficult. The average annual change over the period 1962/63 to 1977/78 was 15%. Variations of this magnitude make it very difficult to uncover trends, and they also stress the need not to place undue emphasis on the recorded production in any one year.

Ivory Coast

The results of the first exercise undertaken by the ICCO secretariat to project cocoa production in Ivory Coast were published in August 1975. These projections, which placed heavy reliance on the provisional results of an agricultural survey being carried out at that time, were subsequently judged to be rather high. In early 1977, although no additional published information regarding the characteristics of the cocoa tree stock had become available, the secretariat was able, on the basis of other non-published information, to make a provisional revision of the earlier estimates. These revised projections did substantially reduce the previous estimates, but still postulated an expanding production in Ivory Coast.

Since the publication of these two forecasts, additional information, both published and unpublished, has become available, thereby making it possible to embark on a further projection exercise on a somewhat firmer basis. The final results of the agricultural survey have now been published, and the Ivory Coast Ministry of Agriculture has been able to use certain unpublished detailed information resulting from the survey to estimate the total "effective land area" planted with cocoa. This "effective land area" planted with cocoa has been calculated at 815 000 hectares in 1974/75, 840 000 hectares in 1975/76 and 863 000 hectares in 1976/77.

Using information on the age structure of the existing cocoa tree stock as provided in the final report of the agricultural survey, the ICCO secretariat was able to break down the estimate of total effective area planted with cocoa into smaller sub-groups according to the year of planting.

Estimates differentiate between traditional cocoa varieties and hybrid varieties, and also between rehabilitated and non-rehabilitated cocoa land. Estimates of future plantings have also been arrived at after taking into consideration the various planting programmes envisaged by the Ivory Coast authorities, the degree of success being attained in the official projects currently under execution, the availability of improved planting material and the supply of labour. A new feature of this model in comparison to those used for projecting cocoa production in Ivory Coast in 1975 is the reduction by 10 per cent of the total land area estimated to have been planted since 1971, so as to reflect the common occurrence of premature death among young plants before entering the productive phase. This explains why the total land area indicated for 1974/75 (800 000 hectares) is lower than the estimate of 815 000 hectares made by the Ministry of Agriculture in respect of the same year.

The various yield assumptions used in this projection exercise are based, for the most part, on published information relating to yields actually observed in Ivory Coast. Thus, the yields used in respect of non-rehabilitated traditional trees are based on the study by the Société d'Etudes pour le Développement Economique et Social (SEDES, 1967) relating to the south-east region of Ivory Coast. The age-specific yield patterns suggested in the SEDES study have been increased by 15% in this exercise for traditional varieties planted since 1960/61 so as to reflect the improved standard of husbandry which has been observed since the publication of the study. With regard to rehabilitated cocoa areas planted before 1960/61, an average yield assumption of 460 kg/ha has been used. This figure is somewhat lower than those which are commonly suggested in the literature

The fermentation of the beans is an important process after the harvesting



dealing with the yield improvements made possible by rehabilitation. It is, nevertheless, felt that, although yield as high as 600 kg/ha are very possible in older rehabilitated cocoa areas, a figure of 460 kg which corresponds to the maximum yield assumed in respect of traditional varieties planted since 1960/61 would be more appropriate as an average figure. It is, however, envisaged that this yield would begin to decline on a gradual basis from 1980/81 onwards, reflecting both the ageing of some trees as well as a reduction in the standard of husbandry. The hybrid yields are based on the report presented by the Ivory Coast delegation to the seminar on agricultural extension methods held in Itabuna (Brazil) in May 1977.

It is assumed that, with the possible exception of occasional labour shortages, particularly at the time of harvesting, there will be no major problems in respect of disease, organization or infrastructure which would seriously jeopardize the cocoa expansion programmes in the Ivory Coast. In the circumstances, in view of the characteristics of the existing tree stock and the changes likely to take place over the next four years, and assuming a continuation of a remunerative producer price policy and other production incentives, cocoa production in Ivory Coast is projected at 300 000 tonnes in 1979/80 and 406 000 tonnes in 1984/85.

Nigeria

Production of cocoa beans in Nigeria in recent years has been considerably below the record levels obtained in the early 1970's. The first ICCO study of cocoa production in Nigeria projected relatively stable production over the period 1974/75 to 1979/80 followed by increasing production from 1979/80 to 1984/85 (August 1975). The second study projected declining production over the period 1974/75 to 1979/80 (February 1977). The present analysis also suggests declining production over the period 1974/75 to 1979/80 but increasing production thereafter.

Probably the most important problem in projecting cocoa production in Nigeria, using the method employed in this document, is ascertaining the size and the nature of the existing stock of mature cocoa trees. In the current exercise, the estimate of 615 000 hectares (1 520 000 acres) given in the report to the National Advisory Development Committee in 1971 was used first. However, the use of this base, and of what were considered to be relatively high yield assumptions, resulted in an underestimation of production in 1969/70 by 20%. Using the same yields and relatively low abandonment assumptions on very old cocoa trees, production in 1974/75 was underestimated by 22%. Consequently, in this projection exercise, a land area 20% higher than that given in the report is used as a base for the year 1969/70. The age distribution of cocoa trees given in that report was used in the analysis. Because of the large proportion of very old trees existing in 1970, it is assumed that the effective land area of cocoa planted up to 1970 still in use in 1974/75 was 600 000 hectares (1 480 000 acres).

As in some of the other countries studied, it is difficult to determine the size of plantings by farmers outside the government-sponsored projects. In Nigeria it is assumed that they have been relatively low—about 3 000 hectares of traditional varieties and 1 000 to 2 000 hectares of hybrids. It is assumed that plantings on official projects, which reached a peak in 1976, will be maintained in the future at a high level, or alternatively that the planting materials will be used by private farmers.

The level of production projected for 1979/80 is 192 000 tonnes and for 1984/85 is 239 000 tonnes. The increase is



Beans ready for fermentation and drying

the result of the coming into bearing of new hybrid plantings, primarily on projects, and these plantings outweigh the effects of declining yields on old cocoa trees. These results assume the maintenance of good husbandry so that high yields are obtained both on old cocoa farms and new plantings. In particular, they assume that the yield projected for the hybrids will be obtained. These projections must also be examined in the light of the very large annual variations in cocoa production in Nigeria. The average annual change in production over the period 1962/63 to 1977/78 was over 20%, a size sufficient to mask for some time more fundamental changes in production trends.

Papua New Guinea

The secretariat's earlier forecast of cocoa production in Papua New Guinea in 1979/80 and 1984/85 was on the basis of information available in December 1976. Two years later, the projections were revised slightly downwards. Production in 1979/80 is now projected at 33 400 tonnes and in 1984/85 at 39 600 tonnes.

The yields on new land planted since 1972/73 and expected to be planted up to 1984/85 remain unchanged, but yields on land area planted before 1972/73 have been decreased for estates for 1979/80, and increased slightly for smallholdings for both 1979/80 and 1984/85. In addition, the estimates of new land planted in estates have been reduced slightly for the entire period, 1972/73 to 1984/85, and in smallholdings, reduced slightly for the period 1977/78 to 1984/85. The overall effect is a reduction in projected production in 1979/80 by 2 800 tonnes and in 1984/85 by 2 500 tonnes.

Most of the projected increase in production will take place in North Solomons, where the major limiting factor will be labour. In East New Britain, where land is a limiting factor, there is increasing concern that renewal in existing areas will not take place at a sufficiently high rate to maintain the current level of production. Countering this, cocoa-planting is becoming increasingly attractive in Papua New Guinea as a result of the operations of the newly-established Cocoa Industry Board. In particular, one of the Board's responsibilities is the administration of the Cocoa Stabilization Fund. The aim of the Fund is to stabilize cocoa prices around a 10-year average of past f.o.b. export prices, adjusted for domestic inflation. When export prices are above this average, a levy is collected, and when they are below this average, a bounty is paid to cocoa producers. Legislation ensures that these funds can only be used for this purpose. Thus, a considerable degree of stability has been introduced into cocoa production in Papua New Guinea, and this will undoubtedly enhance its attractiveness. ○

Cocoa in EDF agricultural projects

The three first EDFs

The development of cash crops has always been a very important aspect of Community aid to agriculture in the developing countries and during the first three EDFs, the EEC financed 121 cash crop projects worth a total of more than 28 million EUA.

One of these projects financed in 1974 was on cocoa growing in the Ivory Coast. The Community provided a special loan of 2.4 million EUA and CFAF 487 million came from the Ivory Coast budget. The scheme was to establish 9 600 ha of village plantations in the south west, it took five years to complete and 3 200 planters were concerned.

The introduction of new biconal and polyclonal varieties of cocoa tree should mean that 7 680 tonnes of cocoa beans can be produced in a year of normal operation (1984) without fertilizer. An agricultural development project in Ubangui, financed from the 2nd EDF included a cocoa scheme which was funded by a grant of 6.715 million EUA. This enabled 1 023 ha of industrial plantation to be set up, a craft unit to be established to deal with the first harvests and service roads and social and other infrastructure to be provided.

4th EDF

Under the 4th EDF, 48 cash crop projects are being or will be financed for a total amount of 235 million EUA. Those involving cocoa growing are as follows:

Zaire

Installation of processing facilities and extensions to the Bulu cocoa plantation (Ubangui).

An amount of 4 980 000 EUA was provided for this in early 1978, 1 970 000 EUA of it as a special loan. This covers additional investments to complement those of the cocoa part of the 2nd EDF Ubangui agricultural development project mentioned above.

The following work will be carried out over a period of five years:

- extensions of about 500 ha to the Bulu plantation, bringing the total area under cocoa cultivation up to about 1 520 ha. This should yield around 1 300 tonnes of cocoa for commercial purposes in a period of full production (1988);
- the installation of processing facilities (fermentation, drying and conditioning of beans) to handle this production.

Zaire's contribution, from the plantation funds or the national budget, has been estimated at 2 635 million EUA.

Liberia

Coffee and cocoa development project in Zwedru and Plahn.

A grant of 2.9 million EUA was given for this in early 1980.

The cocoa part of the scheme involves developing 1 320 ha of the crop (about 900 farms) over a three year period, ultimately yielding 1 350 of dry cocoa beans. The project was started in 1977 with the help of the Liberian Coffee and Cocoa Corporation. The aid from the EDF will cover the investments needed to insure the long term profitability of the project.

The government will pay the staff and operating costs of an estimated 2.83 million EUA.

The EDF has also contributed to the sector as part of regional cooperation, having provided a grant of 950 000 EUA towards a 1.74 million EUA project to expand the Trinidad cocoa research unit.

Interregional cooperation of this kind will make it possible to set up a germplasm bank and new genotypes can, once multiplied, be provided to all the ACP cocoa producers.



Plantation in Bulu (Zaire)

The use of stock with more developed roots allows the cutting to grow rapidly giving earlier and more abundant fruit

The European Community and the world cocoa trade

The Community plays a significant role in various ways in the world cocoa trade. Firstly, it is the world's leading importer of cocoa, both in its unprocessed (beans) and processed states (paste, butter and powder). The USA is the biggest single importing country, taking an average of 20% of total production, but the EEC countries together take 50%. Trade in cocoa and chocolate products within the Community is also big business (some \$ 1 000 m); imports outside the Community were worth \$ 2 000 m in 1977. Cocoa-processing is also a major industry in the Community, including semi-finished as well as finished products such as confectionery.

Secondly, the EEC is a very important marketing centre for this commodity. The London cocoa market has become even bigger than that of New York, with Paris and Amsterdam also active on a much smaller scale.

Thirdly, the removal of trade barriers within the EEC, through Community directives on cocoa and chocolate products and joint regulations, has given cocoa a role in the construction of the European common market. Nonetheless, there are still some differences in the member states' legislation, most importantly as regards the fat content of cocoa products other than chocolate and cocoa butter.

The Community's international relations concerning this important commodity have various aspects.

As regards the ACP countries, cocoa and its derivatives get preferential treatment under the Lomé Convention, entering the Community free of import duty as far as the rules of the common agricultural policy allow it.

Processed cocoa products benefit from a 10-16% tariff reduction under the common customs tariff; and successive reductions have brought the duty payable on unprocessed cocoa down to a mere 3%. These products circulate freely, of course, once they are in the EEC.

Moreover, all cocoa products come under the Stabex export earnings stabilization scheme—although this has not been applied in the main ACP producers due to the favourable world market in the last few years—and cocoa has benefited from technical and financial cooperation, such as EDF investments in research, growing, marketing and transport, and private investment in the cocoa industry.

Four of the world's five major producers are ACP countries (the Ivory Coast, Ghana, Nigeria and Cameroon) and 70% of the world's cocoa is produced by the ACP group. Other producers include Togo, Gabon, Zaire, Liberia, Sierra Leone, Madagascar, Trinidad and Tobago, Jamaica and Papua New Guinea. So the special arrangements between the EEC and the ACP countries are clearly of considerable importance in the world cocoa trade.

Other cocoa-exporting developing countries(1) also benefit, under the Community's generalized system of prefer-

ences, from advantages not granted to industrialized third countries in general. This is particularly the case for processed products such as cocoa paste, butter and powder. Brazil, for instance, which is much the biggest non-ACP cocoa producer, gets special EEC treatment for cocoa butter, which is the main and most valuable cocoa product.

As regards the international organization of commodity markets, cocoa, which had been listed as one of the 18 principal raw materials for the developing countries in UNIDO's integrated programme, has been governed, since 1972, by an international agreement (see below).

The Community participates, with its member states, in the implementation of this agreement; generally, it has always been possible to go beyond the strictly legal problems of the authority of the Community vis-à-vis that of the member states by adopting a common position on all issues, or at least on those which have economic and commercial implications for the EEC.

The United States not being party to this agreement, the role of the Community has always been of paramount importance to the consumer countries; its member states hold more than 500 of the 1 000 votes in the International Cocoa Council.

This evidently does not mean that the Community has always been in a position to meet all the preoccupations of the producing countries, because given the nuances, indeed differences, between its member states, it has sometimes

Implantation of a young cocoa tree (Nigeria)



FAO

(1) Principally Brazil, Ecuador and the Dominican Republic.

International Cocoa Council
(London, 4-14 and 26-29 March 1980)

The International Cocoa Agreement no longer exists

Despite progress during consultations for the resumption of negotiations for a 3rd International Cocoa Agreement, the International Cocoa Council failed to call a new conference. The divergent views of the producing and consumer countries on the procedure and timetable by which concessions could be made on the problems, particularly those relating to prices, could not be reconciled.

The question of the extension of the 1975 agreement beyond 31 March 1980 required a decision by a qualified majority of the International Cocoa Council. Despite a number of compromise attempts during a prolonged session, in which the Community participated actively in view of its importance to this agreement, common ground on conditions for an extension could not be found either.

It is regrettable this agreement ended on 31 March 1980 without being renewed to the satisfaction of all sides. International cooperation in this area is now going to be interrupted, with all the consequences this could have for other bodies dealing with the problems of raw materials.

The producing countries are going to establish their own measures of stabilization, including a price stabilizing fund, thanks mainly to the payment of about \$ 220 million, as foreseen under the 1975 international agreement to cover the possibility of its ending without a replacement agreement.

The meeting of African heads of state of cocoa-producing countries in Yamoussoukro (Ivory Coast) on 23-24 March, before the London conference, had already pointed to these disappointing results: the communiqué issued made no mention of the resumption of the conference or the chances of a new agreement. ○ M.C.

been impossible to defend the most flexible position; on the contrary, the Community has been obliged in most cases to fall in line with the most restrictive, but sometimes more realistic, positions of some of its member states.

The producing countries signatory to the agreement have not always appreciated this "monolithic" situation of the Community, but the provisions of the Treaty of Rome, as well as a good understanding of the interests of all the member states, have led to constant efforts to define a Community position(1).

Besides, the real difficulties that have been encountered, notably with regard to prices, whether on the management of the agreement or during negotiations of successive agreements, have been between the traditional two groups, exporters and importers; and if unity has been the rule with exporting countries and divergence with the importing ones, the Community has clearly had a difficult role to play.

○ Michel COQUIN

(1) The criticism is largely unfounded in that the group of producing countries has itself become a cartel, apparently without divisions of opinion.



"The Chocolate Girl", a famous painting by the Genevan artist and engraver, Jean-Etienne Liotard (1702-1790). This motif was frequently used on packets of cocoa and chocolate powder up to the beginning of this century

EEC-ASEAN agreement signed

The five countries of the Association of South-East Asian Nations (ASEAN) represent a powerful economic bloc in one of the world's political hot spots. Despite the close historical links between some individual EEC and ASEAN countries, the European Community has until recently been conspicuous by its absence from the region. The gap has now been formally closed by the signature, in Kuala Lumpur (Malaysia) on 7 March 1980, of a cooperation agreement between the two regional groupings, which completes a number of initiatives taken over the last few years.

ASEAN groups Indonesia, Malaysia, the Philippines, Singapore and Thailand, which between them have a population of over 240 million—comparable to the EEC (260 million), Latin America and the ACP group (both a little over 300 million). They have the highest economic growth rate in the world (7.9% in 1978 as against 3% for the EEC) and are the leading suppliers of rubber, fibres, tropical hardwoods, palm oil and coconut, besides being significant producers of oil, tin, copper, sugar, coffee, tobacco and rice.

Despite this, ASEAN accounts for less than 2.5% of the Community's foreign trade (as against over 25% for Japan and 20% for the USA) and European investment in the region is comparably low. Political instability in the region has no doubt frightened some investors off, despite ASEAN's largely pro-Western orientation; the EEC-ASEAN agreement was signed at ministerial level (the 14 foreign ministers "confirmed that the cooperation agreement is a strong manifestation of the political will of both sides to intensify ASEAN-EEC cooperation") and the signature was preceded by a joint declaration condemning military intervention by Vietnam in Kampuchea and by the Soviet Union in Afghanistan.

The agreement, which runs for five years, is a framework which creates the legal basis for both sides to promote cooperation between economic operators, not only in the traditional field of trade but in such varied areas as industry, agriculture, fisheries, forestry, energy, science and technology, trans-

port, communications and finance. It is non-preferential but includes some most-favoured-nation clauses in regard to trade. It is the first agreement of its kind between the Community and another regional group.

Although it prescribes no specific actions to be taken in order to achieve these good intentions, nor lays aside any money specifically for them, flexibility is considered an advantage at this stage. The concrete implementation of the agreement will be the responsibility of a Joint Cooperation Committee, which now takes over from the Joint Study Group established between EEC Commission and ASEAN officials in 1975 to pave the way for the agreement.

The background of ASEAN

ASEAN was created at Bangkok in 1967, with the aim of accelerating the economic growth, social progress and cultural development of the region, promoting regional peace and stability and promoting active cooperation and mutual assistance on matters of com-

mon interest. Of all the regional bodies that have emerged in South-East Asia to date, ASEAN has had the greatest impact and proved the most enduring.

During its first decade of existence ASEAN initiated regional cooperation in a wide variety of fields. However, the Bali summit of February 1976—the first summit meeting of heads of government — really marked a breakthrough with the signature of the Declaration of ASEAN Concord and the Treaty of Amity and Cooperation. Politically, the Association is committed to preserving the stability of each member state and of the region, particularly against the threat of subversion, to the peaceful settlement of intra-regional disputes, and to the creation of a "zone of peace, freedom and neutrality".

As regards economic affairs, the Declaration of ASEAN Concord spelled out the aims: intensified cooperation in the production and preferential supply of basic commodities, particularly food and energy; the establishment of large-scale ASEAN industrial plants; the expansion of trade, particularly through the establishment of preferential trading arrangements; and joint approaches not only to international commodity problems and other world economic problems but also in dealing with other regional groupings and individual



The first EEC-ASEAN ministerial meeting in Brussels in November 1978. From left to right, Mr Kusumaatmadja, Indonesian minister for foreign affairs—then chairman of ASEAN—Mr Genscher, the German foreign minister—then president of the EEC Council—Mr Haferkamp, vice-president of the European Commission and Mr Pachariyangkun, foreign minister of Thailand

economic powers, for example in seeking improved access to their markets. It was also decided to set up a permanent secretariat in Jakarta.

On the political level, the international position of ASEAN has also been strengthened since the end of the Vietnam war—witness the 1978 tour of the five ASEAN capitals by the Vietnamese Prime Minister, Mr Pham Van Dong, and the visit to Thailand, Malaysia and Singapore by the Chinese deputy Prime Minister, Deng Xiao-ping.

Following Vietnam's intervention in Kampuchea in January 1979, a special meeting of ASEAN foreign ministers was held at Bangkok on 12-13 January 1979, at which ASEAN strongly deplored the intervention and affirmed the right of the Cambodian people to "determine their future by themselves free from interference or influence from outside powers in the exercise of their rights of self-determination".

Economic relations

The ASEAN countries are also actively seeking to attract foreign investment, not only in basic commodities but also in manufacturing, which represents a growing percentage of GNP and exports. The share of manufactured goods in total ASEAN exports to the EEC rose from a quarter in 1973 to a third in 1977.

Against this background the development of Community-ASEAN economic relations has been disappointing. Even if EEC trade with the region has been growing, the Community share of ASEAN markets has been declining, while investment by European companies has been falling behind Japanese and American—all of this in a region where Europe has historically had substantial trading and investment links.

The ASEAN share of the Community's external trade has been rising, albeit slowly, from 2% of total Community exports in 1972 to 2.3% in 1976 and 2.4% in 1977.

ASEAN thus remains a less important market for the Community than Latin America (6.9%) or the ACP countries (5.6% of total exports in 1976), though it is still more important than the Indian sub-continent (1.3%) or even Japan (1.9%).

On the other hand, the Community's share in ASEAN's external trade dropped from over 20% in 1960 to under 15% in 1976. Japan has become ASEAN's principal partner, with over 25% of the region's external trade, followed by the United States.

Much the same trend can be distinguished in the investment field. Japanese investments in ASEAN have grown rapidly and at the end of 1976 were estimated to represent just over 30% of total foreign investment in the region as against about 23% for the US and about 14% for the EEC.

Towards the EEC-ASEAN agreement

The first move to bring about closer relations between the two organizations came from the ASEAN side and was the result of fears about the effect on some of their countries' export trade of the loss of Commonwealth preference on the UK market, following Britain's accession to the EEC. Since 1972 a regular dialogue has been maintained: in June 1972 ASEAN trade ministers set up a special coordinating committee (SCCAN) and ASEAN ambassadors to the Community set up the ASEAN Brussels Committee (ABC), through which trade questions could be regularly discussed.

Following the conclusion of the Community's commercial cooperation agreement with India in December 1973, and the decision to offer similar agreements to the other countries of the Indian sub-continent, the Commission sounded out the ASEAN countries as to whether they were interested in concluding similar agreements with the Community. They all replied that they preferred to develop their relations with the Community on a regional basis, which meant waiting until ASEAN's institutional development made it possible to envisage a cooperation agreement between the Community and ASEAN as a group.

The idea was thus deferred, but at the Jakarta meeting of the ASEAN trade ministers in September 1974 it was agreed to set up a Joint Study Group composed of representatives of the Commission and of the five ASEAN governments.

The JSG met for the first time in Brussels in June 1975, subsequently at Manila (December 1976), at Brussels (October 1977) and at Bangkok (May 1978). Its discussions have ranged from the improvement of the Community's generalized system of preferences (GSP) and international commodity problems to the transfer of technology and investment (see following sections).

Since the 1976 Bali summit the ASEAN countries have been seeking to broaden their contacts with the Community institutions and with representatives of the member states in particular.

The result was a request for a dialogue at ambassadorial level between the ASEAN Brussels Committee on the one hand and the Committee of Permanent Representatives (COREPER) of the Community's Council of Ministers and representatives of the Commission on the other. The first such meeting took place in November 1977, and was considered very successful.

The ASEAN side took the opportunity to press for a meeting at ministerial level to complement the meeting which had taken place during 1977 with the Japanese, Australian and New Zealand Prime Ministers and with ministers from the United States in 1978. At the second ABC-COREPER meeting in July 1978, the first ministerial meeting was fixed for November 1978. This was attended by the foreign ministers of the two sides together with Roy Jenkins and Wilhelm Haferkamp of the Commission.

The foreign ministers reaffirmed their support for a new international economic order and agreed to cooperate constructively in future meetings within the North-South dialogue, including UNCTAD V at Manila (May 1979). The ministers also placed special emphasis on the need for commodity agreements and for the establishment of a Common Fund.

They stressed their mutual interest in stimulating economic, commercial and technological development, and cultural cooperation, between their two regions and expressed joint concern at the continuing problem of the Indochinese refugees, which called for resettlement efforts by the international community.

Above all the ministers agreed that, with the object of placing their inter-regional relations on a more formal footing, exploratory discussions on the content of a possible cooperation agreement should be started. The first of such talks were held at Brussels on 14-15 December 1978, and the second scheduled for March 1979 at Jakarta.

Trade

Under the Joint Declaration of Intent attached to the Treaty of Accession, the enlarged Community undertook to seek appropriate solutions, essentially through its generalized system of preferences (GSP), to the trade problems which enlargement would cause the Commonwealth countries of Asia and other developing countries in the region.

The primary goal of the Community's GSP is to aid the economic diversifica-

tion, and notably the industrialization, of the economies of developing countries such as ASEAN, through improving the access to Community markets for manufactured and semi-manufactured goods. Discussions between ASEAN and Commission representatives accordingly centred on improvements to the scheme.

Although the GSP is applied autonomously and hence not subject to negotiation, the Community has gone a long way to meet ASEAN preoccupations since the scheme was extended to the new member states in 1974, particularly through additions to the list of processed agricultural produce (e.g. various crustacea, coconut oil, preserved pineapples, palm oil, pepper and spices) as well as tobacco.

Further improvements benefiting ASEAN were incorporated in the Community's tropical products offer under the Tokyo Round multilateral trade negotiations (MTN) which were implemented in 1977.

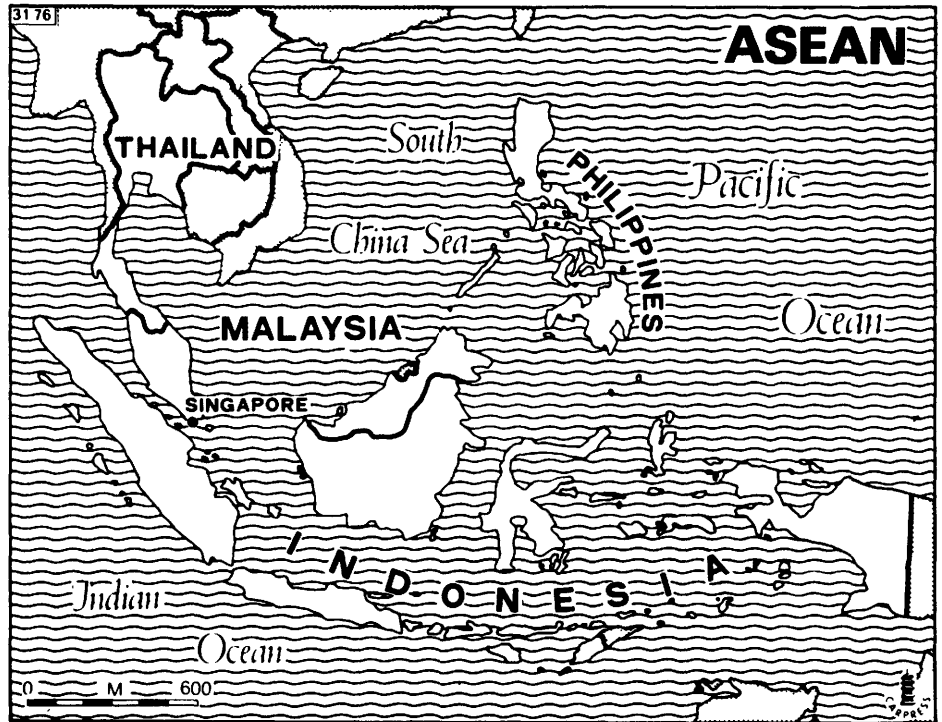
In order to encourage intra-regional trade within ASEAN, the Community introduced in 1974 a special regime allowing certain products to be imported under the GSP from Singapore, which has an important entrepot trade, accompanied by origin certificates from other ASEAN countries. As from 1975, the Community has applied the principle of cumulative origin of imports from regional groupings such as ASEAN.

In order to improve knowledge of the scheme among exporters and government officials in ASEAN, the Commission regularly organizes regional seminars on the operation of the GSP. There has indeed been a substantial improvement in the ASEAN export performance under the scheme, particularly since 1977 when Community imports from ASEAN under the GSP rose by 88%.

The five ASEAN countries are now, if taken together, by far the largest beneficiary of the system, accounting for over 20% of total Community imports under the GSP. They have urged the Community to make it a permanent feature of its policy. Additionally, the Community operates for ASEAN exporters a number of trade promotion schemes including seminars, import/export missions and special facilities for ASEAN exhibitors at European fairs and exhibitions.

Commodities

As a major commodity producer, ASEAN is naturally concerned about the progress of negotiations in



UNCTAD on the Common Fund and the Integrated Programme, and the subject was raised at the first ministerial meeting. The ASEAN countries have also shown considerable interest in the Stabex scheme, which they would like for their own commodity exports.

At the first ministerial meeting, the Community recognized the importance of ASEAN as a major supplier of many key commodities and expressed its willingness to examine, within a global scheme involving all the industrialized countries, what possibilities there were for guaranteeing the stabilization of export earnings of developing countries, including ASEAN, as a complement to other measures.

It should be borne in mind that the ASEAN countries have a more diversified economic structure than the ACP countries, including a higher percentage of exports of manufactured goods.

Investment and industrial cooperation

This has been the area in which the most significant cooperation has taken place, reflecting the ASEAN preoccupation with the under-representation of European industry in the region in comparison to Japan and the United States, and the Commission's concern at the relative lack of European investment in the raw materials sector, vital to the Community economy.

The ASEAN countries have repeatedly emphasized their willingness

to conclude investment protection agreements with the EEC countries where these do not already exist. In September 1977 the Commission organized a highly successful seminar in Singapore for ASEAN businessmen and officials on the management of the transfer of technology. This was repeated at Kuala Lumpur in 1978.

The Joint Study Group has also promoted links between the Commission's Business Cooperation Centre and the ASEAN investment boards. In April 1977 the Commission organized at Brussels, with the help of a group of European banks, the first Community/ASEAN conference on industrial cooperation, bringing together 500 European and ASEAN senior business and government executives. This allowed ASEAN for the first time to present the investment potential of the ASEAN region as a whole to a top-level audience of European industrialists and bankers.

A second major conference on industrial cooperation at Jakarta, on 26-28 February 1979, where 250 European industrialists and bankers had talks with 400 ASEAN industrialists, bankers and government officials, covered eight main sectors, including the chemical, electrical, machinery/metal engineering industries; the industrial processing of agricultural products; timber and timber-based industries; precision engineering; transport and communication equipment manufacturing, and export crop plantation.

At their first ministerial meeting, the Community and ASEAN agreed, moreover, to seek to extend the cover-



Signing of the agreement at the EEC-ASEAN ministerial meeting in Kuala Lumpur, 7-8 March 1980

age by investment protection arrangements between the member states of both regions.

Development cooperation

At the Paris summit in October 1972, the heads of government of the enlarged Community agreed to implement progressively a global policy of development cooperation to complement the existing links with the associated countries in Africa, the Caribbean and Pacific and in the Mediterranean area.

In addition to its system of generalized tariff preferences the Community has developed a certain number of practical instruments for cooperation with non-associated developing countries. Funds for technical assistance to regional integration between developing countries have been used to study the harmonization of ASEAN trade statistics and to finance visits by senior ASEAN officials to study the functioning of the Community.

The fund for export promotion has been used by the Commission to finance participation by the ASEAN countries in numerous trade missions, trade fairs and exhibitions in Europe as well as European buying missions to ASEAN.

The Commission has also provided expert assistance on a number of marketing problems and published a basic trade information guide to the ASEAN countries. Under another budget heading, the Commission has financed a training course for the managers of small and medium-sized enterprises

and a training programme for upgrading the skills of technicians from the ASEAN countries.

Moreover, in addition to food aid for Indonesia, the Philippines and Thailand, the Commission has been able since 1976 to finance rural development projects in Indonesia, the Philippines and Thailand from resources available under the Community's programme of financial and technical assistance to the non-associated developing countries. Finally the Community has also undertaken to finance feasibility studies for an ASEAN post-harvest grain research and training programme and an ASEAN timber industry research, development and training centre.

Technical assistance, education, science and culture

The first ministerial meeting also gave a large boost to increasing the transfer of technology from the Community to ASEAN, through current and future programmes of seminars on this theme and through the expansion of the training and educational assistance programmes for technicians and industrial workers from ASEAN countries.

As a result of the meeting, the two sides agreed to prepare a joint study of the possibilities of establishing cooperation in science and technology. The Community and its member states confirmed their intention to encourage their scientific institutions to open their doors to ASEAN scientists.

In the cultural field, some of the Community member states, together with

the Commission, promised more scholarships for ASEAN students.

"A record for a multilateral agreement"

A first round of exploratory talks on the possible content of a cooperation agreement was held in Brussels on 14-15 December 1978 between senior officials of both sides. This was due to be followed up the following March in Jakarta, and the EEC Commission also opened its first permanent delegation for South-East Asia, in Bangkok, in 1979.

The meeting in Kuala Lumpur in March this year was only the second EEC-ASEAN ministerial meeting, but the ground for the agreement had been well prepared: it took only two days to complete the negotiations, which Thailand's ambassador to the EEC, Arsa Sarasin, described as "a record for a multilateral agreement".

Grumbles from the European Parliament

The EEC-ASEAN agreement is part of the Community's overall network of pacts with the developing countries and goes further than the simple trade agreements previously drawn up with the Indian sub-continent. There are plans to follow it up with another agreement on the same lines with the Latin American countries of the Andean Pact (Venezuela, Colombia, Ecuador, Peru and Bolivia).

The new directly-elected European Parliament has come in on the tail end of these arrangements, but several Euro-MPs, while applauding the Kuala Lumpur agreement, complained a week after the signature that the European Parliament, and the national EEC parliaments, should have been involved in the initiative. Mr C. Berkhouwer (Dutch liberal), a former EP president, said the Parliament should not be asked its opinion only after the agreement had been signed.

The Euro-MPs also expressed some anxiety about industrial cooperation with ASEAN—textiles have long been a thorny issue—about human rights in ASEAN countries and about the protection of investments. Mrs Caretoni Romagnoli (Italian communist) called for a full-scale EEC debate, including the European Parliament, on whether the Community's customs organization had not now "reached its extreme limits". ○ B.T. (from documents prepared by the EEC Commission spokesman's group)

The Community and the non-governmental organizations (NGOs)

Fruitful cooperation

The sixth annual assembly of development NGOs took place in Brussels from 19-21 March 1980. During the three days, delegates of some 82 NGOs and observers discussed with the services of the Commission the evolution of their cooperation in various areas of activity: project co-financing in the developing countries, development education, food aid, emergency aid, the prospects for 1980. In his opening speech, Claude Cheysson emphasized the role of the NGOs in making European public opinion aware of the basic problems of the North-South dialogue. As he pointed out, Lomé II is an encouraging step in the evolution of these relationships against a sombre international background characterized by a structural crisis that is bringing an end to the present world economic order.

This year's assembly was an innovation in that, for the first time, the delegations had been elected at previous by-held national assemblies in each of the member states. At the end of the Brussels meeting, a 13-member liaison committee was set up (1 member per EEC member state and 4 experts chosen for their competence). This committee is headed by Mr McKeown, of Trocaire (Ireland) assisted by Mr Gilly of Movimento Sviluppo E Pace (Italy) and Mr Bottazi of le Comité Catholique contre la faim et pour le développement (France).

Consolidation and expansion (1)

In general, 1979 was both a year of consolidation and of expansion for the Community's policy of cooperation with NGOs. Consolidation in that co-financing of projects in developing countries continued successfully, notwithstanding that, as funds available remained at more or less the same level as in 1978, many valid projects had to be carried over for co-financing in 1980. On the other hand, following on the success of the two development education projects supported in 1978, funds committed for this purpose were more than doubled in 1979, thus permitting a number of interesting NGO activities aimed at increasing European public awareness of development matters to be co-financed. In addition, the NGOs took important steps to improve and expand coordination both among themselves and vis-à-vis the Community.

The interest of NGOs in the Community's co-financing scheme was further confirmed in 1979. They submitted 240 projects involving a total financial request from the Community of 22 m EUA, which was almost double the budget available.

The Community's grants totalled

(1) Extracts from EEC document COM(80) 98 final.

11 947 669 EUA for 152 projects introduced by 61 NGOs for implementation in 63 developing countries. (These figures include an amount of 400 621 EUA contributed by the Community in the form of block grants to 12 NGOs). In addition, 38 registered projects for which the amount requested exceeds 4.8 m EUA were carried over to 1980 due to the lack of sufficient funds. A further 9 projects, requiring 0.7 m EUA, were not retained or were withdrawn by the NGOs during appraisal. Thus 199 projects with a total request of 17.8 m EUA were registered by the Commission in 1979. The remaining 41 projects

were not admissible for various reasons, notably the non-conformity of either the NGO or the project, or both, with the general conditions of co-financing, and were thus not registered.

Payments (in whole or in part) in respect of 115 projects amounted to 4 818 801 EUA. The payment of the balance of 7 128 868 EUA in respect of projects approved in 1979 will carry on normally in 1980/1981.

Of the 61 NGOs with which projects were co-financed in 1979, 15 have had projects co-financed in each of the four years 1976-1979 (a figure increased to 23 for 1977-1979). On the other hand 13 NGOs had projects co-financed for the first time. This balanced blend is a source of satisfaction as it shows a system in which continuity and consolidation operate in parallel with an openness to new approaches.

Continuing the experience of the previous year, when the possibility of multi-annual project co-financing was introduced (maximum Community contribution of 300 000 EUA over 3 years), some 60% of the budget was committed in respect of these projects (with an average Community contribution of 148 000 EUA per project). On the other hand, the average contribution to projects other than the multi-annual was 46 000 EUA.

Projects concentrated in rural areas

The Commission feels that very small projects (i.e. where its contribution is less than 10 000 EUA) have a role to play in the development process, although until 1979 they had normally been excluded, for administrative and practical reasons. It was thus that a



Claude Cheysson (2nd from left) during his speech at the NGOs meeting. On his left Maurice Foley, deputy director general for development and Thom Kierstens, chairman of the NGOs' liaison committee. On his right, Werner Koedderitzsch, who is responsible for the Commission's relations with the NGOs'

Breakdown of co-financing grants by continent (1976-1979)

	No. of projects	Community contribution (EUA)	percentage
Africa	293	15 081 320	50
Asia	147	7 861 458	26
Central and Latin America	105	6 419 590	21
Middle East	23	780 998	13

Breakdown of co-financing grants by EEC country (1976-1979)

	No. of NGOs	No. of projects	Community contribution (EUA)	percentage
Belgium	19	73	5 607 440	18.5
Denmark	6	10	579 560	2
Germany	17	86	7 900 219	26
France	19	89	5 744 997	19
Ireland	5	63	1 130 973	4
Italy	12	43	2 659 895	9
Luxembourg	2	5	123 499	0.5
Netherlands	4	48	2 836 237	9
United Kingdom	17	99	3 593 082	12

block-grant system was introduced whereby the NGOs who had proven their capacity and competence in previous co-financings with the Community for three consecutive years were able to apply, under a simplified procedure, for grants, based on a percentage of previous normal co-financing allocations, but subject to a maximum of 50 000 EUA, twice a year. Of the 16 eligible NGOs, 12 availed themselves of such grants in 1979 at an average of 33 000 EUA per NGO. A total of 46 small projects were supported in this way.

Projects, as in the past, continue to vary from the provision of smallscale equipment to integrated rural development, comprising production, training, social infrastructure and equipment. In general, projects tend to promote rural development and education/training although a significant number of projects in the health field were also supported. Mention, within the framework of the International Year of the Child, should also be made of the number of projects relating to child care and

development. An interesting development, noted in earlier years but confirmed in 1979, has been the number of alternative energy projects co-financed. This diversity and topicality demonstrates the flexibility of the NGO response and their capacity to react to local needs and initiatives in the most appropriate manner.

In 1979, projects were co-financed in 63 countries situated in all the developing regions with 49%, 23% and 28% of the funds being committed in respect of the African, Asian and Central/Latin American continents respectively. Projects were co-financed in eight countries for the first time.

The populations concerned, mainly from the poor rural communities and, more rarely, in neglected urban groups, are normally directly involved in the formulation, implementation and management of the projects.

It should be noted that certain countries seem to lend themselves particularly well to NGO cooperation, particu-

larly in the context of the development programmes conducted by the authorities, where the NGOs find they have a role to play.

The Community contribution is normally up to 50% of total costs; in only 14 duly justified exceptional cases, however, was that percentage exceeded. It is noteworthy that in many cases the Community contribution is below 50% of the cost and the multiplier effect of the contribution invested by the Community is important. The total investment made via the NGOs in the 152 projects co-financed in 1979 is 32 m EUA, of which the Community contribution represents less than 40%.

A positive balance sheet

The Community's cooperation with NGOs has now become, after four years in operation, an established part of its overall development policy. It has evolved in a satisfactory manner and has made its own positive contribution to improving the situation of the poorest populations in developing countries.

By the end of 1979, more than 500 NGO projects had been co-financed by the Community in 85 countries. These projects, in which the combined Community/NGO investment approaches 100 m EUA, represent a concrete achievement which should act as an encouragement for the future. In this regard it should be recalled that lack of sufficient budget appropriations in 1979 meant that many valid projects had to be carried over for co-financing in 1980.

The Commission views with interest the growing involvement of NGOs and special interest groups in making public opinion more aware of development matters and intends to intensify cooperation with them in these areas.

The special character of NGOs is exemplified by their rapid and efficient response in 1979 to the tragic situation in South East Asia where, often with Community assistance, they were among the first to provide immediate relief.

In cooperating with the NGOs the Community recognizes their dedication and motivation and the catalytic role they play in expressing the solidarity of the people in Europe with people in the developing countries. It shares their concern for social justice and is certain that the steps taken, within the framework of the annual assembly and the liaison committee, will serve to improve their overall effectiveness while at the same time not diluting the diversity or individuality which makes them so representative of the non-official Community. ○

Sharing the riches of the deep-ocean floor

by Gilles CHOURAQUI(*)

What is the deep-ocean floor? It is the deepest part of the ocean, beyond the continental shelves which go 3 000 to 4 000 m deep. Continental shelves account for about 20% of the world's seabed and the deep-ocean floor the other 80%.

Part of it is within the 200-mile economic zones of certain maritime countries, which therefore have jurisdiction over it. The rest, the vast majority of it, belongs to everyone. It constitutes, according to a UN resolution of 1970, the common heritage of mankind and it covers 60% of the total seabed. It is these international undersea areas that are discussed in this paper.

The deep-ocean floor has not been properly explored as yet, but it is known to contain apparently very important resources—polymetallic nodules. These were discovered by the British oceanological vessel Challenger during an expedition in the Atlantic in 1873. The nodules are blackish, metallic lumps about the size of a piece of coal and they are said to cover most of the seabed beyond the continental shelves. They contain copper, nickel, cobalt, manganese and more.

Since the 1960s there has been considerable interest in the exploitation of the deep-ocean floor on the part of the big mining companies in the industrialized countries and of the countries of the Third World in general. But nothing has begun yet. The exact status of the floor is still the subject of negotiation within the framework of the UN Conference on the Law of the Sea.

When will exploitation begin? What will the arrangements be? In an attempt to answer these questions, I shall first investigate the economic interest of the deep-ocean floor and then go on to outline the negotiations on the system of exploitation now being held as part of the UN law of the sea conference. Lastly, I shall describe the prospects which, to my mind, emerge from these two sets of considerations.

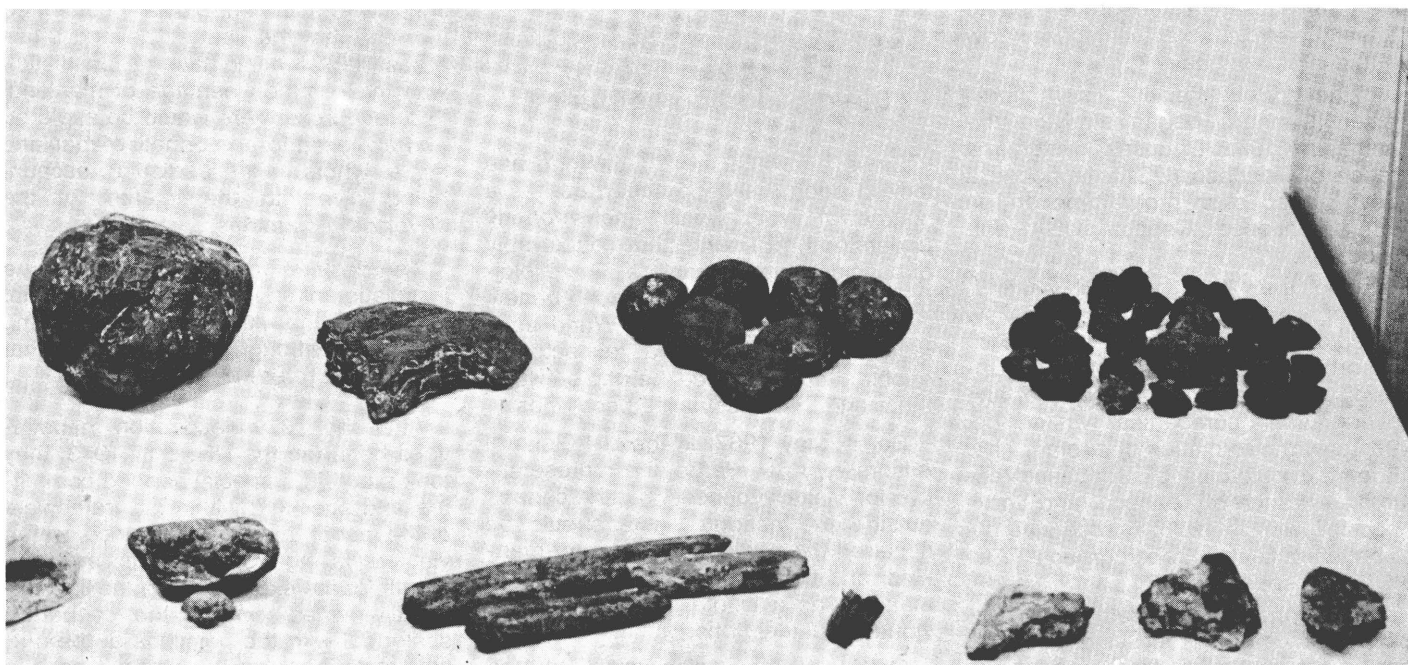
The economic interest of the deep-ocean floor

I shall not insist on the considerable economic importance of the four minerals found in the nodules. We know that nickel, manganese and cobalt are used to make extra-hard steel and that there are many uses for copper, particularly in electronics.

First of all, what is known about the quantity of exploitable nodules? The main known deposits are in the Pacific Ocean and a vast area in the North Pacific, between the Cliperton and Clarion fractures at depths of 4 000-5 000 m, is particularly rich. Then there are promising concentrations in the North Atlantic, the South Atlantic and the Indian Ocean. Estimates of these reserves vary widely. One of the most reasonable suggests that there are about 40 000 million t of nodules in all waiting for economic exploitation. They could yield 100 million t of nickel, 90 million t of copper, 16 million t of cobalt and 1 800 million t of manganese.

As things stand, known reserves of these metals on land are perfectly adequate to meet world demand over the next few decades, if it is considered, which is very probable, that the growth rate in demand will stay at the present rate of 6%.

(*) Script of a lecture by Gilles Chouraqui, author of *La Mer confisquée — un nouvel ordre océanique favorable aux riches?* Editions du Seuil, 4th quarter 1979 — read at the EEC (Berlaymont) on 18 February 1980 under the aegis of the Europe-Third World Association.



Nodules from the Atlantic and the Pacific: the one at top left weighs 6.5 kg

There is an annual world demand for 750 000 t of nickel and there are 100 million t in reserve. The world demand for copper is 8 million t p.a. and there are land reserves of 250 million t. The figures for cobalt are 30 000 t and 4 million t and for manganese 10 million t and 750 million t. So there is no need to exploit the nodules in the medium term simply to eke out the reserves of these metals on land.

The interest to the industrialized countries of exploiting deep-ocean floor resources

The industrialized countries depend to a very large extent on the Third World for all or some of their supplies of the four minerals. Even if some of them produce a major part of world production, it is inadequate to meet all their needs and they are forced to apply to Third World countries for imports.

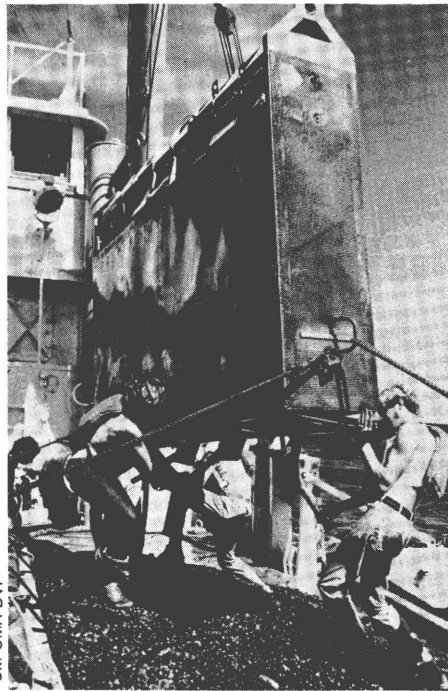
This dependence is particularly evident in the case of the USA. This country has practically no known manganese deposits, no known cobalt deposits and only a very small amount of nickel (1% of world production). All in all, the USA has to import more than 70% of the nickel it needs and almost all its manganese and cobalt. So every year, it imports \$ 1 500 million worth of the same metals as are found in the nodules.

The concern to have further sources of copper, nickel, manganese and cobalt supplies is behind the interest displayed by the industrialized countries, and the USA in particular, in the exploitation of the nodules. Since the '60s, big mining companies have been taking an interest and international consortia have gradually been formed to perfect the exploitation techniques. How do things stand today?

At the end of the '50s, International Nickel (Canada) began studying the nodules. In 1962, Deepsea Ventures, a branch of Tenneco (USA), launched a nodule prospection programme and in 1965, Kennecott Copper (USA) followed suit.

During the '70s, powerful multinational consortia were set up with a view to exploiting the nodules. In 1973, a consortium, led by Kennecott and comprising a Canadian, a Japanese and several British companies, was set up. 1974 saw the formation of another one, under the guidance of Deepsea Ventures, a branch of Tenneco, and Lockheed followed in 1976. France was not to be left out—the French group AFER-NOD was set up in 1974.

These groups concentrate on perfecting techniques for processing the metal and, most important, for collecting the nodules from the seabed.



Collecting nodules by the scooping technique

Today, after considerable effort, the experts seem to have mastered the metallurgical techniques and two main collecting techniques—scooping the nodules up or sucking them up—have been tried out successfully. However, neither of these techniques has been tried out on an industrial scale. So it is difficult to assess the strictly economic profitability of exploiting the nodules. Some people suggest that it is less profitable than the consortia initially hoped, which is why, no doubt, they are working slowly now and have announced that the first industrial exploitation will not begin until 1990 at the earliest.

The interest of the deep-ocean floor to the developing countries

Since the '60s, the Third World has looked upon the deep-ocean bed as a source of great wealth—not properly understood, of course, but conceivably of considerable importance. The exploitation of these resources was to benefit the countries of the Third World as a matter of priority and was expected to enable them to reduce the gap between them and the industrialized countries.

So, in May 1967, at the UN General Assembly, Arvid Pardo, the representative for Malta, proposed that the seabed outside the national limits should be declared the common heritage of mankind, and be exploited for the benefit of mankind as a whole and not for individual industrial firms.

Gradually, the discussion of the deep-ocean bed focussed on the

nodules and various countries in the Third World, those with deposits of nickel, manganese, copper and cobalt, began to get a little worried about competition from the under-sea resources.

These Third World countries depend, often to a very large extent, on the exports of these minerals to finance their development. Copper, for example, represent 80% of the total value of Chile's exports, more than 90% of those from Zambia and 73% of those from Zaire, while manganese accounts for a considerable percentage of the total value of Gabon's exports—which is why these countries are anxious to ensure that production from nodules on the seabed is limited so their export trade remains unharmed.

It is worth noting that an industrialized country like Canada, a major "land" producer of nickel, will have much the same sort of position as these underdeveloped countries.

So these considerations show why the negotiations (now taking place as part of the UN law of the sea conference) on the system of exploitation of the internationally-owned part of the seabed are so difficult.

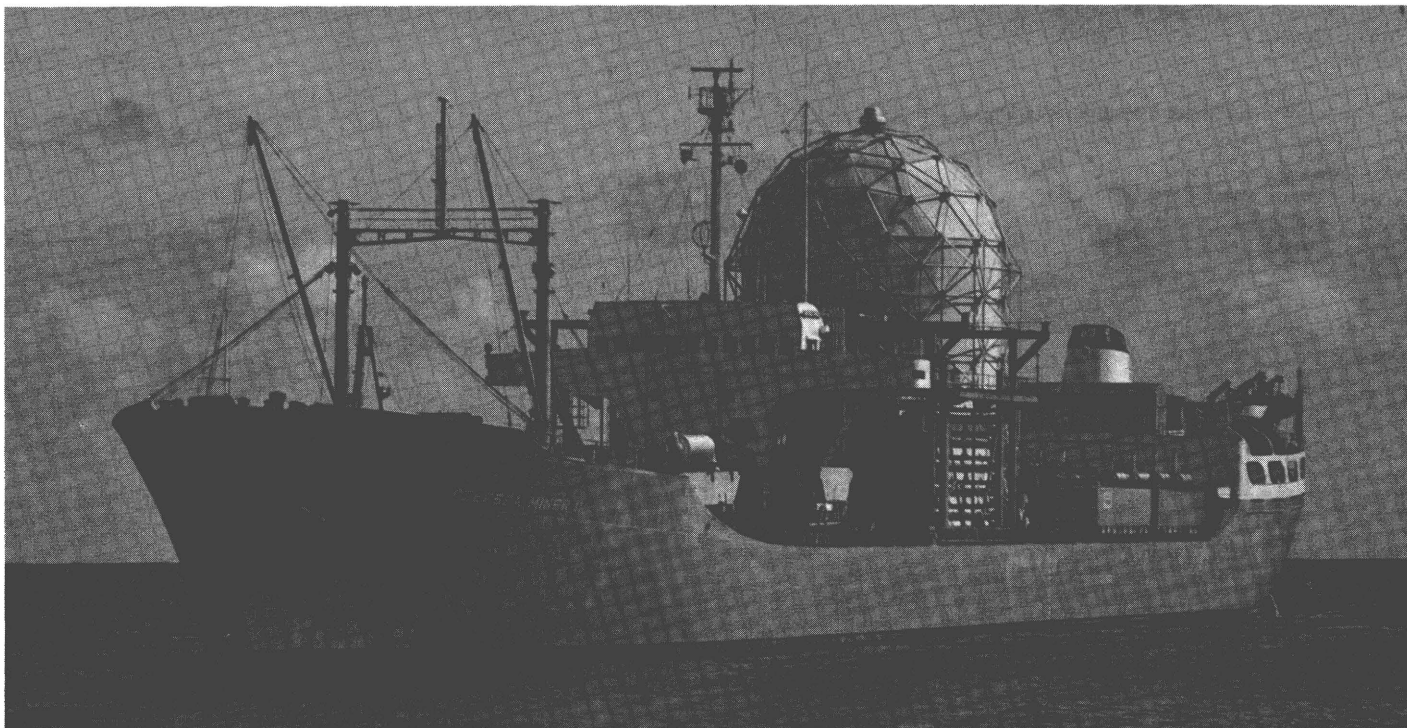
Negotiations on the system of exploiting the internationally-owned seabed

Three years after the Pardo proposal of 1967, on 17 December 1970, the UN General Assembly adopted, almost unanimously, a declaration in principle on the deep-ocean floor.

The declaration, to which no obligations were attached, officially confirmed the idea that the seabed beyond those areas that fell within national jurisdiction was the common heritage of mankind. The resources there would be explored and exploited for the benefit of mankind as a whole, with particular account being given to the interest of the developing countries.

The declaration also provided for the installation of an international institution, in line with the wishes of the developing countries, although it failed to say what its terms of reference would be.

After the 1970 declaration, negotiations began in the UN. Until 1973, they took place in a special seabed committee and after that within the framework of the law of the sea conference, with a view to laying down specific arrangements for the exploitation of the internationally-owned part of the seabed. I shall deal with the positions at the outset and then go on to outline the achievements so far.



Deepsea Miner II, a special ship which carried out trials at 20% of the scale of a full commercial operation on the Ocean Mining Associates site in the Pacific in 1977

The basic positions

Two opposing groups of countries are involved in the law of the sea conference as regards arrangements for exploiting the seabed. They are the industrial countries and the developing countries, which have formed the Group of 77.

The 77 have a clear aim in view. To control the exploitation of the common heritage, for the reasons I have outlined. This is why they are asking for the international machinery provided for in the 1970 UN declaration to have considerable power. They want an international seabed authority to be set up with sovereign powers over the exploration and exploitation of the zone. For the purposes of exploitation, it would enlist the help of countries or physical or moral persons with whom it would conclude service contracts. But it would retain direct and effective control over these contracts. Furthermore, the physical or moral person who concluded the contract with the authority should:

- i) transfer to the authority all technology used during the duration of the contract;
- ii) train staff from developing countries.

So this authority would have sovereign rights to take any measures relating to resources in the international seabed zone. This would mean it could, for example, take steps to restrict the production from nodules or introduce measures to protect the developing countries that exported nickel, copper, cobalt or manganese.

Briefly, then, what the Third World wanted was for the authority to be a kind of world government, the first world government in fact.

The 77 were anxious to ensure that the authority had very extensive powers and they also wanted to ensure that the functioning of the authority could be controlled. This is why they asked for the decision-making body of the authority to be a general assembly of all countries, each with one vote—thereby ensuring a clear majority for the Third World.

The industrial countries held opposite views. Their aims were freedom of access for their firms to the resources on the seabed and they therefore wanted only the states and any undertakings attached to these states to be able to exploit the resources. The international authority, which they thought was a good idea in principle, would have very limited powers. Its main task would be to issue permits to companies or states that applied for them. The authority's scope to do this would be, to a very large extent, restricted.

Similarly, the industrialized countries wanted to restrict the all-powerful rights of the 77 in the organs of the national authority. They therefore proposed that the main decision-making body of the authority should be a council, a restricted body, rather than the assembly. A considerable number of industrialized countries would be members of this council and, thanks to a system of weighted votes, they would never be in a minority.

The negotiations today

The USA and the USSR attempted a compromise between the two extreme views described above, in 1975. Their idea was to set up a so-called 'parallel' system which would ensure a certain amount of equality between the exploitation of the seabed by the authority and exploitation by states or firms.

According to the American proposal, any country which applied for a permit would have to name two equivalent zones for the authority to choose from. The authority would then grant a permit for one of the two and could do what it liked with the other—either exploit it directly or "bank" it for exploitation in the future.

The Group of 77 rejected these proposals at first, in spite of the fact that some of the moderates supported it. Why? First, they objected to the idea of the whole of mankind being put on the same footing as the firms of one or two countries which had in fact disposed of half the international zone in practice so far.

Then, in this system, the countries and their companies could develop further sites, while those reserved for the authority would not really be exploited.

Above all, they felt, the Russo-American proposals did not give the authority enough power to regulate and control access by states and firms to the resources of the deep-ocean floor.

State secretary Henry Kissinger replied to these objections on the USA's behalf. In 1976, he made a further proposal against guaranteed access for states and firms to the seabed resources, as part of a parallel system. He offered to finance the first site directly exploited by the authority. However, the developing countries felt this proposal to be inadequate.

As things stand now, the negotiations are faced with four main obstacles and compromise seems unlikely:

1. The 77, in the name of the land producers of minerals, want the system of exploitation of the international zone to be strictly limited as far as production from nodules is concerned. Most of the industrialized countries think this is far too strict a limitation. So far, no compromise has been reached.
2. The 77 have laid down conditions for their acceptance of the parallel system, one of them being the obligation for the contracting state or company to transfer to the authority (or its secular body, the undertaking) or to any developing countries applying for contracts, such technology as it will use in the international zone.
3. The 77 want a severe tax system (the authority would levy taxes on firms or states which exploited the seabed). The negotiations between the 77 and the industrialized countries on this topic are difficult.
4. A stalemate has been reached on the question of the structures of the international authority and the method of decision-making. For example, the 77 want the Council's decisions to be taken by a two-thirds majority and the industrial powers want a system of double majority, bringing in all the members of the council and the interest groups to which the various members belong.

Outlook for the future: risk of unilateral action

In 1970, the people in the USA involved in exploiting the seabed began to exert pressure on the authorities to get the USA to obtain national jurisdiction over the exploitation of the mineral resources of the deep-ocean floor, without waiting for an international regime to be set up. So, in November 1971, Senator Lee Metcalf tabled a bill, the Deep Seabed Hard Minerals Bill, in Congress. If this bill is voted in, it will mean that the American authorities can authorize any firm to exploit or explore the deep seabed of the international zone. The tabling of this bill was felt by the representatives of the Third World who sat on the seabed committee to be a veritable attack and they reacted by

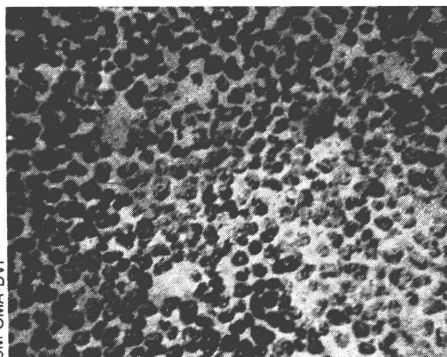
introducing a draft demanding that no activities take place in the international zone before an international regime was set up.

But the bill still exists. Not only does it exist, but the American authorities support it and are threatening the 77 with getting it voted in fast unless the two groups can reach agreement soon. Obviously, if the USA did adopt this bill, other industrialized countries would introduce similar laws of their own to prevent the USA from having a monopoly.

The 77 have protested several times recently against these projected unilateral laws. Their spokesman has also made it known that his group would take considerable retaliatory measures, in the negotiations on straits, for example, if they went through.

The risk of increasing tension between North and South

It is quite clear that, if at some stage the industrial powers endow themselves unilaterally with the legal means of exploiting the seabed, it would considerably worsen the already difficult situa-



Seabed nodules as they appeared on the trial ship's TV monitor

tion between rich and poor countries.

First, unilateral exploitation would create considerable frustration in many of the countries of the Third World which have high hopes of the deep seabed. Even if such exploitation were not very profitable to begin with, if others did it the psychological effect would be negative. Furthermore, the Third World has vested its hopes in a world seabed government that it would control. Failure would be difficult for it to accept.

Unilateral exploitation might look like the first step towards appropriation of the internationally-owned seabed by the industrialized countries.

As things stand, some 40% of all the ocean floor comes under the jurisdiction of the maritime countries and appropriation of it would benefit the industrialized countries first:

- because they have the largest maritime zones;
- because they (and the oil-producing

countries of the Third World) often have those areas of the seabed that are richest in hydrocarbons and have the greatest potential in this respect;

— finally, and this is most important, because they alone have the technical and financial means of developing the resources from their seabeds and protecting them against outside interference.

The appropriation, in recent years, of large stretches of the ocean and the seabed by the maritime countries has already heightened the imbalance between rich and poor countries. And this is not the only consequence. Those countries that are at a geographical disadvantage, the landlocked ones, particularly those which are underdeveloped and the countries of the fourth world, are likely to find themselves all the poorer because of this. The developed countries and the developing oil-producers are the first to benefit.

So a Third World failure on the subject of the exploitation of the seabed, added to the effects of the exploitation of the areas under national jurisdiction, can only increase the resentment the South feels towards the North. The climate of negotiations between the developing countries and the industrialized ones is likely to become more difficult as a result.

It therefore seems obvious that the countries of the Third World and the countries of the developed world and, in particular, the medium-sized industrial powers, such as those of Europe, should agree on a system for the exploitation of the deep ocean floor that is acceptable to all concerned.

Ending the stalemate

In *La mer confisquée*, my idea was to make one or two proposals on the positions that could be adopted by certain industrial powers and by the Group of 77 countries in the negotiations on the system of exploitation of the internationally-owned seabed.

I have no handy solutions ready. But I think that if the industrialized countries made concessions to the Third World with the transfer of technology and if, at the same time, the 77 tempered their attitude on the limitation of production of the minerals extracted from the international zone, then the negotiations on the parallel system could perhaps continue again.

Lastly, more generally and by way of conclusion to this brief presentation of the problem of the deep-ocean floor, the solution doubtless involves making vast sectors of public opinion and our political leaders aware of the various implications of all this for international order and for the future of North-South relations in particular. ○

Freedom of the seas and fishing

by Bruce RENTON(*)

The old concept of freedom of the seas is going out of date as more nations extend their sea limits beyond the traditional 3 to 12 miles.

The concept was first expounded in 1609 by the Dutch jurist Hugo Grotius in his treatise "Mare Liberum", but even he conceded that, for practical purposes, coastal states should retain control over some of their waters. In the 18th century the distance was set at 3 miles—the range of a shore-based cannon of the time.

(*) FAO.

Later, as navies and firing ranges grew, the limit was extended to 12. In the past decade it has expanded for distances of up to 200 miles in most cases.

This latest change has come about through the unilateral extension of sea limits by more than 90 states, many of which have proclaimed exclusive economic or fishing zones (EEZs). The old 3 mile limit thus has zoomed to 200 miles without a shot being fired.

The immediate effect of the new extended zones has been to close off the overwhelming portion of the world's

commercial fish stocks to exploitation by foreign fleets. Unlike in the past, when fishing vessels could operate wherever they pleased, these vessels must now pay for the privilege of taking fish off the shores of other countries.

The new concept of EEZ has emerged from the Third United Nations Conference on the Law of the Sea, which was convened in 1973. In subsequent sessions delegations from some 150 countries have endeavoured to define and codify a new regime of the sea, taking into account matters of coastal sovereignty.

The conference has not yet achieved its objectives, but regardless of the outcome the existence of the EEZs remains a "fait accompli". It is unlikely to be abandoned, since coastal countries are continuing to establish these zones, completely changing the world fishing scene.

Fish are one of the most valuable resources of the seas. Fishing on the high seas goes back to the mid-1500s when the Portuguese exploited the cod schools of the Grand Banks of Newfoundland. With the technological revolution following World War II, the total world catch increased enormously and many nations expanded their fisheries dramatically.

Peru became a great fishing nation, boasting, for a time, the largest single fishery in the world with annual catches of over 10 million tons of anchoveta. Countries like Japan and the USSR developed huge factory ships capable of operating around the globe, catching and processing fish ready for the market on landing.

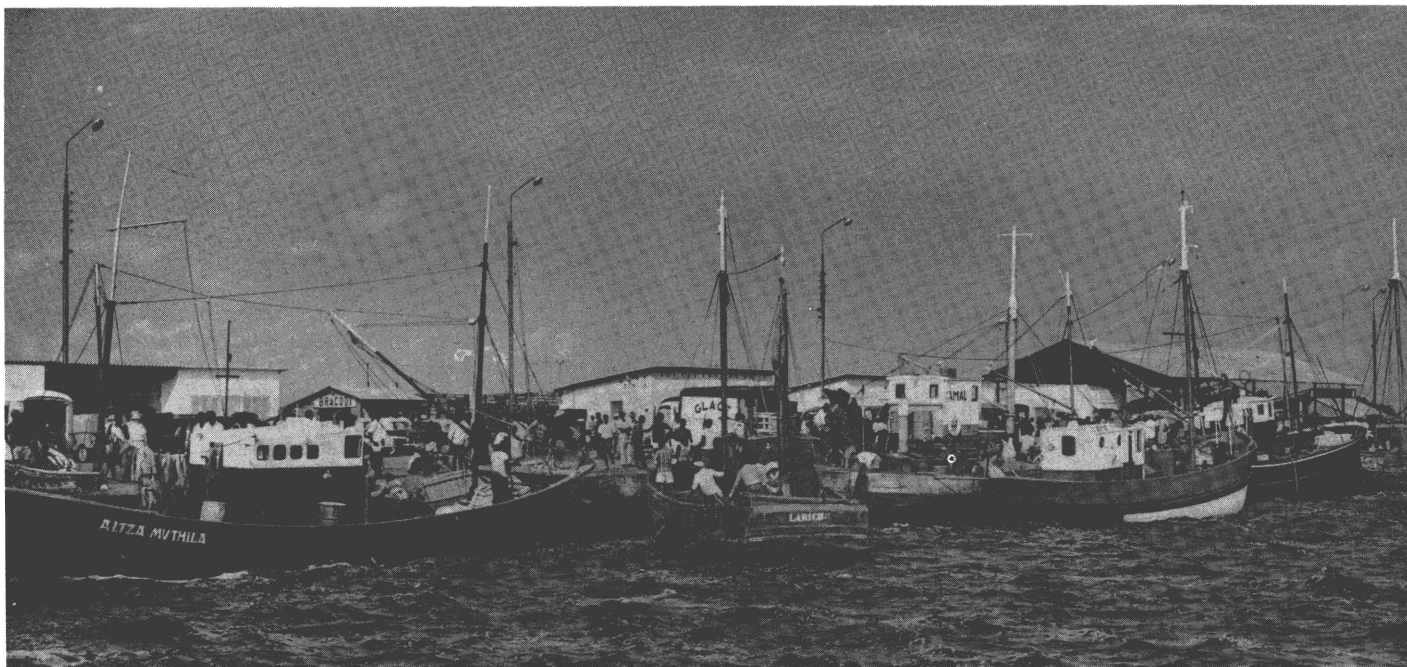
Thailand and several other developing countries among them India and the Republic of Korea, built up fishing industries involving more than a million tons of fish a year. By contrast, many of the great fishing nations, such as the United Kingdom, have declined in importance.

The opportunities presented to coastal developing countries declaring EEZs are receiving urgent attention from the Food and Agriculture Organization of the United Nations (FAO). Mr Edouard Saouma, director-general of FAO, announced last August a \$35 million programme of assistance to help these nations benefit from their new resources. The programme, which is being given the "highest priority" by FAO, provides for medium and long-term action aimed at all aspects of



Fish wharf in the port of Abidjan (Ivory Coast): catching the fish is one thing, getting them safely to the consumer another

FAO & J. M. Renaud



200 miles is a long way out for boats like these

fishery development, from resource surveys and development planning to training personnel, tapping investment sources and drafting national legislation.

Food and employment

Mr Saouma pointed out that fishing provides a main source of food, employment and income for millions of people in the developing coastal states.

While fish accounts for only about 20 per cent of total world supplies of animal protein, in Africa the share goes up to 24 per cent and in south-east Asia to

55 per cent. Some 50 million tons of fish are consumed as food every year. Thus, in many countries fisheries form a vital part of national food and development programmes.

FAO points out that most developing countries do not possess the means to take full advantage of the opportunities afforded by the EEZs. Nor can they be expected to take over immediately as managers of their newly acquired resources.

Considerable and continuous assistance will be needed. FAO, as a UN technical agency, with many years of experience in fishing problems, is the

one qualified body that can provide the necessary expertise.

Considerable action is required by nations with EEZs. National fishery legislation must be urgently revised. Joint ventures and other forms of cooperation in the exploitation of the fishing resources must be negotiated.

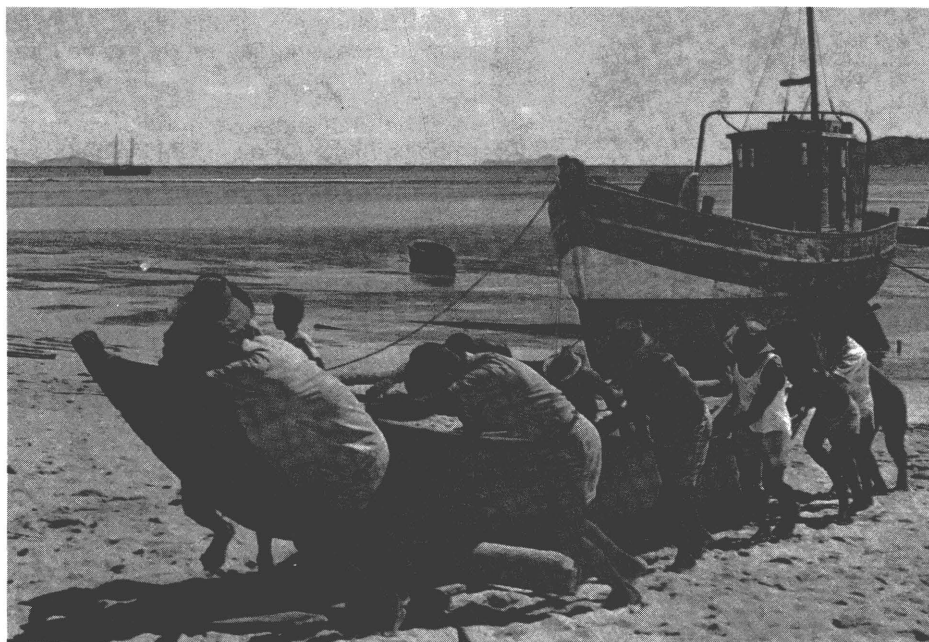
New forms of licensing have to be arranged for foreign fishing vessels wanting to operate in exclusive economic zones.

In many cases, where the developing coastal nations have neither the basic fishing industries nor the necessary distant-water vessels, it will be necessary to start building a fisheries industry, or concede licensed privileges to other nations or enter into joint ventures. So far, more than 40 states have asked FAO for legal assistance.

The new ocean regime makes ultimately for a redistribution of maritime wealth.

In the process it should assist efforts to achieve a new international economic order, which is a fundamental goal of the United Nations and FAO. Nevertheless, as the scope and urgency of FAO's new programme shows, the opportunities presented by the extension of national jurisdiction must be taken now.

For the first time the world's marine fisheries can be developed and managed in a way that will provide a continuing, renewable source of food in the absence of the competition for resources which often arose in the past and brought in its train over-fishing and falling catches. ○ B.R.



A Seychelles pirogue is beached after a day's fishing in the shelter of a lagoon

SEYCHELLES

Housing—a success story

by J.P. MONAHAN(*)

Seychelles became a republic in 1976. Its 64 000 people are concentrated on three of its 92 islands—88% on Mahe, 7% on Praslin, 3% on La Digue, with only 2% on outer islands that are scattered over a million square kilometers of sea. Many of these are coralline, rising only a few feet above sea level, and have no permanent population—though contract workers visit them—and some are waterless and uninhabitable. The three inner islands are granitic, and Morne Seychellois on Mahe rises 905 metres above the sea.

While this archipelago is of great beauty it faces inherent, and inherited, problems in regard to housing. The government has declared housing to be its top priority.

Problems

The inherent problems are:

- mountainous and boulder-strewn topography,
- low-lying, marshy and waterlogged land at sea-level,
- the high cost of reclamation from the sea,
- limited holdings of state land, and land is expensive,
- an unwieldy land tenure system,
- almost no local building materials,
- the high cost of importation, the nearest suppliers being over 1 000 miles away.

Any housing project in the Seychelles has to face the problem of high costs.

The inherited problems, from neglect in the past, are identified in a 1977 census:

- 61% of houses are in non-permanent materials,
- 53% rely on stand-pipes and streams,
- 67% have inadequate sanitation,
- 8% are occupied by more than one family,

— 50% have three rooms or less, including kitchens,

— 57% of occupants do not own their houses.

In addition to the huge task of making good these deficiencies, the future demands are formidable; 60% of the population is under 24, the average family-formation age.

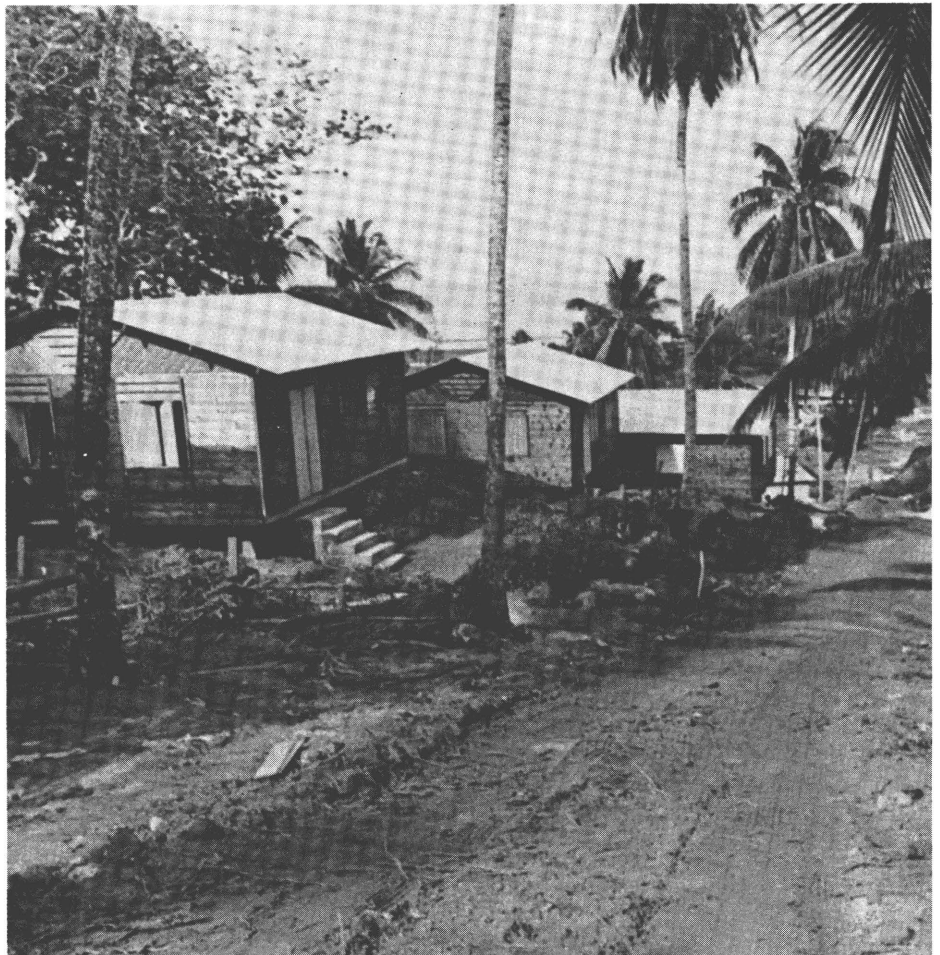
As if this was not enough, the problem facing the new government is not a homogeneous one susceptible of a single neat solution, but one with many facets. At one end of the scale we have young Seychellois in senior and professional categories who need and can afford to buy and maintain houses of reasonable quality, but have difficulty finding and financing them. At the other

end of the scale are the very poor who cannot afford to maintain, much less buy, houses of any kind. In between these extremes is a whole spectrum of people at different income levels who are faced, for a variety of reasons, with a housing problem.

Home ownership

The people of Seychelles have a strong desire to own their own houses and land but few can command without help all of the four basic needs—land, material resources, labour resources, finance. With this in mind, the government declared its housing policy:

"That the government will do as much as is necessary to ensure that ultimately all of the people shall be housed in durable materials, connected to all services, and within reasonable distance of all social, community, and employment facilities. The government will encourage home ownership and to this end the people will be urged to make a maximum effort to house themselves through self-help



A Seychelles wooden house in a mountainous region

(*) Housing Manager, Ministry of planning and development. This article submitted by courtesy of the Seychelles government.

and self-build programmes in partnership with the government."

The housing loans fund

Before independence, the colonial administration had done little to meet housing needs even though a census in 1971 clearly identified the problems existing and looming. A housing loans fund was established in 1969 but until 1972 it had very little to lend. In 1973 the fund started borrowing from the National Provident Fund and the time of independence had total borrowings of just over 8 million rupees (US \$1.25 m).

Since independence, this government has increased the fund from local resources and over R 30 m (US \$4.6 m) has been lent to over 800 home builders. Further funds will be borrowed from the social security system and the continued success of this fund is assured.

But, because the fund has to charge 7.75% to service its own loans there are many who cannot afford to borrow enough for even the humblest home.

Home ownership fund no. 1

Following the accession of Seychelles to the Lomé Convention in 1977, an EEC mission expressed its confidence in the housing policy and offered a grant of R 12.6 m to provide seed capital for a home ownership fund to help the poorer families. The government added R 1.4 m. The target was to provide serviced land and building loans that could be afforded by families whose income was between the 25th and 50th percentile, and the aim was to help 300 such families to own their land and houses. Although a grant, loans will be repaid with a nominal 2% interest, as an incentive to prompt repayment, over a maximum of 25 years, or by age of 65.

Given the high costs of land development and house construction this was a very exacting task, particularly as Seychelles had little previous experience of the costs of providing services or of the self-help capability of the people. Great care was taken to prepare the project document. In order to be as accurate as possible with cost estimates, the government bought land for the first phase, at Pointe La Rue, for 1.5 m rupees. This was surveyed and designed. At the same time, applications for loans were invited and over 1 000 families were personally interviewed to establish their socio-economic background and ability to "help themselves." EEC advisers, financial and technical, visited Seychel-

les and scrutinized every nut and bolt of the project papers.

All this preparatory work took precisely a year and the financing agreement was signed in May 1978. The government was to construct services of water supply, sewage disposal (the terrain is not suitable for pit latrines or soakaways from septic tanks), power for security lighting, limited road access, good footpaths and storm drains. Loans were to be given principally in the form of materials, imported duty free, stored and distributed on the site. The families for the first houses were selected for "self-help" capability in order to set an example for later less skilled beneficiaries. Two United Nations associate experts, both architects, took over the project management at Pointe La Rue and the planning of phase two on further land bought for 1.1 m rupees from an OPEC loan.

There were setbacks at the beginning. Procedures for the drawing down of the funds by means of even more detailed cost estimates placed great burdens on already overworked Seychelles and EEC officials. When, finally, the project could start, the low-month season of heavy rains had begun. Upon clearing the site of dense undergrowth, the amount of surface rock to be removed was found to be far more than anticipated, and the same was later found to be true of subsurface rock along the lines of services. The Seychelles contribution had to be increased to meet the extra costs. The infrastructure progressed more slowly than planned.

As soon as rock-blasting operations moved a safe distance up the mountainside, plots were marked out and allocated. The first 20 families started clearing their sites in May 1979, after working hours and on weekends. A fine community spirit soon developed—families helped each other to move boulders and other obstructions. Peace Corps volunteers controlling the issue of materials and advising on construction received excellent cooperation. While the settlers were free to choose their own house plans and type of construction, most chose plans supplied free of charge by the housing division, and construction in partially prefabricated treated timber.

The houses go up very quickly. To date, the record is held by a taxi-driver. He was shown his rock-strewn site on a Saturday morning and he moved in on the following Friday evening. How did he do it? He had his business to attend to and no building skill, so he made a cash deal with two men who had already built their houses. These men have since then helped other families too. This is how the Seychelles contrac-

tors of the future are made.

As yet these houses are not connected to water and sewer mains. Standpipes at convenient distances have been provided, and temporary pit latrines. It was anticipated this expedient would be for only a short period but we have suffered another setback. A consignment of sanitary ware and related pipes for the first 100 houses sank in the English Channel. A duplicate order has been made.

As the upper slopes were opened up, further good land was found. The estate will accommodate about 140 families on the hillside. Of course, the estate will not consist of houses alone. At the foot of the mountain is a large plateau. It has a fairly high water table and was considered unsuitable for high density development, because this would have necessitated pumping of sewage to the plant located on the hillside well above the water table. But the plateau can be safely developed at low density, with septic tanks. A hall, clinic, creche, houses for paraplegics, a house for the district nurse, a church and a shop will be built there, and nine plots will be offered to applicants for loans from the housing loans fund. Pitches for football, volley and netball, and a children's playground, will be located there. A primary school will be built on the hillside (so that it can drain to the plant) and will overlook the playing fields. Aid will shortly be sought for the houses for paraplegics and this is an ideal place for them, on flat land, within a community and close to all facilities.

When complete, this estate of some 180 families will be a model for further planned settlements. Work has already started on phase two at La Gogue; further land at Anse Boileau has been purchased from an OPEC loan and is being planned now. These alone will house a further 260 families. More land and aid is being sought for a further 400 plots to meet our five year plan target of 800 houses to be financed from home ownership fund no 1.

Home ownership fund no. 2

There are many families who incomes are too high to benefit from HOF no. 1 but who cannot afford the housing loan fund terms. Counterpart funds arising from a commodity aid loan of R 12 m received from the Federal Republic of Germany will be used to provide seed capital for home ownership fund no. 2.

From this fund, state land at Mont Buxton, Victoria, will be served with infrastructure and subdivided into plots. Loans will be given to applicants to purchase the land and to build their houses. Repayments over 20 years at



Starting to build a Seychelles house

4% interest will service the loan. At this interest rate families "in the gap" can borrow enough.

About 150 plots will be found there and some families already own land elsewhere, but this alone will not satisfy the demand. Land and aid for at least 100 more will be sought to meet the five year plan target of 300.

The new village

In order to overcome quickly the problem of shared and overcrowded houses, the government proposes to build, after competitive tender, an integrated village of 200 houses and community facilities on land it has acquired at North East Point. Under Italian aid, a firm of consultants, CONSASS, has prepared a preliminary report. On receipt of their final report and cost estimates aid will be sought.

There will be a range of houses of various design, size and quality. They will be offered for sale and loans given

from one or other of the loan funds most appropriate to individual family circumstances. The possibility of cross-subsidy, from sales of better quality houses, to help the poorer families, is being studied.

Houses for rent

Seychellois returning from abroad, and particularly young graduates, find difficulties in acquiring suitable housing. Discouraged, many leave again and this is a brain-drain Seychelles cannot afford. They need a place to live while settling in and finding a house of their own.

A proposal to construct 25 town houses on reclaimed land, close to the centre of Victoria, has been studied. At rents young graduates can afford, this project could service a loan at 8%. The rents would rise over the years but would keep pace with salary increases. The project is estimated to cost 3.3. m rupees.

Plan targets for new houses

The first five year plan was produced in 1978. The target for 200 new houses in 1978 was exceeded and in 1979 the targets were revized upwards. We will exceed the target of 320 again in 1979. In these two years we have helped 620 families to own their homes and increased our stock of houses by 5%.

Existing houses

The government owns over 800 houses for rent to the poorer families. The impact of new houses over the past two years is already noticeable as tenants move to home ownership under one or other scheme. Optimistic that this trend will continue, the government will need to hold fewer houses for rent. With the exception of two estates, the houses and land are now offered for sale to the tenants on very generous terms.

But even these terms result in monthly purchase instalments far higher than present rents. It has therefore been most gratifying to see the ready response to purchase. If proof was needed of the Seychellois' determination to own their own homes, then this surely is it.

Improvement loans and grants

While the main thrust is towards home ownership, the plight of families living in small and delapidated houses is not overlooked. The government spends about 1.5 m rupees each year providing materials for people to improve and extend their houses. The aged and infirm receive special attention. Both they and poor families receive their aid as grants. Loans are repaid over 10 years, interest-free.

Conclusion

For Seychelles to have achieved all this in two years is remarkable, both technically and financially. There can be no clearer demonstration of the determination of this government and the people to overcome once and for all their inherited housing problems, and to show to future generations the way to keep pace with their housing needs.

The government will continue to channel as much as possible of its own resources into the various housing funds, but further external aid must be found if the plan is to succeed. We have learnt a lot and further aid will be even more quickly and profitably deployed.

○ J.P.M.

Bread and stones

The salvage of a cultural heritage

Bread and stones — what's the connection? Many people seem surprised to learn that food aid has had anything to do with salvaging the monuments of Philae in Upper Egypt. In fact, few who have read about this exciting rescue story know that a substantial contribution to the cost has been made in the form of food aid to the work force, valued at \$6.5 million. (1)

When President Sadat inaugurated the new location of the centuries-old Philae monuments on Agilkia island on 10 March, it marked the culmination of a decade of national and international cooperation to preserve for posterity a rare cultural heritage.

Partially submerged when Egypt built the first Aswan Dam on the Nile in 1902, the temples dedicated to goddess Isis and other monuments on the sacred island on Philae—known as the Pearl of the Nile—were threatened with total submersion in the late 1960s when the second, the High Dam, was built.

The temples have now been dismantled on the island of Philae and reconstructed with care and precision in exactly the same alignment on the specially prepared site on Agilkia island, some 600 metres across the Nile.

It is a story of imagination, technical skill and careful scholarship reflecting no small credit on the international community, which responded to the appeals made by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to save the archaeological treasures. As it is, engineering skills, cash and food from the World Food Programme (WFP) were combined.

At the outset the Egyptian authorities examined several schemes and finally decided to remove the temples stone by stone—every one of the 47 000 stones which together constitute a remarkable combination of architectural styles—to a higher level on the nearby island.

This called for building a temporary coffer dam around the temples, pumping out the water within, drying out the temples and removing the mud and silt which had been accumulating for nearly 80 years. The exact position of each stone had to be surveyed and recorded, the monuments had to be dismantled, and the blocks numbered and carried by a barge to a storage area on the mainland while a new site was prepared.

Work on the new site began in 1972 but the inhospitable shape of Agilkia required levelling and the blasting of some 450 000 cubic metres of granite rock off the top. This rock was then used to enlarge the island to resemble the dove-like shape of the original island of Philae.

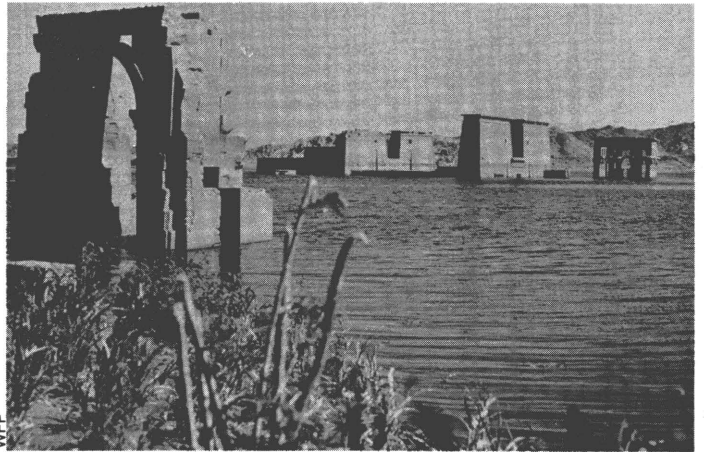
Two contractors worked on the new site, the Egyptian High Dam Company for levelling and preparing the site and an Italian company to dismantle, store and re-erect the numbered stones.

The British navy and the Egyptian navy joined in this peaceful operation, as parts of the monuments left under water were excavated by teams of divers and frogmen from the two navies.

Slowly and surely the skilled workmen re-erected the temples.

Added to the skills of planners and engineers and the funds contributed to rebuild the monuments was the aid from the World Food Programme. Food aid worth \$6.5 million provided monthly rations to 1 700 workers for a quarter of the market price. They included men in the storage area, boatmen, truck drivers and those operating the machinery for salvage work. They collected bags of vitamin-enriched milk powder, sacks of wheat flour, tins of herring, luncheon meat, cheese and vegetable oil, a combination of nourishment and body-building food.

(1) Source: FAO.



The Philae monuments threatened with submersion by the Nile at the end of the '60s



On the new site of the monuments, at Algikia island. One of the 47 000 stones, weighing some 12 tons, is put in place



A view of the reconstruction of the temple of the goddess Isis

Thus food aid was a sizeable addition to the original cost of the scheme estimated at \$22 million. Egypt agreed at the outset to be responsible for one third of the cost.

The creation of employment, the benefit to the Egyptian economy through tourism and the importance of the monuments to the cultural heritage of the world justified the aid from the World Food Programme, which is jointly sponsored by the United Nations and the Food and Agriculture Organization. ○

BOOKS

Léopold Sedar SENGHOR — **La poésie et l'action (Poetry and action)** — Talks with Mohamed Aziza — Editions Stock, 14 rue de l'Ancienne-Comédie, 75006 Paris — 360 pages — 1980

The life and work of Senghor, president-poet, provides many examples of the infinite chromatic variations that constitute the real richness of a personality, like that of a musical scale.

Senghor is a fervent Christian who has always been fascinated by Islam. He is a patient reformer who never hesitates to refer to Marxist thinking, although with an admittedly African interpretation.

Senghor, a strong man heading a stable regime, has introduced a pluralist, if limited, political system of a constitutional kind to his country. A champion of "negritude", he is a continuing defender of the French language and now of the teaching of Latin and Greek in Senegalese schools. All these different themes run through this book.

And there are others. What does the African politician think of the place and the role of his continent and of the Third World? How does he see the problems of democracy and the future of socialism? How does he see the cultural renaissance in emerging societies, the movement that will pave the way for a genuine cultural dialogue in which differences are respected? How does he view his own poetry?

This book answers all these questions and more. It is as much a personal itinerary as a public one and it is a freely constructed work rather than a coldly autobiographical report.

The Tunisian writer Mohamed Aziza has published various studies on different aspects of contemporary Arab culture. They include *La calligraphie arabe* (STD, Tunis), *Le Théâtre et l'Islam* (SNED, Algiers), *Patrimoine culturel et création contemporaine en Afrique et dans le Monde arabe* (NEA, Dakar) and *L'Image et l'Islam* (Albin Michel, Paris, 1978).

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L'Economie Africaine en 1979 (The African economy in 1979) — Société Africaine d'Édition, BP 1877, Dakar — 32 rue de l'Echiquier, 75010 Paris — 318 pages — FF 280 (France) — 320 (Africa) — 1979

This is the eighth edition of *Economie Africaine*, a single, easy-to-handle vol-

ume containing all the essential information on 14 French-speaking countries of Africa. It outlines the economic policy of each, gives the volume of external aid which they receive and lists their main products and trade figures. A brief description of the climate and population is also included and there is a map of each country covered. This specialized handbook is invaluable to anyone seeking information on French-speaking Africa.

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Manuel BRIDIER & Serge MICHAILOF — **Guide Pratique d'Analyse de Projets (Project analysis—a practical guide)** — Economica, 49 rue Héricart, 75017 Paris — 264 pages — 1980

Bridier and Michailof have been at the Caisse Centrale de Coopération Economique for many years, working both on project assessment and cadre training in the developing countries. Their experience in both these fields has made them aware of the enormous gap between those involved with the theory of project analysis, on the one hand, and those involved in the practical side and *a fortiori* those who actually make the political decisions.

It is this awareness of the need to bridge the gap and ensure that the underdeveloped countries use their limited resources as wisely as possible in pursuing their own objectives which gave rise to this book.

The preparation process of a project is traced, from the initial idea to a detailed study of what it is to contain. The authors start by pointing out the small but vital role of traditional financial analysis and then gradually move on to a practical economic analysis, which can be understood without specialized mathematical or economic knowledge.

The book is therefore suitable for people who have to deal with feasibility studies, take or help take decisions and who, without being technicians themselves, must have sufficient knowledge of the language and arguments of technicians.

The authors' constant aim is to show how and under what conditions project economists can be associated with studies and decisions in providing at every stage the necessary information.

Although their aim is to make the guide an essentially practical one, they still felt it would be wrong not to include a certain amount of detailed discus-

sions. Their conclusions "in the form of self-criticism" thus analyze the validity of the methods and criteria used and give economic calculation its rightful role—as an auxiliary to the decision itself.

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UNICEF — **L'Année de l'Enfant, un regard nouveau sur les politiques de l'enfance (The Year of the Child—a new look at child-care policies)** — N° 47/48 des Carnets de l'enfance — UNICEF, Villa Le Bocage, Palais des Nations, 1211 Geneva 10, Switzerland — 215 pages — 1979

Last year was the Year of the Child. At the moment of stock-taking of the achievements, this issue of the UNICEF series is particularly useful, as it outlines not just the results we have hardly begun to evaluate, but the effort put into the events of the year. Some 170 countries and territories, representing about 1 400 million children, took part in the International Year of the Child and this book relates what the UN specialized organizations and the intergovernmental bodies did during the 12 months.

There is also a special dossier on the place of children in development plans and on three areas of growing concern — the mental health of the child, children of migrants and parents' violence on children. Various case studies on services for little children are also included.

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Cyprien EKWENSKI — **Burning Grass (A French translation), "La Brousse ardente"**, by François Balogun — Editions Présence Africaine, 25bis, rue des Ecoles, 75005 Paris — 168 pages — 1978

This novel, by Nigerian author Cyprien Ekwenski, has all the appearance of a folk-tale. Besides, it is sub-titled. *A Fulani story from northern Nigeria*. One of the features of this type of story is that the supernatural pervades the whole work. Fates are cast, a venerable old man is forced to wander ceaselessly in search of an enigmatic maiden adored by one of his sons.

The wanderings of the old shepherd and his three sons are a hymn to the nomadic life of the Peul herdsmen, a hymn to their love for their animals and their unquenchable thirst for freedom and open spaces.

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René-François BIZEC & Yves DAUDET — **Un code de conduite pour le transfert de technologie (A code of conduct for the transfer of technology)** — Centre d'Etudes et de Recherches Internationales et Communautaires, Université d'Aix-Marseille III — Librairie Economica, 49 rue Héricart, 75015 Paris — 220 pages — 1980

With the establishment of a new international economic order in mind, the developing countries are making a fundamental claim on technology. Since the UN first began working in this field, particularly within the framework of UNCTAD, the technological dependence of the developing countries on the developed ones has been the subject of considerable criticism. The fight against this dependence involves the restructuring of the legal framework in which it operates.

Whether it is the revision of the Paris Convention, and the system of industrial property, the code of conduct for multinationals or the regulations on restrictive trade practices and the international code of conduct for the transfer of technology, we are witnessing an attempt to establish greater international justice on these issues.

This work, primarily concerned with the international code of conduct for the transfer of technology, now nearing completion, situates these ongoing negotiations among the other aspects of the restructuration of the legal framework of these transfers.

The study was run under the supervision of R.F. Bizec, chargé de mission at the French Ministry of industry, Y. Daudet, head of the Institut d'Etudes Politiques at Aix-en-Provence, and various members of the French delegation at the UN conference on the code of conduct for the transfer of technology.

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Hubert G. DAVID — **Swèdjana** — Flammarion, 26 rue Racine, Paris — 156 pages — 1980

On the cliffs of Bandiagara live the Dogon tribe and Jean, a white man, whose presence is difficult to explain. His solitude is filled with ghosts, and fantasy. His folly is gentle. Is he bewitched by his passion for Africa or by his loves?

Three women marked his transition from youth to manhood: Vania, the Russian from Paris; Jenny, the flower child, innocent and sullen, whose young

body wanders insolently amongst the wreckage of the port-haven of Timbuktu; and Swèdjana of Africa, the Peul adolescent or Swèdjana alone?

In the offensive atmosphere of the colonial societies which suffer on the banks of the Niger and in the wild splendour of the cliffs of Bandiagara, the hero revels in his obsessions. The transgression of Western taboos, Christian rules and the colonial ethic fascinate him. But is he paralysed by Africa or by the unconscious weight of insidious racialism of his good intentions?

As far as one is tempted to flee or to run away from oneself, life and death remain. From Mopti to Timbuktu and to Sanga, the circle closes. The quest for the grail is also a drug.

The author, who holds a diploma in history, combines teaching and research in the Caribbean, France and in the Indian Ocean. A UNESCO expert at a number of international meetings, a specialist in the study of slavery and inter-ethnic relations, Hubert David has published many articles and two essays. *Swèdjana* is his first novel.

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H.R. JARRETT — **A Geography of West Africa** — Evans Brothers Ltd; Montague House, Russell Square, London WC1B 5BX — 184 pages — £ 2.25 — March 1980

Mr Jarrett, a former senior lecturer in geography at Fourah Bay College, Freetown, and at the University of Ibadan (Nigeria), has completely rewritten this seventh edition of his standard school book on West African geography.

The first edition appeared in 1956. "During the 20 intervening years", he writes, "there has been something of a revolution in both the economic and the political situations in West Africa, and it is inevitable that the changing patterns of life in the region should be reflected in the present work".

There has also been something of a revolution in geography, with a much better knowledge of the environment and a shift towards the study of geographical "systems" rather than regions. This has meant a substantial revision of the sixth edition, the general replacement of the previous maps and diagrams, and the addition of exercises after each chapter designed to introduce pupils to some aspects of systematic geography.

Geography itself is also changing, of course, in that development largely implies changing the face of the earth. Mr Jarrett puts these changes in the economic and social context ("while we can hardly as yet refer to Nigeria as a whole as an industrial country, it is true that in the past two decades industry has developed so rapidly that we can recognize certain industrial regions...") and steers a modest path around the political decisions behind those man-made changes.

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J.T. AIYEGBAYO, D.C. JOY, S.A. ADEYANJU — **An Introduction to Tropical Agricultural Science** — Evans Brothers Ltd, Montague House, Russell Square, London WC1B 5BX — 107 pages — £ 2.0 — March 1980

This basic primer on tropical agriculture is intended for West African pupils in their first two years of secondary school. Written by three Nigerian teachers, it starts more or less from square one and is primarily aimed at increasing the student's interest in farming, reducing a wide range of topics to short sections bundled together under the headings "general agriculture", "soils", "crops" and "animals". Attractive sketches and some rather dull photographs root the book in the everyday farming the pupils see around them.

The economic aspects of agriculture are covered as well as the biological, with useful introductions to the basics of land tenure, shifting cultivation, cooperatives, and the like, all of which adds up to a more hard-headed book than its cosy barnyard lay-out would suggest.

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Gisela BONN — **Le Sénégal écrit: Anthologie de la littérature sénégalaise contemporaine (Senegal in writing — an anthology of contemporary Senegalese literature)** — Horst Eadmann Verlag, Tübingen, and Les Nouvelles Editions Africaines, Dakar — 507 pages — 1978

"The literature of Senegal has a very special place in African writing as a whole. It has both geopolitical and intellectual dimensions, as it is based on the history of the country and its many facets, both past and present, and is linked to a man who is both Senegal's president and a world-ranking poet — Léopold Sedar Senghor".

This extract from Gisela Bonn's introduction shows why she decided to produce an anthology of Senegalese literature and why she gave an important place to the work of Senghor — to whom, in addition, she devotes the introduction. Senghor himself wrote the preface.

Alongside his most famous poems, like *Joel* and *Femme noire*, there are essays (*L'Esprit de la civilisation ou les lois de la culture négro-africaine*, *Nation et voie africaine du socialisme*) and speeches such as the one he made when he was received by the Academy of Moral and Political Science.

The book contains, in all, works by 27 Senegalese writers, three of whom are women (Nafissatou Diallo, Annette M'Baya and Aminata Sow). Different kinds of works (poetry, short story, drama, the novel and essay) are treated.

It is interesting to note an article on the genesis of French-speaking African literature by Mohamadou Kane, head of humanities at the faculty of arts of Dakar University.

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Seunen ANDRIAMIRADO — **Madagascar aujourd'hui (Madagascar today)** — Editions J.A. — 51 Ave des Ternes, 75017 Paris — 240 pages — 1978

One of the great advantages of this guide is that it was written by someone from Madagascar, an author doubly qualified, as both a native and a journalist, to show tourists round the island. From the very beginning, the reader feels he is being personally led through the history, the geography and the civilization of one of the biggest islands in the world. And at every stopping point on this long journey there is abundant, precise and detailed information, heightened by anecdotes, showing that the author knows and loves a subject of which he has personal experience.

Nothing is left to chance. There are many coloured and expressive photographs, a concise and intelligent text, and the choice of subjects anticipates the reader's questions. And the volume is easy to handle. As no tourist guide would be complete without hints for the hungry traveller, the author lists a number of hotels and restaurants at each location described and also gives an idea of the local specialities. Objects of archaeological and cultural interest are also listed and regional features pointed out.

This guide to Madagascar is only one of the *Jeune Afrique* series; 31 volumes have already appeared and three others, on China, Burgundy (France) and Sicily (Italy) are now under preparation.

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Jean-Louis SOULIE & Lucien CHAMPENOIS — **Le Royaume d'Arabie Saoudite à l'épreuve des temps modernes (The Kingdom of Saudi Arabia and the challenge of modern times)** — Collection *Présence du Monde Arabe* — Editions Albin Michel, 22, rue Huyghens, 75014 Paris — 248 pages — Bfrs 377 — 1978

The Arab world is no longer what it was half a century ago. That much is clear. But we still have more to learn about this changing society and so the various volumes in this collection attempt to show the different aspects of what it was yesterday and what it is today.

They cover its history, culture, religion, ideology, its dealings with other people, and its position with regard to the major problems of our time. The collection is more an invitation to the traveller than an esoteric work for specialists.

The authors of this volume are experienced observers of Arab affairs, who knew Saudi Arabia very well at a critical moment in its history. Fascinated by this unusual country and the outstanding personality of its leader, Faysal, they published (in 1966) *Le Royaume d'Arabie Saoudite face à l'Islam révolutionnaire* (now out of print), under the auspices of the French national foundation for political science.

Since then, they have monitored the various stages in the rise of this new power, observed the development of its structures under pressure from the

modern world and reflected further on the ideological trends that divide contemporary Islam.

Saudi Arabia, a resurgence of the desert civilization, was created by an exceptional man in 1927. It went against the trends of its time and still fully maintains political and social structures that are based on the law of Islam and the primacy of the nomadic way of life.

But with the discovery of its colossal oil wealth, the revolutionary regimes that replaced the ancient aristocracies of the Middle East cast envious eyes upon it.

Luckily, one of the successors of Ibn Saud was another providential man who defied the challenge of revolutionary Islam. From 1962 to 1967 Faysal held out against Nasser and began the economic and social development of his country. The collapse of the Rais and the quadrupling of oil prices gave Saudi Arabia unexpected weight and raised its king to the front ranks of the Arab world.

Khaled (and crown-prince Fahd) have followed Faysal's policy by intensifying Saudi Arabia's relations with the outside world and speeding up the industrialization of the kingdom thanks to its immense financial resources. The royal family now has a major role to play in maintaining economic balance in the world and in handling the crises in the Middle East and Africa—where they aim to combat communism.

At the same time, the traditional demographic balance of the country is profoundly upset by the sudden arrival of wealth, the high-speed urbanization of nomads, immigration and the emergence of new elites. But the kingdom cannot conceive of any development of its institutions that is not in line with the rules of Islam.

The test of modern times is no doubt the biggest battle the country has yet had to fight.

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