

Letter from Accra

Africa and the Common Market

WHENEVER the question of African Association with the Common Market is raised, it is made out that it will be purely economic in nature and not harmful in any way to the African countries. It is, in fact, difficult to prove any economic disadvantages because very little has been done to study the problem. The example of the Brazzaville group of African countries who have joined the Common Market is often cited in this respect. But behind all this smooth talk, designed to allay the suspicions of the newly-independent African countries, lurks a real danger to Africa. This danger springs not only from the inherent nature of the Common Market but also from the motives which move the European countries to woo the African countries.

The image of the Common Market as an economic union can hardly bear close scrutiny when its leading spokesmen are already beginning to talk of political objectives. On March 9 1961, *Le Monde* quoted Hans Furler, the President of the E E C Assembly, as "stressing the importance of reaching a common foreign policy, taking into account the efforts of the U S and other partners in the Atlantic Alliance". Even more revealing is the speech delivered by Professor Hallstein in Harvard recently wherein he said; "We are not in business to promote tariff preferences, or to establish a discriminatory club to form a larger market to make us richer or a trading bloc to further our commercial interests. *We are not in business at all We are in politics*". (Italics added). It need hardly be added as to what kind of politics Professor Hallstein and his colleagues are in.

European Intentions

Given the nature of political orientation in Europe and the dependence of African economies upon it, there can be hardly any doubt about the real intention of Europe in Africa. It is, as a report to the Assembly by Western European Union puts it. "to save Africa from the communist grasp; to protect it from imperialism of every kind eager to take over from declining colonialism;

to guarantee Africa against a return to tribal struggles; to establish the relations of good neighbours and a lasting and fruitful association . . . to ensure a reciprocal state of security for both Black Africa and European countries". (Document 198, page 6). The report also mentions the greater ambition of Germany which does not want to be restricted to Africa but has interests all over the world. As the leading partner in the Common Market, the Germans, the report says " . . . believe that the task of Europe is world-wide and personally they feel that they are not incapable of taking on this task. They believe the propagation of western ideals and civilisation should not be restricted to Africa alone but extended throughout the world" (Document 198, page 6).

Economic Impact

The German capacity for fulfilling this mission is not to be doubted but whether the world feels gratified and grateful to Germany for so selflessly taking on this task is not so certain. What is certain is a new lease of life to colonialism in new forms if the Common Market grip tightens on Africa. The President of the Gaboon Republic, on a state visit to France, is reported to have said. "Gaboon is now independent, but between Gaboon and France nothing is changed, everything continues as before". The truth contained in this remark is greater than the President perhaps intended. After all, as *The Times* remarked recently, "the French colonial army remains stationed throughout most of these territories by treaty. The arrangement has advantages which are not immediately apparent to the eye. In many cases it ensures stability to what might otherwise be a shaky government". This may possibly explain why the Brazzaville countries have so hurriedly joined the Common Market as associated members. Moreover these countries signed the Treaty of Rome when they were still colonies.

A report on the impact of West European Integration on African Trade and Development, submitted to the third session of the Economic

Commission for Africa, throws the whole propaganda about economic advantages to Africa through association with the Common Market, aside. Its tentative conclusion is that so far the economic groups in Europe has not had any effect on African trade. But, it warns that once the whole system of tariffs and other measures is in full operation, it will have considerable effect on African economies through the change in production patterns. Moreover, the gain by African associated states will be often at the expense of those African states not associated with the Common Market. This will be particularly evident in those countries which produce temperate-zone agricultural-commodities like cereals, sugar, wine, tobacco and citrus fruits. These commodities play an important role in the economy of North African countries.

The F. E C tariff regime is unlikely to result in any substantial benefit to any of the associated African territories except the Congo and Ruanda Urundi. If anything those Africa!) countries, which enjoy special concessions of a non-tariff nature with France and Italy, are likely to suffer because these arrangements will be abolished *once* the Common Market is fully established. In as much as the consumption pattern of certain commodities in the E E C countries is not based up on consumer preference but upon taxation policies, some of the associated countries may benefit from a shift in their favour. This may, however, require new and large scale investment to meet the demand and most of this kind of development will be of dubious advantage for the African countries in the long run. The danger also remains that many African countries will be tempted by the immediate advantage of tariff concessions to abandon efforts to achieve industrial development. On the all-important question of price stabilisation for primary commodities there is little evidence to support, that, even the Common Market countries can enforce such a scheme without world-wide co-ordination in the matter. As such the membership of the Common Market offers no

specific advantage to Africa on this count. Lastly, a new division in Africa will be created between the associated and the non-associated countries, to the detriment of Africa as a whole.

Africa Has Little to Gain

The effect of the Common Market on industrial development in African countries is likely to be disastrous. Already the Western powers are biased in favour of agricultural development in Africa. Although they accept the necessity of diversifying African economies, they mean by diversification no more than growing two commercial crops where at present only *one* is grown. Industrialisation has so far meant investment in mines and other extractive industries. This will perpetuate a situation in which Africa remains a supplier of raw materials- if not agricultural raw materials then of industrial raw materials. Needless to say, if the Common Market countries have any choice in the matter, even development of this nature will be completely in the hands of private enterprise, controlled, of course, by the industrial barons of Europe. Thus, planned investment or regulated industrialisation will become impossible within the associated African countries. This has been made clear in the statement of aims of the Development fund set up by the Common Market countries for aid to Associated Territories, which says that aid- "can thus be used to develop the economic infra-structure on which private business . and private investment depend". In other words, the Common Market will not only impose its own form of economic life on the Associated Territories hut also exercise indirect pressure on other African countries to fall in line. Another *effect of* these policies will be to carry on the European quarrels in Africa, for it is idle to pretend that after the establishment of the Common Market there will be no differences among the European countries. On the contrary, once the preliminaries are over, the member states will struggle for supremacy over the others and, the Associated Territories will become partners to such disputes.

It is for these reasons, and not because of Black Racism — the charge commonly made against

them by some European countries — that certain African countries refuse to be classified as 'tame niggers', a term used by the British to describe, in private the pro-Western African countries. The lead in this has been taken by Ghana, unpopular in the West for its progressive policies. President Nkrumah rightly considers the Common Market as an attempt to make permanent the division between the wealthy countries and the "hewers of wood and drawers of water" For him, as for many other Africans, the Home Treaty among the

members of the Common Market signed in 1957, signified not an advance towards economic development hut an attempt to establish a collective imperialism of the West European countries. This is a portent, not only for Africa but for all the ex-colonial and underdeveloped countries. Where is the guarantee that if the European countries re-establish their economic hegemony over Africa, they will not attempt to do so elsewhere? Europe does protest too much the innocence of its political motives in Africa.

IDA Aid for Irrigation

THE international Development Association has extended a development credit equivalent to \$ 0 million to India for the expansion of tubewell irrigation in Uttar Pradesh. The credit is for a term of 50 years, interest-free. It is repayable in foreign exchange, amortization to begin, after a ten-year period of grace on November 1, 1971. Thereafter, 1 per cent per annum of the principal will be repayable for 10 years and 3 per cent will be repayable each year for the final 30 years. A service charge of 3/4 of 1 per cent per annum on the amounts withdrawn and outstanding will be made to meet IDA's administrative costs. This is the second IDA credit to India: one of \$ 60 million was granted in June 1961 to assist a programme of road construction and improvement.

The proceeds of the IDA credit will be lent by the Indian (Govern

ment to the State of Uttar Pradesh, who— Irrigation Department will build and operate the project. Each of the 800 new wells will irrigate about-400 acres. They will be drilled to an average depth of 300 to 100 feet and have an average capacity of 35,000 gallons per hour. The pumps will be driven by electric power to be supplied from the State grid system, and will discharge into about two miles of canal. The farmers themselves will provide ditches between the outlets of the (Government canals and their farms.

The project's economic benefits are expected to be substantial: the increase in the gross annual value of farm production in the area is expected to be about double the total cost of the project. The charges to be paid by the water users will pay off the cost of the project over about 20 years.

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