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## Pan-African Union: Prestige versus economic necessity

Intereconomics

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1964 to 1.0% in 1965, in the ten months between November 1965 and August 1966 the rate was again 14.8%. Initially stocks were run down severely, but imports returned relatively fast to their "normal" level, due not least to domestic price development. The fact that between November 1965 and August 1966 those imports affected by the Surcharge rose twice as fast as did total imports shows how low an estimate is to be placed on the import-inhibiting effect of this Surcharge. This happened, although it was announced at the beginning of the summer that the Surcharge would be definitely lifted on November 30, 1966, and the announcement probably caused a transient deferment of demand for certain imports. The total import saving can be put £ 100 million per year.

If the British Government thinks it can lift the Surcharge, this is surely because domestic demand has been damped down meanwhile. But because of the necessity of relaxing restrictive policies at home to promote general growth, it can scarcely avoid searching for a temporary substitute for this tax. Quantitative restriction of imports or the introduction of advanced import deposits are two possibilities currently being discussed.

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#### *Development Aid*

### **Tasks for German Commerce**

The annual import exhibition which takes place in Berlin since 1962, "Partners in Progress", has made it its task to give aid by removing the obstacles standing in the way of expanding trade with developing countries. The idea of a function where developing countries have the chance to offer their products, find out about their sales opportunities and make contacts with possible customers could also be used by those German firms which are the actual trading partners.

Promotional and sales functions for products deriving from industrialised countries are no longer a rarity, for instance, at German department stores. Is it not conceivable that the same should be done for products from developing countries? Doubtless, the difficulties are greater here. But the import trade, which has imported for many years from developing countries, could make available its knowledge of the market and the products in order to track down products not yet on offer on the German market and to further the development of traditional products, so that these are in a proper condition for consumption by German buyers. For their part, the department stores have the exhibition areas required at their disposal and the necessary personnel and, in particular, they have contacts with a wide range of potential customers.

The success of such a function organised jointly by German importers and department stores would become apparent; on the one hand, developing countries

would gain knowledge about the proper design and presentation of their products and thus of export opportunities, whereas the German export and retail trades would gain fresh incentives to broaden their selection of goods. This would assist developing countries to increase their exports, whilst giving scope for the enterprise of their German trading partners.

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#### *Pan-African Union*

### **Prestige versus Economic Necessity**

The third Conference of Heads of African States, held from November 5, 1966, to November 9, 1966, in Addis Ababa, has once again turned a searchlight upon the Pan-African movement.

"Unity" is the magic word in modern Africa. Ever since independence, the governments of the emerging African States have repeatedly declared that African union is essential for economic reasons. Besides movements tending towards regional co-operation between individual African countries—for instance, the "Central African Customs and Economic Union" or the "Conseil de l'Entente"—there are also more comprehensive movements towards union. Based on international models, for instance, the "Organisation of American States" (OAS) or the "European Economic Community" (EEC), the emerging African States founded in 1963 in Addis Ababa the "Organisation of African Unity" (OAU). One of the principal aims of the OAU is "to co-ordinate and strengthen the relations and endeavours of the African peoples so as to achieve better living standards ...".

The last OAU Conference showed what the objectives of African politicians really are. Economic requirements were scarcely touched upon. This was obvious even from the agenda. Of 16 items, only one had to do with the economy of African States. But no resolution was passed on this item; a report was drawn up, but it is uncertain whether it will be published. Once again, the impression has been strengthened that certain African Heads of State consider the economy a tedious subject of secondary importance and that they would like to give precedence to straight political matters over economic ones. Most African Heads of State, therefore, did not attend the Conference and had themselves represented there because they do not want to give their assent to resolutions which would directly or indirectly impede economic progress in their countries. They fear the radical attitude of some of their African colleagues which is also giving rise to anxiety inside certain international organisations and to those countries which donate development aid. This radical attitude is preventing international co-operation, in spite of the fact that this latter is the most essential pre-requisite for rapid economic growth and, consequently, for obtaining true independence.

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