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East Africa: Promising endeavours

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COMMENTS

East Africa

Promising Endeavours

During the first days of December, the treaties about a cooperation between the three East African states Tanzania, Uganda, and Kenya, aiming at a common market, were signed in the Tanzanian town Arusha.

Surely, in order to realise obvious economic successes, the African developing countries will have to overcome numerous difficulties in joint action—first e.g. the obstacle of the different stages of development. Kenya, which is the most developed and most industrialised country as compared with its neighbours, will have to orient its economy to the new markets. And Tanzania and Uganda will have to make intensified endeavours to keep up with their competitor. An equalisation tax on Kenya's export products aims at supporting and strengthening the endangered industries in Uganda and Tanzania. The establishment of an East African bank to finance projects in the weaker countries is also to contribute to the creation of equal starting positions.

In order to materialise the pre-requisites for a progressively closer economic cooperation, foreign states can help the African nations effectively. For, the prospect of an economically and politically strong common market will be an investment incentive for foreign enterprises and will cause them to stimulate the industrialisation by imparting their know-how and offering their capital. In view of such promising endeavours on part of the African countries, the industrialised nations will be more inclined to grant development aid and to support these efforts by means of suitable measures of development policy—for instance by granting marketing aid for export products, or capital aid for the development of industry or infrastructure. sc.

Mexico

Influenced by the East?

Mexico has diplomatic relations with the East Bloc countries, with left-wing African and Asian governments, and—as the only Latin American country—with Cuba. There are in Mexico several left-wing parties, and especially among lecturers and students of economic and social sciences Marxist philosophy

is enthusiastically discussed, and the Cuban revolution is openly admired.

It would, however, be wrong to conclude from this that Mexico has inclinations towards the Communist World. Mexico had to fight hard and long for its independence and therefore advocates a foreign policy based on the principle of the self-determination of peoples and of non-involvement in the inner affairs of other nations. Just because it economically depends in many a respect on the USA, Mexico refuses every political influence from the North, which might encroach on its own freedom of political decision. But the Government keeps an equally sharp eye on Eastern attempts of infiltration, particularly from Cuba.

Still today some 50 per cent of the Mexican population is engaged in agriculture. The ever recurring regional peasant revolts after bad harvests and tempests are without doubt stirred up by groups influenced by Cuba; but the increasing industrialisation, the economic stability of the country as well as the strong position of the state party, the PRI, which enjoys a far-reaching trust, takes away every breeding-ground for subversive attempts.

Perhaps this is the very reason why Mexico can afford to have friendly relations with both political camps, and to follow its own way on the road of economic and political development. ri.

Shipping

The Dollar Rules the Waves

Uncertainties about the full implications of the devaluation of the pound brought the dry-cargo tramp charter business of the Baltic Exchange in London almost to a standstill. The demand of shipowners for all freight payments to be made in dollars also had a restricting effect on business. The pent-up demand for prompt available tonnage, however, and other seasonal factors will certainly lead to a brewing up of charter business. The shipowners may keep to payment in dollars in the next few weeks, certainly as long as the charterers are not prepared to make rate concessions for sterling freights.

London shipbrokers believe that sterling charter rates will finally rise some 7–10 per cent above the level before devaluation. The tenacious preference of the