

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version

EEC farming: A poor show

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1968) : EEC farming: A poor show, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 03, Iss. 9, pp. 256-257,
<https://doi.org/10.1007/BF02930021>

This Version is available at:

<https://hdl.handle.net/10419/138017>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

COMMENTS

Cuba

A Revolution Without Achievements

What sort of achievements a "glorious" revolution yields can be studied by the revolutionaries of every shade in the adoptive fatherland of the great "Che" Guevara, which is at the same time the native land of the hardly less admired Fidel Castro. To carry out the economic programmes that had been introduced with so much fanfare, Cuba would have needed, in the first instance, lots of money. But the insistence of the Red Ruler of the Caribbean on his wrongheaded economic fantasies has caused even the Soviets who had initially been willing to help Cuba to cut down on their assistance. The funds that are available to Dr Castro's government for financing large-scale irrigation investments, indispensable for attaining the objectives of the "great food battle" through modernising the growing of sugar cane, transforming farming round the capital of the island, Havana, into a capital-intensive industry, and extending cattle raising, are no more than a tiny drop upon a parched soil. Castro therefore frantically tries to mobilise more and more intensive manual labour for unpaid "self-aid", to the limits of the population's working capacity. Among the foremost measures of this programme are the formation of a voluntary labour service, and the re-grouping of all civil servants and public employees in military units that may be ordered to work as "labour armies" on the farms and plantations. In addition, a veritable flood of new laws and decrees is being poured out over Cuba, all for the purpose of recruiting ever growing numbers of the population for an increased direction of labour. Neither pupils nor the workers who, through their trade unions, have already "volunteered" to work overtime without payment, are exempt from them. The voluntary character of all this extra work may not even be doubted as long as the Cuban people believes in its "führer" and in the efficacy of the measures decreed by him. But what will happen in Cuba once the Cuban people learns that all the glitter of the revolution ends in having to work more for a standard of living that is hardly higher than before? ke.

Indonesia

A Silver Lining on the Horizon

It is not easy to be a communist in Indonesia. Military Intelligence has estimated the number of communists who could still be described as militants among those who have not yet landed in internment camps at less than 5,000, all of them in semi-starved conditions and panic-stricken, perpetually fleeing

from one hideout to the next. They have lost all support from the Indonesian people, and even the amount of aid given them by China is hardly worth mentioning. Though there is hardly an Indonesian who would consider these remaining communists a danger to the present regime, the Indonesian press publishes daily stories about the big anti-communist hunt that is still going on. Yet, what will people not do in order to justify the existence of a huge military establishment which keeps under arms about 500,000 soldiers, and to prevent the flow of western aid from drying up?

Big Brother in the West has reacted promptly. When he visited Indonesia during last June, Mr McNamara first promised a World Bank credit of \$ 4 mn, and also hinted at the possibility of further loans at cheap rates of interest. True, this is mere chickenfeed compared with an estimated requirement—for the next five years—of \$ 2,500 mn in foreign investments and loans. Unless the Indonesian government succeeds in obtaining consolidation of the present enormous Indonesian debt, the total wanted will even rise to about \$ 3,500 mn. But in the context of other important economic developments, the new loan promised reflects a first easing-up of the Indonesian situation, since it is symptomatic for the revived interest the World Bank takes in Indonesia. General Suharto, at any rate, did everything in his power to improve the conditions for further outside help. Early in June, 1968, he set up a "Development Cabinet" and, to the great relief of the business community, the post of Minister of Commerce was filled with one of the most able economists, Professor Sumitro. hg.

EEC Farming

A Poor Show

As in 1967, the agricultural regulations of the EEC regarding the destruction of surplus crops of fruit and vegetables were again applied during the current year. What allegedly could not be sold of a harvest overflow was burned, fed to livestock, or ploughed under. Further large-scale destruction campaigns are impending. This rigid stabilisation of prices for farm produce in the Common Market costs the EEC taxpayers the tidy sum of DM 240 mn. At the same time, thousands are dying every day of famine in Biafra, and the miseries in Asia and Latin America are abundantly known. Of course, pretexts are plentiful for making excuses for this horrible coincidence of horrible facts. We are told that produce of this type could not stand being transported over the vast distances involved; or these carriage costs would be

much too high in relation to the value of the goods carried. But all this goes only to show that the monies accumulated in Brussels subsidise only complacency and the lack of marketing ideas.

This alone is a crying shame. But the situation becomes even more embarrassing when the fact is held against this system of waste that the Council of Ministers of the European Communities showed itself more than mean in appropriating funds for financing food gifts to developing countries to the extent of 1.5 mn tons of bread grains. This form of assistance has been adopted under the Kennedy Round. The arrangement had been made, in the first instance, for a period of three years, counting from July 1, 1968. But in the meantime, the EEC had to apply for an extension of the due date for completing the agreement's ratification. To defend their own narrow interests, the EEC representatives showed largesse, but when they were called upon to draft development aid programmes, they were found to be misers of the most hardfisted type. Those who had cherished the hope that the EEC would be able to transcend narrow and selfish economic interests and to carry the torch of economic reason and reasonableness must now be bitterly disappointed, for the most recent developments display the Community as a poor show. rd.

EEC Labour Market

Freedom of Movement

Clever newspaper owners have discovered already many months ago through underpinning the large numbers of advertisements offering employment in foreign lands what the conference of the EEC's Ministers of Social Welfare, which took place towards the end of July last, has now confirmed by draft legislation. The ministers bargained long and hard, and they completed their negotiations by drawing up a decree-law and guidelines for its application which are to guarantee the complete freedom of movement within the Common Market for all seekers of gainful employment. In law, there is thus no longer a difference between the labour market within one Common Market country and that in any other member state of the EEC.

From now on, nationals of other member countries no longer need a labour permit for accepting employment in any EEC country. When they begin work, they will be issued with a residential permit for five years which will be extended automatically. The authorities are not allowed to cancel or withdraw this permit on the holder's becoming unemployed. To tie up the issue of the residential permit with an initial state of employment obviously serves only the purpose to protect the issuing state against having to pay high redundancy or unemployment benefit to persons who never held employment on its territory. The Netherlands, whose housing market, as in the Federal Republic of Germany, is still government-controlled to a wide extent, have insisted that the permission to bring in his family is made dependent

on the applicant providing proof that he can make available housing accommodation for them. France, too, objected to unlimited freedom of movement: In France, non-Frenchmen will not immediately enjoy the full rights of any French employee, e.g. to be able to be elected to membership of factory councils or shop steward's committees. However, the Council of Ministers may review the denial of eligibility for factory council membership after two years, and even the Federal Republic may then find that there are some arguments in favour of such restrictions, for it is not impossible that the illegal German Communist Party will try to gain reentry into German factory councils through delegating foreign communists into them. Nonetheless, all these minor restrictions mean very little compared to all that has been achieved, for the rule that labour will henceforth have the right to be mobile throughout the whole area is another fundamental contribution to perfecting the Common Market. United and integrated Europe has come nearer to us. ke.

Papal Verdict

Against the Pill

What Pope Paul VI has done with his encyclica, "Humanae Vitae", of July 25, 1968, was to reconfirm the traditional attitude of the Catholic Church towards family planning, by forbidding the use of contraceptives.

At a time when hormonal drugs that inhibit ovulation have been accepted as a means of family planning by multitudes, this decision must strike the independent observer as strange, and it sets up serious conflicts for Catholic believers. On the other hand, it would be wrong to overrate the effect that the encyclica will have on population trends. Asian nations will not be affected by it in their attitude towards birth control, in Africa, population increase is still far from being a problem, and even in Latin America where the Catholic Church wields an immense influence it is highly doubtful that one could safely predict the consequences of the Pope's dictum. For certainly it must not be forgotten that all the attempts made in the past to use ovulation inhibitors deliberately for large-scale planned birth control have virtually failed. The illiterate poor, who produce the largest number of births per head, in the developing countries are mostly incapable of understanding what is meant by long-term family planning. Moreover, the intelligent use of the contraceptive pill, as it is sold by its manufacturers today, is too complicated for their untrained brains. Yet, since the Catholic Church usually clings with the utmost rigidity to the decisions that have once been made in its name, it may well be that the papal encyclica will prevent any efficacious tackling of Latin America's population problems, even when suitable means for doing so should be found in the future. The obedience of the religious population may outdo the rational attitude of the governments. ri.