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GATT talks: More trade within LDC

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must not be destroyed, the situation inexorably calls for radical birth control for human beings.

All Western countries have until now been considering ways and means of controlling births; they have submitted proposals to the developing countries and have even carried out on-the-spot experiments, but these have for the most part unfortunately failed. It is therefore gratifying to learn that the Indian Government has now come up with an idea of its own. The Minister of State for Family Planning has made the following proclamation: For one year, until the hundredth birthday of Gandhi—who is supposed to have given up women at the age of 37—all married couples in India are to use the cheapest and safest preventive method there is—abstinence. A glorious ideal! It is a pity though that the Ministry of Family Planning seems to have only a very incomplete knowledge of Gandhi's life history. He is alleged to have renounced not only women, but also to have given up to a largest possible extent eating. How would it be if one were to make the Indian people acquire a taste for hunger as being good for their own well-being and benefit? Such a cynical demand would certainly be no more absurd than the Government's recommendation to stop love-making.

GATT Talks

More Trade within LDC

Since October, 32 developing countries have been meeting in Geneva under the auspices of GATT to discuss mutual tariff reductions and the removal of other obstacles to trade. The talks will last a year or, as is unfortunately usual these days, longer still. Their purpose is to achieve an extension of trade exchanges between the developing countries themselves.

Whereas since 1950 trade between industrial states has been steadily increasing, the share of trade between developing countries has dropped from 27 % to 20 % of their total exports, representing no more than 4 % of the total world turnover.

The development policy must therefore aim at intensifying trade between developing countries themselves, this aim ranking next in importance to the expansion of their exports to industrial countries. To build up trade relations among themselves it is not enough for the individual country to prepare lists of concessions it expects its partners to make. The creation of new outlets for goods requires above all markets that are larger, more open and have a greater absorptive capacity than those that at present exist in most of the developing countries. The examples of the EEC but also of the Central-American Common Market plainly show that the best means of furthering trade within a given area is through regional cooperation and integration of partners on the same level of development. In any case care

should be taken not to make arrangements on the basis of most-favoured-nations treatment because under the GATT provisions such arrangements would automatically have to include the industrial countries. Any intensification of trade within the area would then in all probability at least be outweighed by the industrial countries making larger inroads into the markets of the developing countries concerned. In such a case there would be no change in the complementary nature of their structure; they would remain what they have been: purveyors of raw materials.

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Flag Discrimination

Fools Rush In ...

The Brazilian Commission for the Merchant Marine has prohibited European shipowners from carrying coffee, cocoa and cotton purchased by European countries in Brazil. While negotiations are going on in Rio de Janeiro between European shipowners and Brazilians, the ban has been temporarily lifted. Strong indignation has been expressed in the German press at these Brazilian measures which have been described as sanctions, blackmail, etc.

And yet flag discrimination and protectionism for shipping are by no means new. They have been practised since ages: In ancient times they were still on a modest scale, being based on the then prevailing commercial and shipping practices as prescribed by Greek, Roman and Rhodos law. In the Middle Ages there was clear evidence of such discrimination: the statutes of shipping guilds, arbitrary decisions by certain towns, judgements by maritime courts—, all these were moulded into a body of law which became applicable to certain "spheres of influence", such as for instance that of the Hanse. The protection of coastal shipping originates from these laws. And what about the present day shipping conferences and pools? Are they not also practising flag discrimination on occasion? On the other hand it can also happen that flag discrimination is lifted, as was recently shown when the "Deutsche Seereederei, Rostock" (East Germany) was admitted into the India-Pakistan Conferences, London. The "political value" of the flag is in this context of only minor importance.

When dealing with this age-old problem it is worth quoting an opinion given in 1932 by the Hanseatic High Court of Hamburg for its reference to international maritime law. The court then said: "The justified self-respect of any individual state, also in legal matters, entitles it to give preference to its own laws."

Brazil's action is therefore only one more link in a long chain. But as Brazil has been the possessor of a "flag" for a relatively brief period, having entered the lists as a potential maritime power only a short time ago, it is to be feared that the young African states may in due course follow Brazil's (bad) example.

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