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Article — Digitized Version

EEC: The club remains exclusive

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1969): EEC: The club remains exclusive, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 04, Iss. 3, pp. 72-,

https://doi.org/10.1007/BF02929920

This Version is available at: https://hdl.handle.net/10419/138139

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COMMENTS

EEC

The Club Remains Exclusive

Within the organisation of the EEC, the initial dynamism is increasingly giving way to stagnation. There is necessarily growing frustration even among those wishing to pursue a dynamic policy, for they are discouraged by the fact that the opposing factions are becoming increasingly rigid in their attitude. This applies particularly to the problem of expanding the Community.

For years now, the Benelux-states, Italy and the Federal Republic of Germany have been haggling with the unyielding representatives of France about Britain's admission. But even the most skilfully mounted attacks have so far failed to breach the French defences. A year ago, hopes were still running high that a trade agreement might be a prelude to Britain's entry, but by now it has become obvious that this back-door has been finally bolted. The conference of the Foreign Ministers of the EEC on January 28 has shown that France is by no means prepared to be a party to such a deal. If trade preferences are to be granted at all, they should, in the French view, be given to all interested countries and not-as Italy and the Benelux-countries wish-only to the "direct" candidates for membership, i.e. Great Britain, Ireland, Norway and Denmark. It is not difficult to assess the effect of the French proposal. By making the advantages of the proposed arrangement available to all and sundry, it loses its importance as a stepping-stone to membership. The EEC remains an exclusive club, and it is possible that candidate members may of their own accord lose interest in joining it. That this possibility exists is clearly illustrated by the proposals for the formation of a Nordic Economic Union. But in taking this stand, is the EEC acting in its own interests? That is the question.

UNCTAD

No Agreement

The tensions that developed during the latest session of the UNCTAD Council were caused not only by the fact that the Western states objected to an extraordinary meeting of an inter-governmental group being called. The agenda itself

provided enough inflammatory matter. It proved for instance impossible to reach agreement on the role UNCTAD is to play in the Second Development Decade, which begins next year.

The developing countries would like to concentrate the entire organisation of the Second Development Decade in the hands of UNCTAD. The Western industrial nations, on the other hand, are of the opinion that the problems that will arise in the course of the second ten years are matters for the respective competent international organisations to deal with. They say that, naturally, questions concerned with helping the developing countries to expand and finance their trade should be left to UNCTAD's decision.

The intention of the industrial nations is clear: They wish to have a decisive voice in the planning and practical execution of the measures to be decided on during the Second Development Decade. This means they must prevent being outvoted by the overwhelming majority of the developing countries represented in UNCTAD, Could they conceivably accept a position where they, who after all are expected to foot the bill, are also told how much of their money is to be spent and on what? A more moderate policy on the part of the developing countries and fewer national reservations on the part of the industrial countries might have made agreement possible on the course to be pursued in the next ten years. As matters stand, it is regrettable that the first attempt to evolve an over-all development policy has got stuck at the very outset.

Indonesia

Grounds for Subdued Optimism

Indonesia's economy, which under the Sukarno-Regime had nearly broken down, is at long last again on the upgrade. Within a year exports had risen by 6 per cent, and the current year should witness a considerable increase in oil output, too. But, more important still, the rate of the gallopping inflation has been arrested. The key to economic, but also to political stability is the supply and the price of rice. In its five-year plan, covering the period from 1969 to 1974, the Government intends to increase rice production from its present volume of about 10 mn tons to 15.5 mn tons. But