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## China: A model for development aid in Africa

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# COMMENTS

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FRG

## Wildcat Strikes

The Federal Republic has — for the time being — recovered from some hectic weeks in the wages sectors. Strikes have been multiplying in the last four months, especially in factories in the metal processing industry. Their significance lies not in the strikes as such but in the fact that over 122,000 wage-earners stopped work regardless of existing wage agreements, without a previous ballot, contrary to the trade unions' duty to avoid conflicts as long as a wage agreement is valid and thus independently from and against the intentions of their own organisations.

The reason for these spontaneous actions is obvious: With progressive taxation the wage improvements agreed upon at the beginning of this year were no longer making up for the loss of purchasing power due to the rise in prices (7.9 p.c. in June and 7.2 p.c. in July). The strikes by means of which the workers tried to win this race between wages and prices after all have been a shock for employers, trade unions and the Government in Bonn alike.

The strikes are a token of a change of attitude and heightened self-confidence on the part of the German workers. Besides, this is the first time that the "guest workers", i.e. foreign labour, formerly a quiescent and compliant group, have been "mounting the barricades". In some factories they even played the part of vanguard, forming a particularly hard core of the strike movement. Both these developments have made wage-earners more prone to engage in labour disputes without or even against their own organisations. The wild strikes have given the employers a foreboding of harder clashes to come, alerted the trade unions to a threat to their traditional wages policy and the danger of losing contact with their rank and file, and put the success of the Government's anti-inflation programme into jeopardy. Whatever else they may herald, the German workers are about to make up for the "strike arrears" in comparison with their colleagues in other countries.

France

## Good Europeans

As long as there has been an EEC, France has been wont to behave as if it knew best what had to be done in the interest of the Community and a united Europe. And it so happened that the interests of the Community very often coincided with those of France. These it felt called upon to uphold as the champion of a united Europe.

It need not cause much surprise therefore that the Federal Government has now given the French Minister of Agriculture cause to suspect that its members are "less good Europeans". For the common agricultural policy, which in the French view is the chief merit of the Community and its only bond of union, is now threatened from two sides. On the one, agricultural protectionism will on US prompting for the first time be a topic in the coming GATT round. On the other, there is a growing inclination in the Federal Republic to seek a reform of the common agricultural order because it has not lived up to the original expectations. It is no launching pad for the European economic and monetary union but rather a major obstacle. More important still, it has grown into a Moloch who is devouring money by the billion, strangles everybody with red tape and forces European consumers not only to pay extortionate prices for their food but to subsidise out of their taxes butter sales at bargain prices to the Soviet Union. The institution has become a scandal which is getting worse, and the only people who are still in its favour are the farmers, especially the French ones. They receive the lion's share of the disbursements from the EC agricultural fund.

The present method of financing agriculture was forced on the EEC by de Gaulle in 1965/66. He exerted pressure which almost amounted to an ultimatum. The fund on which from the beginning of next year regions like southern Italy and Scotland should draw for structural improvements to cope with their economic arrears has so far fallen a victim to it, for France is afraid that part of the money set aside for financing agriculture would have to be drawn off to endow this fund. This accounts for the differences of interest. Some French politicians ought to beware of talking about "good Europeans".

kw.

China

## A Model for Development Aid in Africa

China's most costly development project to date will be completed successfully earlier than had been expected. The first section of the 1,800 kilometre "Tanzam" railway line from Dar es Salaam to the border of Tanzania and Zambia was finished in late July. The rail route from Capetown to Cairo which Cecil Rhodes had in mind will become a reality, thanks to Peking. Another 1,800 kilometres only will be needed to complete the Capetown—Cairo route when the Zambian copper belt has been linked with Dar es Salaam in 1974.

The construction work with Chinese help started only in 1970 after Julius Nyerere had been turned

down several times by the West. China, it was believed in the West, lacked the technical capability for such a project which would in any case be unprofitable. Both arguments have been disproved. The economic feasibility of the project has been demonstrated by a British-Canadian study. The record shows that the West has missed a chance.

Economically "Tanzam" is of exceptional importance for Tanzania and Zambia. It allows Tanzania to open up its potentially most productive agricultural areas as well as raw material deposits, and Zambia will be freed from the need of exporting its copper — the source of 95 p.c. of its foreign currency income — via the Rhodesian railways and thereby from the hazard of political pressure by South Africa and Rhodesia.

Although the Chinese credit was provided free of interest and the repayment terms are extremely favourable, China can hardly be regarded as an unselfish development aid donor. The 15,000 Chinese specialists on the spot are experts in various fields and have now ample opportunity to act as "advisers" for the African liberation movements which are maintaining training centres in Tanzania and Zambia. Not only has the West thus lost the chance of setting up another "show-piece" but the strategic importance of the railway line will cause it many a headache yet. Alas, whom the gods despise, they strike with blindness. hg.

#### *EC-COMECON*

### **The COMECON Courier**

Under the guise of private guest of the Soviet ambassador on the spot the Secretary General of COMECON, Fadeyev, has been visiting Copenhagen to establish unofficial contacts. In conversation with the Danish Foreign Minister Noergaard, who is presently the Chairman of the EC Council of Ministers and thus like Fadeyev acting as representative for a multi-state economic organisation, the COMECON official proposed that official negotiating teams be set up. The conversation touched upon questions of an organisational nature and the possibility of extending trade between the two economic blocs. The eastern bloc commissioner had been given the authorisation for such talks in early June at the conference of COMECON countries in Prague.

The cautious COMECON feeler has been appraised as a "surprisingly concrete" step. It looks as if the eastern bloc has after all these years stopped ignoring the EC. In March Brezhnev had already acknowledged that the EC, "Nato's extended arm", was a reality. The eastern bloc states cannot do otherwise if they want to extend their trade agreements with the West European members of the EC beyond 1974 or conclude new

ones from 1975 because the EC alone will be competent to engage in such negotiations. In making contact with the EC through COMECON the Soviet Union is merely following the example of some of its eastern partners who have been displaying a lively interest in relations with the western economic bloc ever since the EC and Roumania conducted negotiations.

The response in Brussels will not be too fervent. Officially none can be expected before the EC Council of Ministers meets in late September. For one thing, the different set-up of the organisations will cause institutional difficulties. For another, there are questions of substance to be clarified first: How can the mutual trade relations develop? Which specific fields are of interest? How can an expansion be achieved on a reciprocal basis? zz.

#### *Egypt-Libya*

### **Merger in Sight?**

The heads of state of Egypt and Libya, Sadat and Gaddafi, late in August reached a compromise agreement on the proposed merger of their two countries. A constituent assembly composed of members of the Egyptian People's Council and the Libyan Parliament in equal numbers is to draw up the constitution of a new unified state and appoint a presidential candidate. The assembly has not been given a time limit for the drafting of the constitution, so that the date of the plebiscite and thus the final merger is still uncertain.

In this way Sadat has gained more time, albeit at the price of even firmer commitment to the union. It would be difficult to understand his hesitation on purely economic grounds, for Egypt, being greatly overpopulated and possessing few natural resources, can only gain from the dowry of Libya's oil for the united state. The political views of Gaddafi and Sadat however are still far apart. Gaddafis' revolutionary ideas about domestic policies do not please Sadat who knows himself in this respect in agreement with large sections of Egypt's population. Besides, the Libyan head of state appears to be steering towards an early armed confrontation with Israel whereas Egypt has no interest in inviting military blows from Israel before it has armed itself sufficiently.

Sadat however cannot afford to oppose the merger overtly because Egypt is heavily in debt. Lack of foreign currencies is impeding adequate imports of spares for productive plant, with the result that large capacities are lying idle and export opportunities are being lost. Even the nimble Sadat cannot conduct any policy without the money from Gaddafi's hoard, although King Feisal of Saudi Arabia has offered some help, too. ch.