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## UN: Dispute over the freedom of the seas

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# COMMENTS

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## *Japan*

### **Tanaka's Journey**

Issues of economic as well as of foreign policy were the main concern of the Japanese Premier Tanaka on his latest journey which took him to Washington, Bonn and some other West European capitals, and finally to Moscow. In the foreign political field it was Tanaka's aim to break out of the partial isolation in which Japan has been caught by the American-Chinese rapprochement. This development took the Japanese by surprise and aroused suspicions against the USA, which were fed by the subsequent economic measures of the Nixon Administration concerning US imports from Japan. And so Tanaka was looking for new political friends and trading partners in Europe.

Japan's Premier was trying in particular to make them understand the compelling need of Japanese industry to export a certain amount of goods so as to be able to pay for the primary commodities which his country cannot produce at home because of its dearth of raw materials. Until now the USA has been absorbing 33 p.c. of Japan's exports while the EEC took no more than 12 p.c. The Japanese hope in future to place more of their products in EC states. In return Japan is willing to detract further from its own protectionism and allow more European merchandise to enter.

The Japanese economy is in urgent need of both increased exports and larger imports, for the country is slowly drifting into a stagflation. The Japanese dream of unlimited growth has been shattered by infrastructure problems and faults of the distribution system. With advances of 17.4 p.c. at the wholesale level and 12.9 p.c. in the retail trade in the year to August prices in Japan have risen far more steeply than in other industrialised countries. Attempts to slow the price surge by central-bank and fiscal measures have been of little avail so far. The hope in Japan is now that the inflation can be slightly abated by letting in more foreign goods and giving a fresh impetus to growth by increasing exports. kw.

## *Chile*

### **End of an Experiment**

The sanguinary military coup in Chile marks the end of the attempt to institute socialism by parliamentary means, to combine socialism and democracy. There is no need to repeat here the moral and political condemnation of this coup d'état in almost — unfortunately, only almost — the whole world. The course which Chile has followed in these past three years raises another fundamental

problem. On the right it has been regarded as proof that socialism and democracy are basically incompatible; that military coups and régimes can hardly be said to be constitutional or democratic was conveniently overlooked. On the left the spectres of reaction and imperialism have been raised; they were allegedly resisting all lawful change — revolution was the only remedy.

It is however questionable whether either of these two theories adequately explains the Chilean tragedy. Is the idea of "democracy plus socialism" really utopian? Is revolution truly the only remedy? The Chilean road raises doubts about both these assertions. Given the existing particularly adverse circumstances — lack of a parliamentary majority, heavy dependence of production on foreign countries, a relatively large middle class — Chile's capacity for reform was probably overtaxed in this short time. The Popular Front in consequence lost the support of Parliament. Arbitrary methods of land expropriation and other shocks caused the middle class to withhold its moral support and consent to the changes. The nationalisation of the copper mines and other industries led to stagnation of production, and the inflation escalated because of a mistaken monetary and wages policy.

Not before March of this year however, when despite the ruinous economic situation the Popular Front scored substantial gains in the elections, did Allende commit his crucial mistake: instead of consolidating what had been achieved and taking it easier, he decided to "keep moving and not to yield" according to his Socialist Party's election slogan and to proceed even faster. He should however have seen that now his opponents would not keep to the constitutional rules of the game. The conclusion therefore should be: Faulty or utopian was not the idea but the method. As a democrat Allende felt that he had to follow the road of evolution, but evolution takes time. la.

## *UN*

### **Dispute over the Freedom of the Seas**

Not the least important of the issues at the international conference on maritime law which the UN has convened in Santiago for the spring of 1974 will be that of drawing up universally binding rules for the exploitation of seabed resources outside national territorial waters. Agreement appears to exist already that an international authority is to have competence to deal with the utilisation and distribution of these natural resources. Open is still the question whether all states are to have the same rights on this authority or whether provision is to be made for blocking minorities, perhaps to prevent the LDCs from outvoting the others.

For the extension of the territorial waters from three to twelve sea-miles general agreement seems to be close at hand. As this step would turn a large number of previously free straits and narrow seas into national territorial waters, arrangements would however have to be made to safeguard continued free passage for other countries. Another bone of contention is whether the coastal states should be given certain preferential or exclusive rights over an economic zone of 100-200 miles outside the twelve-mile limit. There is a clash of interests here between the great industrialised shipping nations and the LDCs. The former want to preserve as much as possible of the traditional freedom of the seas so that they can employ their superior technological and financial resources without hindrance for the exploitation of the treasures of the sea, whereas the LDCs hope for increased earnings under a new maritime law. The interests differ so greatly that a compromise acceptable to all may be difficult to achieve. The fact that various quarters have already started on the exploitation of the natural resources below the sea may help to speed the progress of the negotiations. ch.

#### SEATO

#### New Tasks

The foreign ministers of the six active members of SEATO — USA, Great Britain, Australia, New Zealand, Thailand, and the Philippines — decided at a one-day meeting in New York on measures, which will give the Southeast Asia Organisation a new structure. The work of military planning is to be suspended, and the military operations staff is to be merged with SEATO's civilian affairs staff in Bangkok.

This shift in SEATO's tasks — from military to economic-military cooperation — reflects the change in the assessment of the political situation in Southeast Asia, especially by the member states with the greatest military potential. SEATO had been set up in Manila in 1954 with the aim of providing collective defence to ward off communist acts of aggression in Southeast Asia which were anticipated following the French defeat in the Indochina war.

Now that, on the one hand, military intervention in Indochina has been curtailed or terminated by the USA, Australia and New Zealand and, on the other, all SEATO members except the Philippines and Thailand have changed their policy towards Peking, SEATO had to be restructured; otherwise the Manila pact would have wasted away. Pakistan has withdrawn with effect from this November and the resignation of Australia and New Zealand was threatening; SEATO would have come to an undistinguished end.

Stress on civilian consultation and development aid and also on counter-insurgency advice, i.e. training in guerilla warfare and conveyance of military know-how are to calm Thailand and the Philippines and compensate them for the military disengagement, while the governments of the other member states will be able to justify their continuing cooperation under the Manila pact to their parliaments by pointing out that in future a campaign will be waged for irrigation, child welfare, health services in the countryside, agricultural and technical instruction, etc, rather than against communist aggression. bw.

#### Textile Agreement

#### Special Misgivings

The Cotton Textiles Agreement of 1962, due to expire on September 30, has been extended until the end of this year in anticipation of the new comprehensive "All-fibre" World Textiles Agreement. This new world textiles agreement is to provide a new order for the world trade in textiles and clothing within the framework of GATT. Its primary aim is probably to protect markets and industries in the industrialised countries against the threat of low-price imports. The German view that such a general regulation of the world trade in textiles should be avoided has not been accepted either in Brussels or by GATT in Geneva where little sympathy has been shown for liberalisation tendencies. The Federal Government has in the meantime abandoned its objections, probably because it was afraid of being isolated.

The new world textile agreement has been arousing special misgivings in the trade of the Federal Republic. In view of the wide scope of the regulations it is being feared in particular that there will be price increases at the expense of the consumer, that foreign suppliers will exercise considerable influence on the channels of distribution in the German market and that there will be less flexibility, with the result that the export quotas will no longer correspond to the fluctuations in demand. The trade is also afraid of antagonising the LDCs and creating a precedent which could affect other consumer goods.

The last mentioned arguments in particular seem to carry weight. If the "All-fibre" World Agreement is only the first step towards general regulations for all kinds of consumer goods, the new barriers could deprive the LDCs in particular of significant chances in the field of exports. As far as the general economy is concerned, obsolete production structures would be perpetuated, which runs counter to the notion of international division of labour. lwe.