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Textile agreement: Special misgivings

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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.