

African Unity First

*The European Economic
Community seen
from Uganda*

ROBERT B. K. SERUMAGA

THE EUROPEAN ECONOMIC COMMUNITY is an organisation of six European countries which, seen in its proper historical perspective marks only a stage on the road to the realisation of the idea of European Unity. The necessity for European Unity is a direct result of the "European problem" and the institution set up to realise that unity is first and foremost a "European" institution. It has grown from a process to be traced to the beginnings of patriotism in the Renaissance with the birth of the idea of national sovereignty, with its consequences, thence to the agreement by the Six, under the Treaty of Rome in May 1957, to launch the E.E.C. The purpose of E.E.C. is to foster unity, economic and political, in *Europe*.

The question is; since E.E.C. is an institution whose causes and purposes are to be found in European history, how then does Africa come to be "associated"?

THE "ASSOCIATION" of African countries to the Common Market is merely an expedient designed at the 1956 negotiations to remove the barrier against French entry into E.E.C.

During the colonial period, France created a kind of closed circuit economy within the French Community. All the economies were part of a single monetary system: the franc zone, the African franc being freely convertible into French francs and backed by the French Treasury. Among the dependent economies or *economies de traite*, no problems of external or internal balances existed; French grants provided much of the capital and in the event of recurring costs, France covered part of the budgetary deficits. In addition, tropical products had a guaranteed market at prices often as high as 50% above world market prices, but always above the world prices. In return, the colonies imported almost wholly from France at prices again above world level. French officials, who were numerous, often repatriated the profits, so, in a sense, the franc zone functioned independently of world markets; a closed economic world in itself.

Now at the time of the 1956 negotiations France was still politically responsible for her "Overseas Territories". To enter E.E.C., France (like England and the Commonwealth) had to adopt new relations with her colonies.

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acceptable to other E.E.C. members. To abandon them all together would have caused a rapid deterioration in the economies of these countries. Political upheaval would have been the certain result. This was dangerous and unacceptable to everyone. France therefore declared to the conference that unless the members were disposed to accord the same privileges to her "Territories" that she had hitherto given them, France would be unable to join E.E.C. This proposition met with considerable opposition mainly from Germany and the Netherlands. However rejection of it by the conference meant the certain rejection of the Treaty by the French parliament: a return to 1954. A compromise was reached in the form of "associate membership". All associated countries except Congo (Leo) and Somaliland are former French Territories. The two exceptions had special relationships with Italy and Belgium (E.E.C. members) respectively. Associate membership is therefore not primarily a device to aid Africa but a bridge across which France walked into E.E.C. Britain to-day faces, in regard to the Commonwealth, the same situation France faced in 1956. In urging her former territories to become associated her primary aim is to provide herself with a similar bridge.

LET US EXAMINE the objections to associate membership. Economic arguments for and against "association" taken alone might tilt the balance in favour of association; while political arguments treated likewise would weigh heavily against association. In a similar manner in the short-run we stand to lose less and gain more, while long-run losses might outweigh any original advantages. In fact it appears that taken *in toto* the case against associate membership is overwhelmingly stronger than the case for.

Those for "association" point to the economic advantages; there are no political ones. Thus (1) associate members can, on approval by the E.E.C. authorities of each particular project, borrow money from the E.E.C. Development Fund to finance both industrial and other projects within their respective countries. (2) The *associés* have a guaranteed duty-free market for their primary products in E.E.C.; while at the same time they, provided it is justified by the fiscal conditions, can set up tariff barriers against E.E.C. manufactures. This, it is argued, enables the young industries in the associated countries to grow without too much competition from the lower-cost E.E.C. industries. In support of these arguments

elaborate figures about our trade with E.E.C. countries and the aid received and to be received are quoted.

On closer examination, these arguments have little force. For they assume that if we *all* refused to associate we would lose *all* these advantages. This is based on a regrettable confusion of the whole with the particular. Those against "association" do not reject *any form* of trade relationship with Europe, they only reject the particular form: associate membership as it now stands. It is possible to work out a relationship whereby the above advantages can continue to be enjoyed without however, suffering the disadvantages inherent in the present relations. This can be done by replacing the present vertical relationship by a horizontal one. This necessitates first the unity of Africa and an African Common Market, and then a fruitful dialogue between the E.E.C. and its African counterpart.

THE REALISATION of the economic advantages set out above within the framework of associate membership necessitates as the Treaty says, the establishment of "close economic relations between them (the associated) and the community as whole". (Article 131). The result of these "close relations" will be a situation not unlike the French Community, where the breaking up of such ties is so painful that it cannot be achieved by the African economies. It is argued here that such economic relations cannot be established without generating similar political relationships. What would happen if the *associé* disagreed politically with the E.E.C. but the latter threatened to break off aid?

Our strength lies in our ability to remain disposed to both camps but unattached to either. The first result then of "association" would be the disappearance of our bargaining position in the international sphere.

Even within the framework of E.E.C. our position shall become weaker, the closer our economies become attached to E.E.C. So much so that in 1967 when the Treaty of Association comes to be renegotiated the

E.E.C. will be in a position to exact more benefits from us or withdraw some of those already accorded. If this sounds like lack of confidence in Europe on Africa's side, our history for the last 300 years gives Africa nothing but doubt and a certain cautiousness.

Economically, Africa needs not only a good market abroad, but also a large and expanding market at home. Europe's stomach cannot expand sufficiently to ensure a market for the surplus products that mechanisation of African agriculture is bound to produce; and our manufactures cannot sell easily in Europe. Hence a home market must be found for both our crops and our manufactures if we are to avoid the vicissitudes of tumbling world prices.

This calls for an African Common Market. Yet associate membership prevents precisely this. For, many African countries refuse to be associated. However, those that are will be required to set up customs walls against other African states. And thus at once Africa will have been partitioned. The removal of these barriers becomes harder as the relationships crystallise into political ones. The moment this happens, cold-warriors will scramble into Africa and a political line shall divide the continent. This will be a tragedy not only for Africa but for the whole world, and in that way associate membership will have defeated all its original intentions.

There is only one acceptable solution; first we must form an African Common Market, and then the two might associate in a horizontal relationship. Any other arrangement merely delays the achievement of these ideals. It probably will be necessary to freeze the present relations while these arrangements are worked out. During this time it will be beneficial to all concerned if aid were directed through a central African Bank. Possibilities for such a Bank are being explored by the U.N. commission in Addis Ababa. It will be remembered that one of the vital steps towards E.E.C. in Europe was taken when an American President said to Europe: "I shall not give you any aid until you unite." ●

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