

Summaries of Remarks by Commentators

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Recommended Citation

William C. Gilmore, & Maurice St. Pierre, *Summaries of Remarks by Commentators*, 4 Md. J. Int'l L. 83 (1978).

Available at: <http://digitalcommons.law.umaryland.edu/mjil/vol4/iss1/18>

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SUMMARIES OF REMARKS BY COMMENTATORS

*William C. Gilmore**

Various observations applicable to the nature of economic development within the Caribbean Basin were made from reviewing Mr. Michael Deal's paper on bauxite production, to which these comments are directed. Although the United States is dependent upon Caribbean bauxite production, Caribbean economies are also greatly dependent on mineral production. Dependence on the few extractive industries drastically influences national income and structural growth, hampering economic diversification and resulting in "growth without development."

The public sector has sought to stimulate national growth through direct involvement in the mineral export sectors. However, due to the inelasticities of the mineral industry, governmental attempts to encourage growth through industry and diversification (relying on the incomes from the mineral sector) have instead intensified structural dependence on this sector. Long-term mineral depletion forces a dislocation of these industries as well as a disruption of the total economy. Appreciation of these characteristics should help guide national strategies in the area.

*Maurice St. Pierre***

The main theme of the papers presented can be characterized as the politics of enlightened self-interest. The analysis focused upon the activities of several Caribbean governments within the framework of the colonization-decolonization syndrome.

The exploitation of the colonies by metropolitan countries gave birth to colonial resistance efforts, which were evidenced by a number of governmental reactions. Several examples of these reactions were the nationalization of the oil industry in Venezuela and of the bauxite industry in Guyana and the increased participation of the Jamaican government in their own bauxite industry. Within the political and economic context of these vertically-integrated cartels, taxation issues have fostered significant self-interest reactions by the colonies. When Guyana nationalized their bauxite industry, compensation to the Canadian government was based upon the prices previously received from the Canadians, a manifestation of enlightened self-interest.

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There have been some unfavorable reactions and difficulties encountered in the course of these activities, especially by metropolitan countries. The United States is seeking alternative sources of oil, in reaction to Venezuela's nationalization of that industry. The Caribbean governments are also troubled by problems of finance and technology transfer.

There are also internal political problems which must be resolved. The failure to fulfill economic expectations created by governments has resulted in strikes and other significant problems. Border disputes between Guyana and Venezuela seriously threaten the continuation of stable internal political situations which are vital to the continuation of the nationalized industries.

The topic of greatest importance is the compatibility of interests and the continuation of trade between the United States and the Caribbean producing countries. For instance, Guyana's search for additional bauxite markets has led to relationships with Yugoslavia, China and other communist countries. Their politics of self-interest have resulted in a rejection of U.S. aid.

In conclusion, the analysis of the above situation by Caribbean producer countries and metropolitan countries must be made within the context of the economics and politics of enlightened self-interest.