

# Britain and the Commonwealth

UNTIL the 1964 General Election the political situation in Britain will be extremely unstable. The new Prime Minister and his Cabinet are not bound by constitution to declare a General Election before October 1964, but growing opposition to Tory policy may force him to do so long before then. The longer the election is delayed, the more difficult it will become for the present Government.

The conditions under which Lord Home was "chosen" as Prime Minister have brought Tory influence in Britain and in the Commonwealth down to its lowest level since the Tory defeat in 1945. For many months before his resignation, the position of the former Prime Minister, Mr. Harold Macmillan, had been undermined by the failure of the Government's economic policy, the attitude of Britain on the Common Market, divisions within the Cabinet on nuclear strategy, and the Profumo scandal—which led to the resignation of the War Minister.

Long before the Tory Conference in October, strong pressure was being brought upon Mr. Macmillan to resign. Within the Tory upper circles, there were all kinds of intrigues and manoeuvres around the choice of a successor. During the Conference, Mr. Macmillan was forced to undergo an emergency surgical operation, preventing him from making the final speech to the Conference. This led to even sharper rival groupings within the Tory upper circles, and more secret pressures to influence the choice of a successor.

## UNPOPULAR CHOICE

The choice of the 14th aristocratic earl, Lord Home, by Mr. Macmillan (and accepted by the

Queen), served to arouse an even greater measure of popular indignation. To make matters worse, Lord Home was not even a member of the House of Commons. To become a member he had to renounce his aristocratic title (and is now known as Sir Alec Douglas-Home), and contested the by-election in Kinross, Scotland, on November 7—a constituency with a "safe" Tory majority of 12,000 in the last General Election. To serve Sir Alec's personal convenience, the new session of the House of Commons (which had not met since last July) was postponed from October 29 to November 12.

Sir Alec's political record is extremely unpopular in Britain and throughout the Commonwealth. He

was Private Secretary to Mr. Neville Chamberlain, the British Prime Minister, and was with him in Munich in September 1938 when Czechoslovakia was betrayed to the aggression of Nazi Germany. This gave the green light to Hitler to launch the second world war.

Chamberlain is dead. Many who supported him then have since recognised their serious blunder. But not Sir Alec. Without a blush of shame, he still tries to justify the Munich betrayal. His open contempt of the United Nations, defence of colonialism, and his attacks on some of the independent states within the Commonwealth, is equalled by his anti-Communist spleen. Sir Alec is the outstanding exponent of the most blatant, reactionary, and aggressive circles of British monopoly capitalism. It is not surprising that Sir Roy Welensky, spokesman of white settler domination in Central Africa, was among the first to welcome the new British Prime Minister.

## PROBLEMS

Sir Alec and his new Cabinet are not only faced with rising political opposition in Britain, but also with increasing conflicts and divisions within the Commonwealth. This was already evident in 1963, in relation to the attempt to join the Common Market, the economic problems of the newly-independent states, and the "defence" plans of British imperialism. There is every prospect that these divisions will become more acute during 1964.

Britain's plan to join the Common Market was a fiasco. However, the first step taken by Mr. Butler, new Foreign Minister, was to attend a meeting of Foreign Ministers of the Western European Union (WEU), and there are obvious moves being made for closer economic and political relations with the six countries of the Common Market.

Despite Britain's exclusion last year from the Common Market, the trend of British monopoly is still towards closer relations with the United States and the countries of Western Europe. With them, Britain's trade is increasing, in contrast to its declining trade with the Commonwealth countries. In relation to the apartheid system in South Africa, and the domination of the white settler minority in Southern Rhodesia, there are sharp conflicts between Britain and the independent states in Africa.

All the propaganda about the "close" links of the Commonwealth cannot hide these conflicts. In contrast with previous years, there was no Conference of Commonwealth Premiers in 1963, and no decision has been taken for a Conference in 1964. While the Commonwealth "links" still

by  
IDRIS COX

exist, they are becoming weaker than ever. The Commonwealth is unable to act as a "unified force" on any decisive aspects of world affairs.

## ECONOMIC TRENDS

The root problem of British monopoly capitalism is its weakened position in the capitalist world. This arises from the crisis facing imperialism, with the growth of the socialist world and the advance towards national liberation, and is expressed in the increasing number of independent states within the British Commonwealth. Alongside this is the relatively stronger position of the United States and Western Germany, and their increasing penetration within the Commonwealth, at Britain's expense.

Economic relations within the Commonwealth have always been unequal, but far more so in recent years. They are based on the interests of British monopoly capitalism in securing cheap food, primary products, and raw materials from other countries of the Commonwealth. The gap between the declining prices of these products and the increasing prices of capital and manufactured goods, the Commonwealth countries have to purchase from Britain is becoming wider every year.

Before Indian independence in 1947 more than 86 per cent of the Commonwealth population was in the colonial countries. Since then 14 of these countries have won their political independence. From the standpoint of "constitutional" relations, they are now "equal members" of the Commonwealth, but from the economic standpoint they are still undeveloped, suffering from the heritage of colonialism, and the living standards of their peoples are far below those in Britain.

## COMMONWEALTH POPULATION

Apart from the older members of the Commonwealth—Canada, Australia and New Zealand—the newly independent states now comprise nearly 90 per cent of the total Commonwealth population. The remaining colonies constitute less than 4 per cent—mainly the territories in Central and Southern Africa. The newly independent states and their estimated population are as follows: India, 450 million; Pakistan, 100 million; Ceylon, 10 million; Malaysia, 10 million; Cyprus, 600,000; Ghana, 7 million; Nigeria, 40 million; Sierra Leone, 3 million; Tanganyika, 9 million; Uganda, 7 million; Kenya, 9 million; Zanzibar, 300,000; Jamaica, 2 million and Trinidad, 1 million.

Even before the second world war, the United States had advanced its economic position in Canada at the expense of Britain, and Canada came into the "dollar area".

There was a far greater and more rapid advance into all Commonwealth countries after the second world war, and in recent years, Western Germany and Japan have made a big penetration into Britain's traditional markets, particularly in Africa.

In the five years 1958-1962 the economic position of the Commonwealth has declined in relation to that of the rest of the capitalist world. The value of world exports rose from £34,100 million to £44,300 million—an increase of 30 per cent. The value of Commonwealth exports went up from £8,400 million to £10,200 million—and increase of only 21 per cent. The share of the Commonwealth in capitalist world exports declined from 24.6 per cent to 23.1 per cent.

## RISE OF IMPORTS

World capitalist imports rose from £36,000 million to £47,100 million—also about 30 per cent, and total Commonwealth imports rose from £10,300 million to £12,200 million—only 19 per cent. The Commonwealth share of world imports declined from 28.9 per cent to 25.8 per cent.

Trade within the Commonwealth countries also declined sharply during these five years—from 39 per cent of their total exports in 1958 to 34 per cent in 1963, and from 35 per cent of their total imports in 1958 to 31 per cent in 1962. Clearly, the economic position of the Commonwealth within the capitalist world has steadily declined in recent years.

Within this framework of declining intra-Commonwealth trade, the decline in British trade with other Commonwealth countries is most striking. Britain's share of imports from other Commonwealth countries declined from 24 per cent in 1958 to 21 per cent in 1962; and the Commonwealth share of exports from Britain fell from 34 per cent to 31 per cent.

During this period, Britain's share of Australia's exports fell from 30 per cent to 20 per cent; New Zealand's exports fell from 56 per cent to 49 per cent, and Nigeria's exports fell from 60 per cent in 1957 to 42 per cent in 1962.

Imports from Britain into Commonwealth countries show a similar trend. Australia imported 40 per cent from Britain in 1958, but only 31 per cent in 1962. New Zealand dropped its imports from 53 per cent to 42 per cent, and Ghana from 44 per cent to 34 per cent.

The most rapid decline in Britain's trade with Commonwealth countries was in the last year of this five-year period 1961-1962. The value of British exports to India went down 23 per cent, to Ghana 26 per cent, to Nigeria 15 per cent, to Rhodesia 12 per cent, and to New Zealand 14 per cent. The biggest decline in Commonwealth imports into Britain was 20 per cent from Malaya (mainly rubber), and 6 per cent each from India, Nigeria and Rhodesia.

In contrast to this declining trend within the Com-



Osagyefo Dr. Kwame Nkrumah, President of Ghana.

monwealth, the value of Commonwealth trade with the United States went up from £1,688 million in 1958, to £2,134 million in 1962—an increase of 26 per cent—while that with Britain went up 19 per cent. Commonwealth imports from the United States rose from £2,018 million to £2,652 million—an increase of 32 per cent, and British imports from U.S. by 36 per cent.

While the value of British exports to Commonwealth countries declined, it rapidly increased with the countries of Western Europe. In 1962, the total value of British exports to Western Europe stood at £1,360 million, which was £133 million more than to the whole Commonwealth. British trade with Western Europe increased by 11 per cent in 1960, by 16 per cent in 1961, and by 14 per cent in 1962.

## BRITAIN'S CONTRIBUTION

The six countries of the Common Market received 53 per cent of British exports to Western Europe, amounting to £780 million—more than the total of British exports to the United States, Canada, and Latin America put together. This trend grew in the first half of 1963, when exports to Common Market countries rose by 17 per cent, as against 8 per cent to the "sterling area", and Western Germany became Britain's third largest market following the United States and Australia.

Despite Britain's inability to enter the Common Market, it is to the six Common Market countries that her exports have increased most rapidly—by 69 per cent from 1958 to 1962, compared with an increase of 44 per cent to the seven countries of the "European Free Trade Area".

All this serves to emphasise that British monopoly capitalism by no means gives first place to its economic and trading relations with the rest of the Commonwealth, but primarily with the United States and Western Europe. At the same time, imperialist Britain exploits the resources of the Commonwealth—especially the newly-inde-

pendent States—to bolster up its imperialist system, maintain its colossal arms programme, and resist any weakening of its position in face of the growing pressure of United States imperialism.

## PRICES AND PROFITS

The operations of British overseas monopoly firms are so vast in character that they are not confined to the Commonwealth. Nearly two-thirds of Britain's overseas profits come from within the "sterling area"—which does not include Canada, but does include some small countries outside the Commonwealth.

The 1962 annual balance of payments reveals that the total of British private investments abroad for the four years 1958-61 was £1,271 million, but total profit for the same period (after payment of tax) was £2,654 million—more than double the total new investments. In the sterling area it was more than three times the total new investment.

Equally important is the fact that it is the biggest British monopoly firms which invest overseas and derive these huge profits. A recent investigation in Britain (reported in the *Board of Trade Journal*, April 19, 1963), revealed that 73 per cent of British overseas profits in 1961 went to 230 monopoly firms, each making a minimum profit of £250,000—and these firms represent only 13 per cent of the 1720 British monopoly firms engaged in overseas exploitation.

Most recent figures are in the March 1963 annual report on Britain's balance of payments giving a total of £5,645 million from British property income received from abroad between 1958 and 1962—an annual average of £1,129 million. This figure is before payment of taxes, for under another heading "Interest, Profits and Dividends" (after payment of tax) the total for this period is £3,518 million—an annual average of £704 million, reaching its highest point in 1962 at £765 million.

Continued on page 5

Listen to

RADIO BERLIN  
INTERNATIONAL

The Voice of  
German Democratic Republic



On German problems  
On Life in the G.D.R.  
RADIO BERLIN INTERNATIONAL  
Transmits in English  
To Central Africa  
(Time in GMT.)

at 5.00 on 25.43 m - 11.795 kcs  
at 13.30 on 16.83 m - 17.825 kcs  
at 16.00 on 19.67 m - 15.255 kcs  
at 19.30 on 25.43 m - 11.795 kcs

To West Africa  
(Time in GMT.)

at 6.30 on 25.43 m - 11.795 kcs  
at 12.30 on 19.67 m - 15.255 kcs  
at 18.30 on 25.43 m - 11.795 kcs  
at 21.30 on 19.49 m - 15.395 kcs

We would be grateful to you for any information as to how our programmes are received and for any suggestion and criticism concerning our programmes. We hope reception will be good.

Please write to:

RADIO BERLIN INTERNATIONAL  
BERLIN  
German Democratic Republic

# Britain and the Commonwealth

Continued from page 2

However, this does not include an annual average of £648 million shipping credits during this period, and oil and insurance profits are totally excluded. Despite all measures to conceal the full scale of profits from abroad, it seems clear that the total is not far below £2,000 million a year.

One of the most lucrative sources of these increasing profits arises from the favourable terms of trade for the imperialist countries—the declining prices of primary goods and raw materials exported by the colonies and newly-independent countries, and the increasing prices of capital and manufactured goods sold back to them.

In the African countries the volume of exports has nearly doubled in the past decade, but their value (due to the declining prices on the capitalist world market, has increased by less than ten per cent. Some countries, depending on their export products, suffer worse than others. Between 1954 and 1960 Uganda's volume of exports increased by 85 per cent, but its income from exports increased by only 5 per cent.

## PERCENTAGE OF EXPORTS

Compared with 1954-55, Nigeria's cocoa export increased in volume by 120 per cent, but export values declined by 3 per cent. When addressing a meeting of the World Bank in Washington early in October, 1963, Mr. Goka, Ghana's Minister of Finance pointed out that in the previous five years Ghana's volume of exports had gone up by 85 per cent, but her export earnings had dropped by 42 per cent, while prices of imported manufactures had increased considerably.

This situation creates serious problems for the newly-independent states in their efforts to build the foundations for a new and independent balanced economy which will provide higher living standards. Though they produce more wealth a greater share goes abroad, and a smaller share



Dr. Julius Nyerere, President of Tanganyika.



Dr. Azikiwe, Governor-General of Nigeria.

is available to transform the old economy.

Nor are the newly independent states able to solve their problems by loans from the World Bank and the imperialist countries with their high rates of interest. In their attempts to do so they have sunk deeper and deeper into debt. In November, 1962, the monthly journal *Overseas Review* (published by Barclay's Bank, which operates in most parts of the Commonwealth) made this comment:

*"It has been estimated that 34 countries, with populations representing 70 per cent of the underdeveloped world, doubled their external debt between 1956 and 1961; during the same period their total export earnings increased by only 15 per cent."*

Repayment of interest and capital has now become such a burden that many new states can no longer afford to contract for new external loans. The 1963 report of the World Bank estimates that "in 32 less-developed countries together, these payments now absorb 7 per cent of export earnings, compared with 3 per cent in 1958". (*Economist*, 10.8.63).

Faced with this situation all that the British Government intends to do in the matter is to make a "forward-looking economic survey of the Commonwealth, made up from the plans and forecasts of individual member countries, as a way of helping them to expand trade within the Commonwealth" (*Financial Times*, 26.9.63).

## PRESSURE

Far from assisting the new independent states the more likely aim of this survey is to bring pressure to bear upon them to slow down their economic plans. This is designed to protect the slender reserves of the sterling area, and to maintain London as the financial centre with power to extend or restrict all financial operations. This seems apparent from the emphasis of "Lombard", the *Financial Times* expert:

*"For it would be most unfortunate for all if a weakening of the basic position of sterling on this account were to be underlined by a combined movement by overseas sterling countries into serious payments deficit arising from over-hasty implementation of development programmes or other factors."* (*Financial Times*, 4.10.63).

This warning is in line with imperialist aims (both before and after colonies win their independence) to



Dr. Milton Obote, Prime Minister of Uganda.

restrict the growth of industrialisation and a balanced modern economy in the newly-independent states. In an attempt to conceal their exploitation of the new states, the British Government has adopted new legislation, changing the former "Colonial Development Corporation" into the new "Commonwealth Development Corporation".

However, the aim remains the same. To extend loans at current interest rates to provide public services and other forms of aid to the overseas monopoly firms. In introducing the new Act, Mr. John Tilney, Under-Secretary of State for the Commonwealth, pointed out that "private enterprise has undoubtedly done a fine job" and that "meanwhile, private funds should be the main contributor to development in the independent Commonwealth" (House of Commons, 19: 6: 63).

## INTERNAL CONFLICTS

Imperialist economic exploitation is the basis of growing conflicts within the Commonwealth. These express themselves in contradictory economic aims and in the striving of independent states to extend their trade beyond the economic boundaries of the "sterling area". They are apparent in the obvious contrast between living standards in Britain (as also in Canada, Australia and New Zealand), and the shocking mass poverty in the newly-independent states. It takes the economic form of racial discrimination (prosperity for whites and poverty for coloured peoples), and politically is intensified by the 1962 Commonwealth Immigrants' Act which gives preference to European immigrants to Britain as against coloured immigrants from Asia, Africa and the Caribbean territories in the West Indies.

Most members of the Commonwealth (apart from Australia, Canada, and New Zealand), refuse to be associated with Britain's "defence pacts"—NATO, CENTO and SEATO—and adhere instead to a policy of positive non-alignment. This does not mean that they are neutral in the struggle against imperialism. On the contrary, the African national movements and the governments of the independent states of Africa are determined to advance to a new stage for the liberation of the whole African continent, more particularly the African peoples of South Africa, Southern Rhodesia, Angola, and Mozambique. These are the centres of white settler domination, and the British Government is extremely anxious to bolster up its position in these territories.

The African liberation movements have now reached the stage of planning to give the utmost assistance to end colonial rule in their territories, even to the extent of armed struggle. In the General Assembly of the United Nations sharp condemnation has been expressed of white settler domination in South Africa and Southern Rhodesia, and demands that all United Nations members should stop sending arms to South Africa, break off diplomatic relations, and boycott all trading relations.

Britain is more isolated than ever also within the United Nations in relation to its plans to transfer sovereignty to the white settlers in Southern Rhodesia; and the transfer of armed forces and aircraft to them from the Central African Federation when this is dissolved on December 31, 1963. In the Security Council on September 13, the vote was eight against Britain and two abstentions (United States and France), with Britain alone voting against, thus using the veto rights of a permanent member of the Security Council to prevent the adoption of the resolution.

Britain also stood alone with Portugal and South Africa in the United Nations demand for the African right of independence in the Portuguese colonies of Angola and Mozambique in Africa, and was also opposed to the United Nations resolution in favour of the British Government negotiating independence for British Guiana in the West Indies.

## DIVISIONS WITHIN COMMONWEALTH

Of the 16 member countries of the British Commonwealth, more than two-thirds are opposed to British imperialist policy in its most decisive aspects—"defence", colonialism, economic development of independent states, racial discrimination and the colour bar. These are the independent states of Asia, Africa, and the Caribbean. The operation of the Commonwealth Immigrants Act (up for renewal in December 1963), is mainly directed to the exclusion of immigrants from these countries, and has aroused indignation from the independent states of Jamaica, Trinidad, etc., which on other matters are on terms of close co-operation with the British Government.

Even the "white" members of the Commonwealth find it difficult to support Britain on all important issues within the United Nations. An influential British weekly journal *The Economist* made this comment on the vote on Southern Rhodesia:

*"Neither Australia nor Canada, nor any of the continental Europeans, feel able to back Britain's present policy in Southern Rhodesia" (12.10.63).*

## FUTURE PROSPECTS

In April, 1963, the Commonwealth Relations Office, situated in London, organised a week-end conference at which problems of the Commonwealth were under discussion. All those attending were staunch upholders of the Commonwealth, but several of them expressed serious alarm about the future prospects. The main conclusions of the conference were published in a booklet entitled "The Future of the Commonwealth: A British View".

The report of the "Political Sub-Committee" was given by Richard Gould-Adams, Chairman of the Council of the Institute of Strategic Studies in which it was admitted that:

*"In the last few years the validity of our formal ties with the Commonwealth has been weakened to some extent*

*by the political distrust of our (British) policy which has grown up in some of the new members of the Commonwealth. (page 8).*

*"We are to some extent discredited in our relations with the underdeveloped and uncommitted nations of the world, of whom many are in the Commonwealth, by virtue of our participation in the Atlantic partnership." (page 9).*

In relation to the situation in Africa, one of the speakers in the discussion quoted a statement of General Smuts long ago that "the experiment of Commonwealth may be smashed to pieces in the cockpit of Southern Africa", and Mr. Gould-Adams himself, referring to South Africa and Southern Rhodesia, warned: "On both these issues it was felt that the Commonwealth could be torn apart" (p. 16).

Faced with this situation Mr. Gould-Adams expressed the view that "the danger of a swing towards Communism on the part of African opinion was real", and that "this Communist danger is something that strikes at the root of the problem of dealing with the two parts of the Commonwealth, the old and the new" (p. 16).

## ECONOMIC AID

There is no doubt that this fear has increased by the expansion of socialist economic aid to the independent states of the Com-



Jomo Kenyatta, Prime Minister of Kenya.

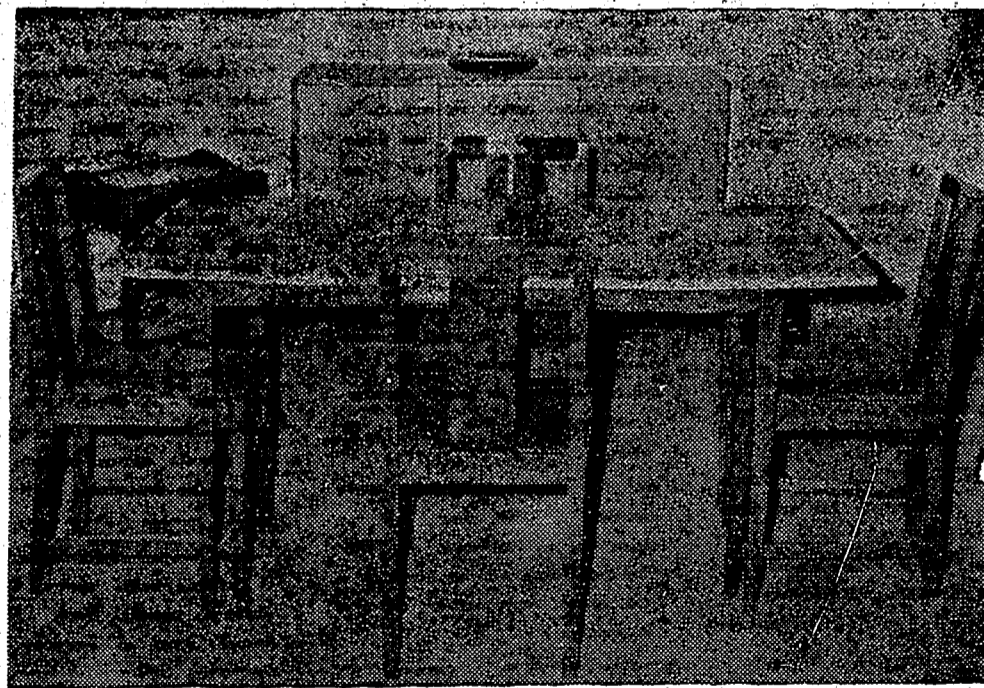
monwealth, by the granting of loans at low rates of interest (2 and 2½ per cent) and by the export of machinery to assist the transformation of their backward economies.

The gigantic changes in the world are making a big impact on relations within the British Commonwealth. Two years ago, the newly independent states forced the pace for the expulsion of South Africa. If the British Government persists in its present attitude to South Africa and Southern Rhodesia, a situation may arise when some of the new independent states will them-

selves decide to abandon their membership of the Commonwealth.

A great deal will depend upon political developments in 1964, the outcome of the forthcoming General Election, the struggle in Asia, Africa, and the Caribbean against new forms of colonialism, and the advance of the socialist world. One thing is clear. The Commonwealth is no longer in a position to exert a decisive influence in world affairs and this will serve to weaken the main prop of British imperialism and to advance the cause of peace and socialism in Britain.

## High Class FURNITURE



new designs to suit the modern home

FOR

LOUNGE  
KITCHEN  
SCHOOL

DINING-ROOM  
BEDROOM  
OFFICE

Contact

**STATE FURNITURE & JOINERY CORPORATION**

(Brewery Road, near Ghana Graphic Co. Ltd.)

tel.: 66411, p.o. box 1922, Accra

the most modern furniture factory in Ghana