

THE CRISIS
OF BRITAIN

R. Palme Dutt

AND THE
BRITISH
EMPIRE

THE CRISIS OF BRITAIN AND THE BRITISH EMPIRE

R. PALME DUTT

This is a book about Britain's present problems. It is also about the British Empire.

There have been many books about post-war Britain. There have been many books about the modern development of the British Empire. But there has been no book about the crisis of Britain *and* the British Empire—taken as a unity. Yet it is precisely this unity that is the secret to the understanding of Britain's crisis today.

This book is concerned with life and death questions of the future of Britain, all of which are inseparably bound up with the question of the Empire and the problems of the peoples of the Empire. Its purpose is to show the path of comradeship of the British people and the peoples in the countries of the present Empire to unite in ending a system of relations which injures both, and to advance to a new basis for the solution of their problems.

For note on the author see back flap.

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R. PALME DUTT is one of Britain's leading Marxist theoreticians. Active in the socialist and labour movement in Britain for 40 years. A former Scholar of Balliol, he was sent down from Oxford in October, 1917, for organising a socialist meeting. A member of the Communist Party since its foundation in 1920, he is at present its Vice-Chairman. In 1921 he started the magazine *Labour Monthly*, of which he has been editor ever since, and to which he has regularly contributed his "Notes of the Month". He is the author of many books, and his work has long made him a world-famous authority on international affairs.

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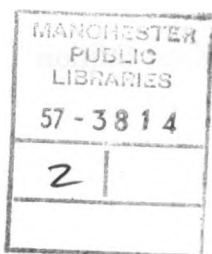
THE CRISIS OF BRITAIN
AND
THE BRITISH EMPIRE

by
R. Palme Dutt

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PREFACE TO THE REVISED 1957 EDITION

THIS study of the contemporary problems of Britain and the British Empire was first published in 1953, and was based in part on an earlier study, *Britain's Crisis of Empire*, published in 1949. It has since gone through a series of reprints with minor revisions. The present new edition has been extensively revised, with some new chapters and considerable new material, and has been brought up to date to the beginning of 1957. At the same time the opportunity has been taken to revise in the light of further experience some of the particular political estimations in the first edition, especially with regard to the role of India since 1947 and the developments in West Africa.

Since the publication of the first edition the developments of the past half decade have considerably carried forward the whole situation described in this book. They have underlined and brought into the forefront of attention the problems discussed, which were still widely ignored in 1949 and even in 1953, and have increased the urgency of the lines of solution proposed.

In particular, the landmark of the Suez war in 1956 has made visible to all Britain's changed position in the world, and the necessity of a new approach, alike for Britain's international policy, and for Britain's internal problems.

It is now universally recognised that Britain's chronic crisis since the war reflects deeper and more permanent changes than post-war unsettlement or other temporary factors. The old privileged monopolist position of Britain in the world has vanished for ever; and the measure of precarious prosperity so far maintained on the reserves accumulated in the preceding period is built on an unstable foundation. A new basis for a free and prosperous Britain, no longer dominating or exploiting other nations, and living in peace and friendship with the rest of the world, needs to be established. This is the central problem which is the underlying theme of the present book.

It is no less universally recognised that colonialism is on the way out. The majority of former colonial and dependent peoples have established their independent states during the

past decade. It is true that colonialism is not dying without stubborn rearguard actions. Colonial wars have continued to stain the record of these years. The giant Western monopoly combines continue to hold and exploit vast colonial assets and draw fabulous profits from poverty-stricken peoples. The effective independence of the newly independent nations is in many cases considerably qualified by economic and strategic limitations or military occupation. Hence the battle against colonialism, whether in its old or new forms, is still intense. But the approaching victory of the peoples against colonialism all over the world draws ever more closely into view.

It is equally recognised that a new world has come into being during this past decade, on the basis of this advancing liberation of the majority of mankind from the bonds of former colonial or semi-colonial dependence. India and China, the two most numerous nations in the world, now stand in the forefront of independent world powers. The Afro-Asian nations, whose representatives met for the first time in independent conference at Bandung in 1955, without the participation of any imperialist power, and reached unanimous conclusions for peace and non-aggression and against colonialism and military blocs, constitute the majority of mankind. Increasingly close relations of friendship, of political co-operation for peace, and of economic co-operation to carry forward reconstruction and end colonial economy, have developed between the socialist world and the newly independent nations. Together, these constitute the overwhelming majority of mankind now outside the orbit of imperialism. The imperialist sector has become visibly the minority sector. This new world alignment has begun to receive a partial reflection also in the United Nations, and will be further reflected, when China receives its rightful representation in the United Nations.

All these new developments have profoundly changed the character and entire context of the questions of Britain and the British Empire considered in this book. The existing forms of the British Empire have become increasingly fluid and transitional.

What is to be the future of Britain, and of the wide array of countries, whether already independent or still subject, at present linked with Britain within the sphere of the British Commonwealth or Empire, in this new world situation? This

is the question which it is the purpose of this book to examine.

Two paths open out.

One path is for Britain to recognise the new world situation and to carry through a corresponding radical transformation of policy: that is, to abandon the ill-fated attempts to maintain the old doomed imperialist basis, with the consequent crippling rearmament, colonial wars and military alliances; to embrace wholeheartedly the aims of peace, peaceful co-existence and disarmament; to establish new non-imperialist relations of friendship and co-operation with all the countries of the existing Commonwealth or Empire on the basis of national independence and equal rights; and to reconstruct Britain's economy on a non-imperialist basis, so as to utilise Britain's resources for the needs of the people and to enable Britain to play a progressive part in the world.

The other path is for Britain ever more desperately to endeavour to maintain and shore up the crumbling imperialist basis; to incur the deepening hostility of the majority of mankind; to cripple home economy and depress the standards of the people with the burdens of crushing armaments and overseas military commitments; and thereby to hasten the further decline of Britain.

The choice between these two paths has still to be finally settled in the arena of political battle. During the most recent period partial steps have been attempted along either path in turn.

At the Geneva Conference of Heads of States in the summer of 1955 a preliminary initiative was taken in the direction of peaceful co-existence. The representatives of the four leading powers taking part agreed in principle on the aim of endeavouring to end the dangerous "cold war" period of international relations and to reach negotiated settlements on all outstanding issues. The measure of relaxation of tension which followed, and new hope of peace for the world, brought relief in every country and was universally acclaimed. There is no doubt that such a prospect would open out the best hopes for Britain, equally to fulfil a progressive and independent role in international relations, and to approach a long-term solution of the heavy economic problems of the present phase.

But the very success of the Geneva Summit Conference led to a reverse movement from quarters alarmed at its outcome.

In the improved international situation following Geneva the progressive confidence of the peoples in all countries rose high; the national liberation movement swept forward at an unprecedented pace; and the economic advance of socialism made possible increased socialist aid to the newly independent countries to reconstruct their economies on a basis independent of imperialism. After Bandung and Geneva it was clear that the whole balance of the world was changing at an accelerated pace. Nowhere was this more manifest than in the Middle East.

Alarmed at this prospect, the Conservative Government reversed the engines, and turned anew to the discredited "policies of strength", the cold war and military aggression. At the Foreign Ministers' Conference at Geneva in the autumn of 1955 the Western powers blocked the fulfilment of the Geneva Directive for a European Security Treaty as the framework for German unification, such as would have made possible the replacement of the North Atlantic Treaty and the Warsaw Pact and the withdrawal of occupying military forces from Europe. In the Middle East the British and French Governments turned to the methods of demonstrations of military power, culminating in the Suez war at the end of 1956.

The disastrous outcome of the Suez war demonstrated to all the bankruptcy of this line of policy. So far from restoring British power in the Middle East, the Suez war registered the collapse of British power in the Middle East. More. In the eyes of world opinion it registered the eclipse of Britain as a leading world imperialist power. At home its outcome dealt a further blow to the already shaken economic position, and deepened popular disillusionment with the policies of the ruling class and imperialism.

Hence the experience of the recent period has led to increasingly widespread recognition that a new policy must be attempted, and that such a new policy must face in a bold and realistic fashion the change in Britain's position in the world.

For the British people, who have so long played a leading part in the historical advance of humanity during the entire modern era, there can be no more urgent problem to-day—since it is intricately bound up with all their domestic problems—than to find the basis of relations with the new world that is arising. Britain has long been the centre of the largest colonial empire. Even with the restricted area of the present

direct colonial empire, this is still the largest remaining colonial empire. The entire economic and political structure in Britain has been built on this basis of empire; and this basis has also profoundly affected the conditions of development of the labour movement. To-day it is manifest that an impasse has been reached on the old basis. This impasse is reflected equally in the chronic difficulties of the economic situation, and in the deadlock and even contradiction manifest in the political situation. The time is ripening for a new advance.

It is the thesis of this study that the imperialist phase of Britain's development has never corresponded to the true interests of the British people, and that its inheritance, with the consequent policies pursued by Britain's rulers during the present period, underlies the problems of modern Britain.

The solution of Britain's internal problems, and of the future of the British labour movement, cannot be separated from the central necessity to advance to a new non-imperialist basis, which can alone make possible the radical reconstruction of Britain's economy and open the way to a new future for the British people.

At the time when the first version of this study appeared in 1949, and the fuller and more developed survey in 1953, there was still very little disposition to recognise these deeper problems of Britain's position in the modern world. In 1949 the supposed triumph of "recovery" under the Labour Government, and in 1953 the supposed triumph of "recovery" under the Conservative Government, blinded the general outlook to the deeper problems requiring to be faced. This book, which represented the first attempt to treat the problems of Britain and the British Empire taken as a whole (not of Britain separately, or of the Empire separately) was received with that almost complete silence in the general press which is the customary tribute of the contemporary press in this country to any work which endeavours to break new ground.

However, the facts themselves cannot be so easily exorcised. The facile dreams of "recovery" without facing the basic problems have now twice faded. It is to be hoped that the time is opportune for a more serious consideration of the problems which the British people are having to face and solve.

March, 1957

PREFACE TO THE FIRST EDITION

THIS is a book about Britain's present problems. It is also about the British Empire. There is a reason why the two are treated here in combination in one book—although, to the best of the writer's knowledge, no book about the two together has so far been written by any other author.

There have been plenty of books about post-war Britain, Britain's economic problems, Britain's new legislative or administrative achievements, Britain's Second Elizabethan Age, Britain's political prospects, or the solution for Britain's ills.

There have been plenty of books about the modern developments of the British Empire or Commonwealth or Commonwealth and Empire, the decline of the Empire, the rebirth of the Empire, Empire trade, Empire economic problems, the development of under-developed territories, the colonial peoples' political prospects, or the relations of the Empire and Europe and America and the "Atlantic Community."

But there has been no book (apart from an earlier very short study by the present author) about the crisis of Britain *and* the British Empire—taken as a unity. Yet it is precisely this unity (a unity characteristically full of contradictions and conflicts) that is the secret of the understanding of Britain's crisis to-day.

The present book is based in part on an earlier short study entitled *Britain's Crisis of Empire*, which was originally published in 1949, passed through several editions, and has been translated and published in over a dozen countries and languages abroad.

The purpose of *Britain's Crisis of Empire* was to examine Britain's crisis against the background of the Empire. At the time when it was published, the prevailing fashion was still to ascribe Britain's difficulties to temporary short-term causes arising from the second world war and post-war disturbances of international equilibrium, and to seek the solution in the various short-term expedients which were being adopted. The argument of *Britain's Crisis of Empire* sought to show that the

roots of the crisis lay deeper than was commonly recognised in the then current statements of most politicians and economists. These roots, it was argued, lay in the decline and break-up of Britain's former world monopoly, and in the still continuing, though weakened, empire basis of the traditional economic social and political structure of Britain and the countries of Western Europe. The conclusion was drawn that the measures adopted by successive Governments to meet the crisis were not only incapable of solving it, but, through causing heavy and increasing economic and military strain, could only lead to further deterioration.

I have called the present book *The Crisis of Britain and the British Empire* (despite the uncomfortable length of such a title, and the justifiable objections to the use of the general and often loosely defined term "crisis"), for a deliberate reason. This reason is to make clear that the book is about Britain and not merely about the British Empire. Experience showed that the previous book was widely regarded as a book about the Empire and the colonial question; and it is well known that no subject is better guaranteed to make an average audience in Britain reach for their hats, a parliamentary chamber empty or a shy book-buying public turn to another shelf. It is therefore essential to explain to readers in Britain, whom this book is above all intended to reach, that its subject is concerned with life and death questions of the future of Britain, of the British people, of British economics and politics, of the British labour movement and the British path to socialism—all of which are inseparably bound up with the question of the Empire and the problems of the peoples of the Empire. Its purpose is to show the path of comradeship of the British people and the peoples of the countries in the present Empire to unite in ending a system of relations which injures both, and to advance to a new basis for the solution of their problems.

Finally, I should like to express gratitude to the many friends and helpers who have assisted to collect and check some of the material for different sections of this book, and to ask their forgiveness for this collective and anonymous acknowledgment, since some of their names could not be given, and selection would be invidious.

July, 1952

A NOTE ON "EMPIRE" AND "COMMONWEALTH"

IN this book the British Empire is referred to as the British Empire.

During the past quarter of a century the practice has become increasingly prevalent in many quarters, official, semi-official and unofficial, to replace the term "British Empire" by the term "British Commonwealth of Nations" or "Commonwealth of Nations."

The newer formula is sometimes supposed to rest on a distinction between the "Commonwealth" of Britain with the Dominions or Republics and the "Empire" proper of the dependent colonial empire. On this basis the attempt is even made to offer the hybrid "Commonwealth and Empire."

Such a distinction, however, has no formal, legal or constitutional basis. In all legislation referring to the "Commonwealth" the reference includes both the Dominions and the subject colonies or protectorates.

Since the older term "Empire," in which Disraeli, Chamberlain and Kipling took pride, became suspect to democratic opinion, a euphemism was sought by the more diplomatic apologists of imperialism.

As the leading authority on Imperial Constitutional Law, Professor W. I. Jennings, joint author of *The Constitutional Laws of the British Empire*, had occasion to explain in a letter to *The Times* on June 6, 1949:

"'Empire' was associated with 'imperialism' which was the deadliest of the political sins. The use of 'Commonwealth' made political conditions slightly less difficult."

There is no distinction in fact between the "British Empire" and the "British Commonwealth of Nations" or "Commonwealth of Nations."

An authoritative pronouncement on this matter was made in 1949 by the then Prime Minister, Mr. Attlee, with reference to the London Declaration of the Dominion Premiers' Conference (speaking in the House of Commons on May 2, 1949):

"Terminology, if it is to be useful, keeps step with developments without becoming rigid or doctrinaire. All constitutional developments in the Commonwealth, the British Commonwealth, or the British Empire—I use the three terms deliberately—have been the subject of consultation between His Majesty's Governments, and there has been no agreement to adopt or to exclude the use of any one of these terms, nor any decision on the part of His Majesty's Government in the United Kingdom to do so. . . . Opinions differ in different parts of the British Empire and Commonwealth on this matter, and I think it better to allow people to use the expression they like best."

Sir Winston Churchill, speaking at Ottawa in January, 1952, made his preference plain. "I do not know," he said, "if I may mention a word I have used all my life, and for which I do not ask pardon," and he went on to refer to "what was once called the Empire." Commenting on this in an editorial on "Dominion and Empire" on January 15, 1952, *The Times* surveyed the "state of flux" in the various pseudonyms attempted, and in conclusion adduced cogent arguments for reverting to the historic "Empire":

"The heterogeneous British Empire came for a time to be divided into three categories, the Mother Country, the Dominions and the Colonies. . . .

"For a time the classification of the King's dominions into the Commonwealth and the Empire, according to whether they governed themselves or were ultimately controlled from Whitehall, was accurate and useful. But the sense of words is always in a state of flux, and in recent years the extension of the word Commonwealth to cover both kinds of state has blurred the edges of meaning. . . .

"It would be more than a pity if the name of Empire were to be driven out."

There is no doubt of the "state of flux" in relation to the whole development of the British Empire. The successive changes of title reflect a rapidly changing content. But the Empire has not vanished from the earth. For the purpose of the present book the British Empire is described, both for convenience and in accordance with the official definitions indicated above, as what it still so far is—the British Empire.

CHAPTER I

BRITAIN'S CRISIS OF EMPIRE

"That England that was wont to conquer others
Hath made a shameful conquest of itself."

SHAKESPEARE.

NOT so many years ago every schoolboy used to be taught Kipling's poem of "Big Steamers." To the question "Oh, where are you going to, all you Big Steamers?" the answer came:

"We are going to fetch you your bread and your butter,
Your beef, pork and mutton, eggs, apples and cheese. . . .
We fetch it from Melbourne, Quebec and Vancouver—
Address us at Hobart, Hong Kong and Bombay."

To the grateful schoolboy's further query what he could do in return, the answer taught the lesson of sea power and empire as the basis of Britain's existence:

"Then what can I do for you, all you Big Steamers,
Oh, what can I do for your comfort and good?"
'Send out your big warships to watch your big waters,
That no one may stop us from bringing you food.'

All this echoes a past era. Britain's warships no longer rule the seas. Sea power has passed to the American navy. And the "beef, pork and mutton, eggs, apples and cheese" are in less abundant and less cheap supply.

Every inhabitant of Britain is to-day uncomfortably aware that times have changed, that Britain's position in the world is no longer what it was, that the former world monopoly has vanished and the day of empire domination is passing, and that new problems are arising for the existence of the people of these islands.

Nevertheless, the problems of Britain's economic, social and political future are still most commonly discussed in isolation from the Empire. This is about as intelligent as to discuss Othello without the Moor.

Colonial questions, questions of the Empire, are regarded as the separate preserve of a handful of specialists—officials, explorers, missionaries, jingo enthusiasts, reformers and anti-imperialists—preoccupied with remote territories and peoples, of limited practical concern to the harsh problems of daily life in Britain. Nor is this remoteness surprising. The impact of empire policies makes itself felt in consequences of burning directness: in the cost of living, taxation, the prices of raw materials, rearmament, colonial wars and the menace of a new world war. But the empire relations and policies which give rise to these consequences are less directly seen. Despite all the assiduous official indoctrination, the cult of empire has never achieved a genuine popular basis. A recent public opinion survey by the Colonial Office in 1949 revealed:

“Cross-questioning of a representative section of the population showed that over half were unable to recall one single colony by name, that three quarters did not know the difference between colonial and dominion status, and that 3 per cent. thought America was still a colony. Almost the only aspect of colonial development arousing any interest was the groundnut scheme, of which 67 per cent. knew something.”

(*The Times*, June 22, 1949.)

This does not mean that the ruling class propaganda of empire in general has no effect. On the contrary, the assumption of empire, the assumption of Britain's position at the centre of the world's largest empire as almost part of the natural order of things, still deeply colours popular consciousness. “The sentiment of empire,” the Liberal Gladstone once wrote, “is innate in every Briton. It is part of our patrimony, born with our birth and dying only with our death.” After all the flag-waving and Beaverbrook crusades have only produced weariness and scepticism, and after all the school-book lessons of “Empire-builders” and “Deeds that Won the Empire” have been forgotten, there remains the vague general half-unconscious picture of Britain's manifest destiny to rule over other peoples, of “the empire on which the sun never sets,” of Britain's natural right to send military expeditions to Malaya or Hong Kong, Cyprus or Iraq, of Britain's “civilising mission” to bring law and order, police, roads and railways and the suitably controlled march towards self-government to backward peoples, of the innate superiority of British institutions and British social

and economic standards. The Empire remains the permanent unspoken assumption of British politics. But this assumption is commonly divorced from any close realisation of the new problems that have arisen.

It would be vain to search through the debates of the House of Commons in recent years for any major general debate on the problems of the British Empire as a whole or the impact of these problems on Britain's position in the world and Britain's future. Just as in the old days the annual India debate used to be guaranteed to empty the House, so to-day a Colonial Affairs debate can normally count on a sparse attendance and the participation of specialists—unless some momentary burning controversy like the groundnuts fiasco or Persian oil raises the temperature.

This superficial appearance of indifference to the Empire (like the old legend of the acquisition of the Empire "in a fit of absence of mind") does not by any means signify that the questions of empire are remote from the attention of the Government or of the British ruling class. On the contrary. Very much on the contrary. The questions of empire; the maintenance and protection of the vast overseas interests and spheres of domination of British finance-capital; the complex manoeuvres and myriad political forms in ceaselessly changing conditions to counter the challenging tide of insurgent national sentiment; the precarious balance of relations, economic, political and strategic with the stronger advancing American imperialism; the deep-set hostility to the new triumphant world of socialist and anti-imperialist popular advance extending over one-third of humanity; the conflict between the strategic requirements of super-rearmament for the maintenance of these interests and the limitations arising from inner economic decay—all these constitute the inner essence of modern British ruling class politics on the world arena, and the guiding red thread which alone gives consistency and singleness of purpose to the various shifts and turns of Government policy, whether of Conservative Governments or Labour Governments.

This common foundation of imperialist interests has also been the basis of the essential unity of official policy of the two ruling parties and their leadership, whether Conservative and Liberal in the first quarter of the twentieth century or

Conservative and official Labour in the second quarter. Whatever the noisy proclamations of division on the hustings or in the debating chamber, this underlying unity has been revealed on all major imperial and strategic issues until the Suez war of 1956. It was revealed over the *Entente* policy in the pre-1914 era, in the midst of the most clamorous Conservative-Liberal domestic controversies and mutual revilings. It has been revealed in more recent years over the American Alliance, Marshall Plan, Atlantic Pact, Rearmament Programme and nuclear strategy. During the six years of the Attlee Labour Government from 1945 to 1951 support and approval of the general principles of its foreign and colonial policy was repeatedly expressed by the Conservative Opposition. With the shift to a Conservative Government at the end of 1951, continuity of foreign and colonial policy was immediately proclaimed and endorsed by the leadership on both sides.

But this red thread of imperialism, of basic imperialist interests and policy, which is the indispensable guide and key to an understanding of British economics and British politics, is never displayed in public. On the contrary, in deference to changed outlooks and the spread of democratic anti-imperialist sentiments, an apologetic and deprecatory tone has become *de rigueur* in current official utterance for all references to empire and imperialism. The old full-blooded advocacy of imperialism of a Joseph Chamberlain, a Curzon or a Milner is now frowned upon in official circles as in bad taste in the present period of critical tensions and delicate balances. Instead, the conventional diplomatic fiction is well on the way to becoming established, especially in the utterances of Labour and Liberal imperialists, but also of the more modern Conservative imperialists, that the traditional conceptions of empire and imperialism belong to the bad old past, and have long been washed away in the universal tide of enlightenment, mutual improvement, welfare and development, and general emancipation.

It is true that the same statesmen who give expression to these benevolent sentiments will usually in their next speech, and sometimes in the same speech, proclaim the glories of empire; insist on the indispensable economic importance of Britain's empire assets and interests as the foundation of the prosperity and standard of living of the British people; or groan

over the herculean burden of world-wide military commitments which their far-flung empire obligations compel them to sustain. When these same statesmen have to grapple with the baffling enigma of Britain's balance of payments, they have no hesitation in using the convenient device of an increase in the colonial sterling balances by hundreds of millions of pounds to improve their current accounts, or in basing their main calculations for a solution on plans for a prodigious increase in the "invisible" items income to be extracted from the imperialist monopolies' exploitation of colonial oil, rubber, tin and copper. When any threat may appear to these imperialist monopoly interests, they are quick to send troops and bombers to Malaya or Kenya or warships to the Persian Gulf.

These contradictions, however, are never seen as contradictions. There is a tacit convention of a kind of double book-keeping of the Empire; and the two sides of the ledger are never brought into contact. On the one side, the sentiments of universal philanthropy and benevolence, of liberal enlightenment and the march to freedom "within the mystic circle of the Crown," and of development and welfare, substantiated by the few niggardly crumbs thrown out from the vast profits of the monopolies. On the other side, the concrete realities of the giant colonial trusts and combines, plantation-owners, and 100 per cent. profits; the mass poverty and exploitation, starvation wages, pestilential slums and peasant ruin; the colonial penal laws and repression; the concentration camps, terror and shooting, the troops, guns and bombing planes.

This double book-keeping of Empire is not in itself peculiar or extraordinary. It is characteristic of all capitalism, especially in the period of decay, when its foundations are threatened by popular revolt. But this double book-keeping is a very dangerous obstacle to serious political understanding, at a time when the whole traditional system of the Empire is in crisis, and when a serious political understanding of present-day realities and of the consequences of this crisis is indispensable for the British people, if they are to solve their present problems.

The net effect of this simultaneous practical concentration of Britain's rulers on the economic, political and strategic aims of Empire, and public silence, denial or repudiation of such aims is to create extreme political confusion, disorientation and frustration. The people are uneasily aware that something

is wrong. But they look in vain to their rulers or to the accredited spokesmen of the official dominant parties for enlightenment. The truth of Britain's position in the modern world is being concealed from the people.

All the present difficulties have been ascribed to temporary, accidental causes, to be removed by a little extra effort and acceptance of sacrifices for a short period, until better times return. In the words of the Chancellor of the Exchequer, Sir Stafford Cripps, in September, 1949:

"At the end of the war we all thought that things would be easier than they turned out to be.

"We have been trying to deal with them by a series of temporary expedients, which have led to a series of crises as each expedient became exhausted."

A corresponding process was conducted by the subsequent Conservative Chancellor of the Exchequer, Mr. Butler, and by his successor Mr. Macmillan with similar results.

The British people have become accustomed to live in conditions of chronic crisis. But no one seriously attempts to explain what the crisis is about.

If the words of the song declare, "There will always be an England," the modern Englishman might be excused for interpreting those words as meaning "There will always be a crisis."

In the broadest sense the crisis has been endemic since the first world war. It manifested itself in the long depression, the loss of markets, the collapse of the pound and the advent of the second world war.

But since the second world war the crisis has taken on a peculiarly acute, switchback character. At first it was explained in terms of post-war scarcities and unsettlement. As the years rolled on without solution, this explanation passed out of the picture. Then it took the grim form of the dollar crisis and balance of payments crisis. Marshall Aid was supposed to provide the solution. Then followed the devaluation crisis of 1949. By 1950 the raw materials crisis, associated with the Korean War and rearmament stockpiling, sent prices soaring and rocked the terms of trade. By 1951 the balance of payments crisis had returned. While a surplus was achieved during the immediately following years, by 1955 the balance of payments crisis had returned, and was supplemented in 1956-7 by

the adverse economic effects of the Suez military adventure.

The British people have grown accustomed during these recent years to an increasing American intervention in their affairs. American Economic Advisers and Supervisors and Controllers and Special Missions, reporting to Washington. American subsidies. American bans and restrictions on their trade. American instructions and orders to their Cabinet. American Super-Generals of their Army and American Super-Admirals of their Navy. American military bases and American troops and American planes permanently stationed on their island.

The British people have grown accustomed to crushing and soaring armaments expenditure on a scale which would have given their grandfathers apoplexy and staggered even their fathers. They have grown accustomed to deepening shadows of war and grim prophecies of nuclear war.

But why is all this happening? Where is it leading?

No answer is offered on this from either the Government or the official Opposition leaders, from the dominant great organs of the public Press or the broadcasting monopoly purveyors of public information. The ship goes down in darkness.

It is time to face honestly the new conditions of Britain, the British Empire and the world. The crisis which is affecting Britain in so many and varied forms is not temporary or accidental. It is an integral part of the era of social change through which we are living. All the contradictions between the old and the new affect Britain most sharply, because Britain has been for long years the centre of the world's largest Empire, and the new strivings of mankind towards emancipation are shaking the whole fabric of that Empire. On the broadest canvas, the crisis in Britain is only part of the general crisis of capitalism and imperialism which has developed continuously since the first world war and the first victory of the socialist Revolution in Russia, and which has been carried further forward by the effects of the second world war, the victory of the Chinese Revolution, and the advance of national liberation over the world. But this general crisis affects Britain and the countries of Western Europe, the oldest centres and breeding ground of capitalist civilisation and world expansion, in special forms.

The special crisis of Britain and Western Europe is the crisis

of the imperialist system, upon which the economy of these countries has been built up, and which is now approaching bankruptcy.

For decades Britain, France, Germany, Belgium, Holland and the associated Western European countries have maintained a privileged area of relatively superior economic conditions on the basis of the exploitation of hundreds of millions of colonial peasants and workers, from whom a large surplus of unpaid imports was drawn.

This pattern of imperialist power relations and world exploitation is breaking down. It can no longer be maintained or restored.

But the entire social-economic structure of these countries in the modern period, and the entire political structure of so-called "Western democracy" and the imperialist upper stratum of the labour movement, of Tory imperialism and liberal social-democratic reformism, of the so-called "Welfare State," have been built upon this basis. Imperialism has been the grand permanent assumption underlying equally Toryism and Labour Reformism, and finding expression in all the peculiar features of what is currently (and inaccurately) termed "Western civilisation," "Western democracy," the "Western labour movement" and the "Western way of life." With the crumbling of the foundations, the whole superstructure is cracking. This is the dilemma to which neither Toryism nor Labourism, neither Fascism nor Social-Democracy, neither Marshall nor Keynes, can provide an answer.

Dollar injections offer no remedy for this disease, since they do not touch the cause. On the contrary, they accelerate the disease, since they artificially promote and maintain the parasitic dependence which is its characteristic symptom, extend the penetration and domination of the stronger American imperialism, prepare the ground for war, and prevent healthy recovery.

Rearmament for the maintenance and protection of this imperialist system against the advancing liberation movement of the peoples over the world only intensifies the disease in the metropolitan centres of the imperialist system, since it places new and intolerable strains upon the already enfeebled economic structure.

On all sides vast new schemes are put forward to expand,

modernise and intensify Empire development as the grand key to the solution of Britain's economic problems. Conservative and Labour Party leaders vie with one another in the claim to have "discovered the Empire" afresh, and to hold the key to a glorious new epoch of prosperity and advance on the basis of a positive policy of Empire development. A plethora of "Colombo Plans," "Colonial Development" schemes and "Point Four" projects litter the desks of officialism as the triumphant answer of the financiers and monopolists to the crisis of their imperialist system.

The more these new schemes for a modernised imperialism are examined, however, the more they will be found to be only refurbished and enlarged versions of the old. Beneath all the philanthropic cover, they are still directed to maintain and extend the essential features of the colonial system: the "development" of the colonial countries primarily as sources of raw materials, as markets, as spheres of investment, and as strategic areas; the intensified exploitation of the colonial populations at low standards of living; and the extraction of super-profits for the monopoly combines and investment corporations operating in the colonial and dependent territories. In their political context, these schemes are based on propping up the most reactionary social strata in the colonial and dependent territories, the princes, feudal chiefs, landlords, compradores, local racketeers and speculators, or even downright puppets of the Bao Dai and Syngman Rhee type, as the only reliable allies of imperialism. These weaknesses mean that the new plans of imperialism are inevitably doomed to the same bankruptcy as the old.

For these reasons the dreams of a solution along these lines are empty castles in the clouds. All the grandiose new schemes for a modernised imperialism, whether on the basis of new alliances with the most corrupt exploiting elements, as in Eastern Asia and the Middle East, or vast projects for the intensified colonial exploitation of Africa as the solution of Western Europe's home problems, are built on sand. They can only end in a deeper catastrophe, in face of the rising contradictions, the weakness of the old colonial powers, and the advance of the popular revolt in all colonial and semi-colonial countries without exception. As the experience of the ground-nuts fiasco or the wars in South-east Asia and the Middle East

have illustrated, the measures undertaken to carry out these schemes, so far from providing a solution for the crisis of the imperialist countries, intensify that crisis by adding new burdens and overstraining their already weakened economies.

The crisis of empire cannot be sidestepped. The peoples of Britain and Western Europe are faced with the inescapable necessity to build their lives anew, and to carry through a radical reconstruction of their own countries and of their relations with the present dependent peoples of their empires in such a way as to break once and for all with the old rotten parasitic basis of imperialist domination and exploitation.

An alternative policy can and must be found if the British people are not to go down with the sinking imperialist system into economic catastrophe, national subjection and the limitless destruction of a new world war.

The way is open to a different future alike for the British people and for all the peoples of the British Empire, once they break with the imperialist basis and become masters of their own countries, to establish new and friendly non-imperialist relations of mutual advantage for the solution of their common problems.

It is the purpose of the study attempted in this book to examine the conditions of this problem and the way forward to this solution.

CHAPTER II

WHAT IS THE EMPIRE?

"The earth is a place on which England is found,
And you find it however you twirl the globe round;
For the spots are all red and the rest is all grey,
And that is the meaning of Empire Day."

G. K. CHESTERTON.

1. Does the Empire Exist?

BEFORE considering the present problems of Britain and the British Empire we need to examine a preliminary question of an odd nature.

Does the Empire exist?

This question is posed in no frivolous spirit. It is true that the late Mr. Thomas Handley in one of his "Itma" sketches tried out applying the technique of "Twenty Questions" to the subject of "The British Empire," and to the traditional initial question, "Fact or Fiction?" rapped out the answer like a pistol-shot, "Fiction." But Mr. Handley was only reflecting with his customary sharpness the spirit of the age.

It is a characteristic symptom of institutions in extreme decay that plain language, which once was used habitually without question in the days of robust self-confidence, becomes diplomatically undesirable and *tabu* in the final stages of nervous palsy and apologetics. The brutal frankness of designation of "master" and "hand" is covered over with a sickly mantle of "equality" and "co-partnership" and "the new spirit in industry" and "industrial psychology," not because the reality of wage-slavery has yet been abolished, but because it is under extreme menace and due to be replaced by a new relationship, and the representatives of the old order hope to stave off the evil day by substituting a change of words for a change of realities.

In the same way the terms "empire" and "imperialism,"

which once were proclaimed with pride, have fallen into disfavour. In current official utterances it is fashionable to claim that "empire" and "imperialism" belong to the obsolete past, and have long since been replaced by a "Commonwealth" based on freedom.

Thus Earl Attlee, then Mr. Attlee, in a speech at the Lord Mayor's banquet in November, 1947, declared:

"If there is imperialism in the world to-day, by which I mean the subjection of other peoples by the political and economic domination of other nations, it is certainly not to be found in the British Commonwealth."

Mr. Attlee was speaking in the historic Mansion House to an audience of city magnates whose wealth is built on colonial plunder, and where even the traditional gold plate of the classic banquet is drawn from the agony of African enslavement. Only a few months before Mr. Attlee spoke, the African goldmine workers, earning 2s. 5d. a day to yield £43 million profits, had dared to strike—illegally—against such starvation wages, and had been batoned back into the mines, with numbers killed and hundreds arrested.

When Mr. Attlee stepped out of the Mansion House, glowing with conscious virtue, he stepped into the midst of the imposing edifices of the great monopolies whose very names cried empire exploitation—Anglo-Iranian Oil Company, Imperial Tobacco, Royal-Dutch Shell, United Africa Company, Consolidated Goldfields, Colonial and General Investment Corporation.

But of course British imperialism does not exist. It is only a figment of the imagination of suspicious critics and disaffected colonials. The Empire, we are assured, has long since been replaced by "the Commonwealth"—a bastion of freedom against totalitarian slavery.

This curious sophistry of language expresses an attempt to substitute a *change of names* for a change of realities.

The conception of a Commonwealth of free nations voluntarily associating for progressive aims could be a very fine conception. But the substitution of the word "Commonwealth" for the word "Empire" does not diminish by one whit the plunder of the land of the people of Kenya, the exploitation of a West Indian plantation worker or the razing of a village in Malaya.

This sophistry of language also confuses the *decay* of Empire

with the *end* of Empire. Undoubtedly these conventional modern disclaimers of "imperialism" are a tribute to the strength of anti-imperialist feeling—just as hypocrisy is proverbially the tribute vice pays to virtue. They are a recognition that the concept of empire and imperialism is no longer popular and can no longer be justified. They represent an attempt to juggle with the new techniques of imperialism in decay and present them as equivalent to the end of imperialism. But they are a very misleading guide to the real situation.

British imperialism is gravely weakened to-day, both by the pressure of American imperialism and by the advance of the revolt of the colonial peoples, as well as through its own internal economic disorganisation and contradictions. But this does not mean that it has already given up the ghost or retired from the arena.

Over large areas the British imperialists have had to execute retreating movements, or to make concessions. In such key regions as India and Burma they have had to give way before a strength of popular revolt too great to be quelled, and to concede independence and withdraw their armed forces. They have sought the best possible alternative through a compromise settlement with upper-class elements in order to salvage at any rate their old economic assets and some measure of continuing influence and penetration. In other regions, as in the Middle East, they have had to surrender old monopoly strongholds and make concessions to the extending penetration of United States monopolists and strategists.

But over other areas the British imperialists seek to maintain full domination and direct rule by all methods, including the unrestrained use of violence, police state methods and armed force—often alongside limited constitutional concessions—as in Malaya or Kenya.

For purposes of propaganda all the limelight is turned on the areas where the strength of the national movement has compelled a retreat, or on the limited constitutional concessions. Under cover of this propaganda the violent aggressive character of imperialism is concealed from view, and the British people are called on to make sacrifices and support colossal armaments for "defence."

Troops were withdrawn from Palestine—to be concentrated in Iraq or Jordan. They were removed from Alexandria—to

be concentrated in the Canal Zone. They were removed from the Canal Zone—to be concentrated in Cyprus. A new base was prepared in East Africa. Ceylon became a Dominion—but the British naval base of Trincomalee was maintained until eight years later the Ceylon people demanded its withdrawal. India was partitioned between the Union and Pakistan—but new air bases were developed in both parts for the use of the R.A.F. Burma was granted full formal independence; but a British Military Mission remained, while the resources of the country continued to belong to the overseas monopolies and a crushing burden of debt was imposed. Troops were withdrawn from Burma; but extensive armed forces were maintained in Malaya, and additional special armed forces were sent to Hong Kong.

This is the politics and strategy, not yet of the end of imperialism, but of imperialism in decline.

British imperialism is in extreme decay. But it is not yet finished. It is striving to adopt many new forms and techniques to meet new conditions, not in order to commit suicide or liquidate itself, but in order to continue to promote its age-old aims of extracting the super-profits of colonial exploitation. It has to retreat in places at the same time as it seeks to advance in others. The dying wild beast of imperialism has not become a lamb. On the contrary, the dying animal is often more desperate, ferocious, reckless, aggressive and bellicose. Witness of this is written from Greece to Malaya, from Enugu to Cyprus, and from super-rearmament to the worship of the atom bomb as the supreme weapon of "civilisation."

The wars in Malaya or the Middle East, the "cold war," the groundnuts mirage, President Truman's Fourth Point, the Atlantic Pact, Austerity Budgets and the £4,700 million Re-armament Programme—these are all strands of a single pattern.

2. Title or Alias?

What, then, is the present British Empire—or "British Commonwealth of Nations" or "Commonwealth of Nations" or "British Commonwealth and Empire"?

This multiplicity of titles is itself a reflection of the instability of the present structure. None of these titles is officially more correct than another. All these titles are used in varying degree,

both unofficially and officially. Even what is comprised within these titles is often far from precise. There is a "Commonwealth Relations Office" which does not deal with the colonies. There is a "Colonial Office" which does not deal with the Dominions. There is a Secretary of State for Colonial Affairs, and another Secretary of State for Commonwealth Relations, both in the Cabinet with equal status. The most important area of modern British imperialist interests, it is repeatedly stressed, is in the Middle East. But this area is dealt with by the Foreign Office. Does the "Commonwealth" include the Crown Colonies? The restriction of the scope of the "Commonwealth Relations Office" would imply that it does not. But modern legislative usage, as in the definition of a "Commonwealth citizen," would answer that it does. Does the "Empire" include such virtually independent Dominions as Canada or Australia? Does the "Empire" or "Commonwealth" include the Trusteeship territories? Such questions could be extended indefinitely, and the answers would reveal considerable variety.

In the Introductory Note at the opening of this book the usage of the single old-fashioned title "The British Empire" for the purposes of the subject-matter of this book is explained, and the justification for this usage given.

There is a widespread illusion that the "Commonwealth" refers to the self-governing Dominions, and the "Empire" refers to the non-self-governing colonies and protectorates. It is this illusion which has given rise to the double-barrelled monster, "Commonwealth and Empire." But there is no legal foundation for this illusion. The term "Commonwealth" in legislative usage includes equally the United Kingdom, Dominions, colonies and protectorates.

In this connection the comment of that veteran warrior of the British Empire, Mr. Churchill, is worth recalling. On the occasion of a gathering of the Royal Empire Society addressed by the American Ambassador on October 19, 1950, Lord Halifax, in the Chair, recalled a speech of Mr. Churchill to thirty or forty Congressmen and Senators in the United States.

"Senator Vandenberg had casually remarked to Lord Halifax: 'We should all get on much better if you British would stop talking about the British Empire.' Immediately afterwards Mr. Churchill began his speech.

"Lord Halifax went on: 'Carried away by the eloquence

engendered by his own qualities, Mr. Churchill stood with a large cigar in one hand and a whisky in the other, to which he attended with alternate up-and-down motions of his hands.

“‘And he talked about the British Empire. I managed to convey telepathically to him what Senator Vandenberg had said to me.

“‘Whereupon Mr. Churchill, turning towards the Senator, went on: “The British Empire—or the Commonwealth of Nations. We keep trade labels to suit all tastes.”’”

(*Daily Telegraph*, October 20, 1950.)

Since we are concerned for present purposes, not with trade labels, but with political realities, we shall hereafter ignore the diplomatic confusion of titles, and concentrate on the not yet extinct reality—the British Empire.

3. *One-quarter of the World*

The British Empire in 1950 extended over one-quarter of the total land area of the globe and included one-quarter of the earth's population.

The estimates available, both of extent and of population, vary slightly, according to the basis of computation and the statistical sources used.

Thus the *Statistical Abstract for the British Commonwealth for 1933-9 and 1945-7* (Cmd. 8,051, 1950), published a table of the different territories with the estimated population in mid-1947, which totals 13,281,256 square miles and 606,499,000 population. From this table it is necessary to deduct Eire and Burma, which have since formally withdrawn from the Empire, and Palestine, which is now divided between Israel and Jordan. This would give a corrected total of 12,982,080 square miles, and 584,660,000 population. A certain addition to allow for increase of population would need to be added to give a more up-to-date figure. On the basis of the latest available population estimates for 1950 (set out in more detail in subsequent tables in this chapter), this would give a total population in 1950 of 617 millions.

If we compare this with the estimates offered in standard reference books we get the following:

Table 1
THE BRITISH EMPIRE IN 1950

	<i>Area (thousand square miles)</i>	<i>Population (millions) 1950 estimate</i>	
Statistical Abstract for the British Commonwealth for 1947 (as corrected)	12,982	584.7	617.8
<i>World Almanac</i> , 1951	13,022	597.6	—
<i>Whitaker's Almanack</i> , 1951	14,435	539.9	—
<i>World Area and Population (for comparison)</i>			
	51,375	2,454	

This total of about 13 million square miles was equivalent to a little over 25 per cent. of the land area of the globe; and the total population of 617 millions in 1950 was equivalent to 25 per cent. of the estimated population of the world.

4. Associated Territories

The official total given above includes the United Kingdom, the older Dominions (Canada, Australia, New Zealand and South Africa), the new Asiatic Dominions, subsequently Republics (India, Pakistan and Ceylon), the Crown Colonies and protectorates, and the Trusteeship territories of the United Kingdom and of the Dominions, as well as South-west Africa (illegally annexed by South Africa) and the Condominium (in 1950) of the Sudan.

On the other hand, it does not include territories which were set up as formally independent sovereign States, but were in reality at the outset virtual British protectorates or very closely linked with the British Empire, with British military occupation.

In 1950 these associated territories included:

Jordan: proclaimed independent under King Abdullah by the British Government in 1946, with the British-officered Arab Legion and a British subsidy.

Iraq: proclaimed independent under King Feisal by the British Government in 1927, with British military occupation.

Egypt: proclaimed independent under King Fuad by the British Government in 1922, and subsequently bound by the Treaty of 1936, with British military occupation of the Canal Zone, up to the new agreement in 1954.

Burma: proclaimed independent by the British Government in 1947, but with a British Military Mission, and economically

financially and militarily dependent on Britain in the first phase.

Iran: never formally reduced to colonial status, but in practice up to 1951 pre-eminently a British sphere of influence dominated by the Anglo-Iranian Oil Company, with the southern region under the concession (extending over an area greater than the United Kingdom) virtually a British colony.

The British protectorates in Arabia included officially Bahrein, Kuwait (whose oil is in practice divided between Anglo-Iranian and American interests), the Trucial Sheikhs and Qatar. Yemen, an independent member of the United Nations, was associated with Britain by the Treaty of 1951; but armed conflict broke out later in 1956. The Sultanate of Muscat and Oman was linked with Britain by the Treaty of 1939. Further, the Himalayan States of Nepal, Bhutan and Sikkim, formerly associated with the British Government in India, became similarly associated with the Indian Government, which took over from the British Government the exercise of influence in their affairs.

Finally, there is the more controversial question of the position of Eire, or the Irish Republic (the twenty-six counties), which proclaimed its independence of the British Empire in 1949; it is however, not only tied in practice by very close economic and financial links to Britain, but its independence as an expression of Irish liberation is limited by the British-imposed partition of Ireland, with British troops in Northern Ireland; hence the problem of national liberation cannot yet be regarded as finally solved in Ireland.

All these countries should accordingly be included in a wider definition of the real full range of the British Empire in 1950, as opposed to the misleading constitutional forms. This would accordingly give a wider range of countries, and peoples, formally independent, but in practice in 1950 still closely associated by varying links with the British Empire (see Table 2).

If these countries are included we get a picture of the more extended effective range of the British Empire in 1950 (see Table 3).

This extended total was equivalent to 28.5 per cent. of the land area of the globe and 28.3 per cent. of the world's population.

Even this extended total does not take into account the former Italian colonial territories still administered by Britain

Table 2
ASSOCIATED TERRITORIES (1950)

	Area (square miles)	Population (thousands)
Jordan	36,270	1,367
Iraq	116,118	4,800
Egypt	383,200	20,045
Iran	628,000	18,387
Arabian States ¹	160,000	4,440
Himalayan States ²	75,000	6,703
Burma	261,000	18,304
Eire	26,601	2,991
Total	1,686,189	77,037

(Sources: Areas from *Political Handbook of the World, 1951*. Population figures from *United Nations Demographic Yearbook, 1949-50*, except Jordan, where the latest available estimate is taken from the *Political Handbook of the World, 1951*, to include the annexed portions of Palestine and the Arab refugees. Statistics of the Arabian and Himalayan States from the *Statesmen's Yearbook, 1951*.)

Table 3
THE BRITISH EMPIRE IN 1950 (EXTENDED TABLE)

	Area (thousand square miles)	Population (millions)	Population 1950 estimate (millions)
Statistical Abstract for the British Commonwealth for 1947 (as corrected)	12,982	584.7	617.8
Associated territories	1,686	77.0	77.0
Grand Total	14,668	661.7	694.8

in 1950;³ the status of Ethiopia, brought within the British sphere by the Anglo-Ethiopian Agreement of 1944, with British technical and administrative advisers, though increasingly subject to American penetration in recent years; the

¹ Bahrein, Kuwait, Trucial Sheikhs, Qatar, Yemen, Muscat and Oman.

² Nepal, Bhutan and Sikkim.

³ In 1951 Libya was proclaimed an "independent federal kingdom" under a British-sponsored ruler, with an Anglo-Libyan financial agreement, British economic and financial advisers and auditors-general, a British subsidy for its budget, and provision for inclusion in the sterling bloc. Hence by 1951 the "Kingdom" of Libya should be added to the "Associated Territories" of the British Empire. Even in the last stages of decline the appetite for expansion does not vanish.

traditional satellite position of Portugal and the Portuguese colonies in relation to the British Empire; the close association of Holland and the Dutch colonies with British interests (Royal Dutch-Shell and Unilevers); or the special position of such countries as Norway and Denmark, closely linked economically with Britain and the Sterling Area.

In many respects the "Sterling Area," while having no constitutional status in terms of the relations of states, is a closer guide than constitutional forms to the effective sphere of influence of British imperialism in modern international relations, and often tends to be employed in current usage as a kind of diplomatic *alias* for the fullest range of the British Empire and the countries within its orbit (excluding Canada).¹

This degree of fluidity of frontiers or boundaries is characteristic of the real politics of modern imperialism, where the status of the directly administered colony shades into the status of the indirectly ruled protectorate, satellite or semi-colony, and still further into the status of a sphere of influence or dependent country, with many intermediate and hybrid forms and varieties. This complex character of modern imperialist relationships becomes of further importance when we shall have to consider the position of Britain itself and the British Empire in relation to the encroaching influence and domination of the more powerful American imperialism.

5. The "White" Dominions²

Whether the frontiers are drawn on a broader or narrower basis, the British Empire embraces a very wide range and

¹ The official definition of the "Sterling Area" includes, in addition to the United Kingdom, "(a) dependent overseas territories of the United Kingdom (Colonies, Protectorates, Protected States, Trust Territories, etc.); (b) other Commonwealth countries (including Southern Rhodesia, but excluding Canada); the Irish Republic, Burma, Iraq, Jordan and Iceland" (*United Kingdom Balance of Payments, 1948-51* (2), April, 1952, p.28).

² The term "Dominion" was first used for Canada when the federation of the Canadian provinces was established by the British North America Act of 1867. Australia was constituted a "Commonwealth" when the Australian colonies were federated in 1901. South Africa was constituted a "Union" by the British Act of 1909. The general term "Dominion" became extended by usage to all these self-governing territories of the Empire with white populations or white ruling minorities. The claim of the Dominions to the formal status of sovereign states in external relations (though in practice co-ordinating their policy with the United Kingdom) was recognised as an outcome of the first world war and their independent signature of the Versailles Treaty. The legal definition of "Dominion status" was drawn up by the formula of the Imperial Conference of 1926 and codified in the Statute of Westminster in 1931. When the new constitutional régimes were imposed on India, Pakistan and Ceylon after the second

variety of countries and peoples with very varying forms of relationship to the metropolitan centre.

The United Kingdom has an area of 94,000 square miles, or a one hundred and fortieth part of the Empire, and a population of 50 millions, or one-twelfth of the population of the Empire (taking the Empire on the narrow basis—within the official frontiers). This means that the overseas territory of the Empire is one hundred and forty times as large as the “home” territory, and the overseas population of the Empire outnumbered the “home” population by eleven to one.

The “White” Dominions—Canada, Australia, New Zealand and South Africa (the latter “White” only in the sense of the ruling minority, and not of the African and other non-European majority deprived of rights)—have an area of 7·2 million square miles, equivalent to over one-half of the area of the Empire, and a population of 36 millions, or one-seventeenth of the population of the Empire.

Table 4

BRITISH EMPIRE: “WHITE” DOMINIONS IN 1950

	Area (square miles)	Population (thousands)
Canada	3,690,410	13,931
Australia ¹	2,974,581	8,126
New Zealand ¹	103,416	2,000
Union of South Africa ²	472,494	12,320
	<hr/> 7,240,901 <hr/>	<hr/> 36,377 <hr/>

(Sources: Areas from the *Statistical Abstract of the British Commonwealth for 1947*, Cmd. 8,051, 1950. Population figures from the *Political Handbook of the World, 1951*.)

world war, these were also described in general terms as “Dominions” (though India in 1950 formally proclaimed herself a “Republic” within the Commonwealth and recognising the King—now Queen—as “Head of the Commonwealth”). After “Dominion status” had thus been accorded to these Asian countries, Canada objected to the further use of “Dominion” to describe her own position. In place of “Dominion,” Canada in 1952 adopted the title of “Realm.” To follow all these ever-changing shifts and niceties of constitutional nomenclature would cause needless complication; and the general term “Dominion,” familiar in popular usage, has here been adopted for convenience.

¹ Excluding Trusteeship territories: see Table of the Colonial Empire of Britain and the Dominions.

² Excluding South West Africa.

While these four older Dominions are here grouped as "White" Dominions, in the case of South Africa this is only true of the White ruling minority, since the African, Asian and Coloured population is in the neighbourhood of ten millions (1946 Census: Europeans, 2,372,690; Non-Europeans, 9,045,659). In New Zealand, also, there are 116,000 Maoris. The number of Aborigines in Australia is not included in the population statistics. Hence, if the subject colonial population of South Africa is excluded, the total white population of the Dominions is roughly 26 millions, or one twenty-fourth part, or 4.2 per cent. of the population of the Empire.

These "White" Dominions, while member states of the Empire, are in effect independent sovereign states or secondary imperialist powers, closely associated with British imperialism, and with British finance-capital interests strongly entrenched in them, but increasingly subject to the counter-pull of American imperialism. Their peoples have in general strong ties of kinship (with the exception of the French-Canadians in Canada and the Afrikaners of Dutch descent in South Africa, as well as, of course, the African and other non-European majority in South Africa), language and tradition with the British people. Their bourgeoisie may be regarded as offshoots of the British bourgeoisie, representing "colonial" settlements in the old Roman sense rather than in the modern sense of subjection and government of alien nations; that is to say, their conquest of the countries they occupy was followed (with the exception of South Africa) by the more or less complete extermination of the original populations, thus turning their sparsely occupied territories into white settlement territories, within general stringent regulations to limit coloured immigration, as in the "White Australia" policy. Their effective independence, which was originally resisted by the "mother country," but the foundations for which were laid by the successful American War of Independence, followed by the Canadian armed rebellion of 1837, reached final full legislative recognition by the British Parliament's acceptance of the Statute of Westminster in 1931; and the remains of colonial relationship in the constitutional sphere are of minor importance. The Statute of Westminster defined the constitutional position of the Dominions and the United Kingdom in the following terms (drafted by that master of imperialist casuistry, Lord Balfour):

"They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations."

It will be noted how this definition cunningly combines the titles "British Empire" and "British Commonwealth of Nations" within the compass of a single definition. For the current position the political historian of the Americas, William Z. Foster, in his classic work, has defined the constitutional status of Canada by 1951:

"In 1871 the last of the British troops left Canada, save for a few remnants in Esquimalt and Halifax. At the Imperial Conference of 1926 Canada was recognised as having 'equal status' with the United Kingdom. In 1927 Canada established its first foreign diplomatic mission in Washington; and in 1931 the Statute of Westminster removed the last major legal limitations on Canadian sovereignty. The monopolists who direct the policies of finance capital and its political spokesmen in Canada (this includes several very prominent United States capitalists) continue, however, to utilise some of the forms of colonial relationships as barriers against democratic advance. Typical of this is their preservation of the role of the British Crown in Canada, with its appointment of Canada's Governor General. Another example is the preservation of the colonial relationship expressed in the fact that the big corporations can still appeal to the British Privy Council against the decisions of Canadian courts in civil cases. It must be emphasised however, that while these and other similar vestigial remnants of the colonial relationship are preserved by monopoly capitalism, Canada stands to-day fundamentally an independent nation, free to shape its own constitution and laws, free to wage war or to make peace as it wills, free to belong or not belong to the British Commonwealth of Nations and to the United Nations."

(WILLIAM Z. FOSTER, *Outline Political History of the Americas* (1951), p. 156.)

This formal constitutional independence, however, does not exclude the very considerable degree of real dependence in practice on United States finance-capital, whose penetration has especially advanced in Canada at the expense of the former dominant position of British finance-capital.

6. *The Asian Republics*

The more recently established Asian Dominions (subsequently Republics)—India,¹ Pakistan and Ceylon—occupy an area of 1,604,666 square miles, or a little over one-eighth of the area of the Empire, and have a combined population of 449 millions, equivalent to nearly three-quarters, or 72 per cent. of the population of the Empire.

Table 5
BRITISH EMPIRE: ASIAN DOMINIONS IN 1950

	<i>Area</i> (square miles)	<i>Population</i> (thousands)
Indian Union	1,218,327	360,185
Pakistan	361,007	82,000
Ceylon	25,332	7,297
	1,604,666	449,482

(Sources: Areas from the Statesman's Yearbook, 1951. Population figures from the Political Handbook of the World, 1951.)

This population total of the Asian Dominions was equivalent to 280 per square mile, contrasting with 5 per square mile in the "White" Dominions. Heavy pressure of population on the land area in the Asian Dominions (which is by no means the same as absolute over-population, but only over-pressure in relation to existing obsolete social-economic conditions long artificially fostered by imperialism) accompanies extreme deficiency of population in relation to the land area in the "White" Dominions. At the same time a policy of white predominance or exclusiveness is maintained in the "White" Dominions. This is one of the many deeper underlying strains and contradictions within the Empire—illustrated in the sharp contention between the Indian Government and the South African Government over the latter's discriminatory legislation against the Indian population in South Africa.

The new Asian Dominions were legally established on the same constitutional basis as the older "White" Dominions, enjoying equality of rights under the Statute of Westminster. This

¹ The new status of India as a sovereign Republic, proclaimed in January, 1950, recognising the British Crown only as the "Head of the Commonwealth," and the increasingly significant independent role of India in international affairs, is discussed in Chapter IX.

constitutional form, however, did not exclude significant differences in concrete reality. While responsibility for administration was handed over to the alliance of Indian big monopolists, princes and landlords, or Pakistani big landlords and less-developed big capitalist elements, or Sinhalese big plantation owners and traders, as associates of British imperialism, the continuing grip of all-pervading British influence, economic, financial, trading and military, remained at first considerable. The interests of the extensive British capital holdings in these countries were protected by the administrations; and the powerful British imperialist monopolies, either directly or in leonine partnership with the weaker local monopolies, exercised a strong influence in economy. The feudal-imperialist exploitation of the masses continued unchanged, with the lowest colonial standards of living of the peasants and workers.

In the latest period, especially since the victory of the Chinese Revolution in 1949, great changes have developed and are developing in India, which have already powerfully transformed India's international position and brought to the forefront India's leading independent role in international affairs, and have begun the transformation of India's internal situation. But up to the present, despite the great political changes and the beginnings of internal economic reconstruction, the conditions of life of the mass of the people have not yet been basically changed from the heritage of the old colonial exploitation and poverty. In this sense, the conditions of life of the masses of the peoples of India, Pakistan and Ceylon are still ranged with the economic and social level of the conditions of life of the colonial and "under-developed" countries.

7. The Colonial Empire

Finally, the direct Colonial Empire of the Crown Colonies, protectorates and dependencies administered by Britain covered an area of 3,378,151 square miles and a population of 80 millions (82 millions in 1955). To this must be added the colonial areas or trusteeship territories administered by the Dominions, covering an area of 502,406 square miles, and a population of 1.4 million. This gives a combined total of 3,880,557 square miles with a population of 81.4 millions, made up as shown in Table 6.

Table 6
COLONIAL EMPIRE, 1950

	Area (square miles)	Population (thousands)
United Kingdom Colonial Territories		
<i>The Colonial Territories, 1950-1</i> (Cmd. 8,243 of 1951)	1,966,397	69,176
Add (not included in above list)		
Sudan	967,500	7,919
Southern Rhodesia	150,833	1,869
Bechuanaland, Basutoland, Swaziland (<i>Statistical Abstract for the British Commonwealth, 1947</i> , Cmd. 8,051 of 1951)	293,421	1,046
United Kingdom Total	<u>3,378,151</u>	<u>80,010</u>
Dominions Colonial Territories		
Australia and New Zealand (New Guinea, Papua, Nauru, Western Samoa)	184,681	1,064
South West Africa (<i>Statistical Abstract as above</i>)	317,725	365
Dominions Total	<u>502,406</u>	<u>1,429</u>
Combined total of British Empire Colonial Territories	<u>3,880,557</u>	<u>81,439</u>

This directly subject Colonial Empire of Britain and the Dominions occupies an area a little under one-third, or 30 per cent. of the total area of the Empire; and its population is about one-seventh, or 13 per cent. of the total population of the Empire. All these peoples are directly governed by the ruling Power through its appointed officials, with widely varying patterns of constitutional forms and a façade in many cases of partial or limited representative institutions, but with decisive power always reserved in the hands of the Governor and his key officials and police apparatus, and with the Governor responsible, not to the people governed, but to the Colonial Office or Home Government. The main regions of this Colonial Empire are in Africa, the West Indies and South-east Asia, together with strategic posts and bases, such as Cyprus and Malta in the Mediterranean, and in all the oceans of the world.

Up to 1953 a special position was occupied by Southern Rhodesia, in which the White settler minority, constituting one-sixteenth of the population, won for itself rights closely analogous to those of a Dominion, while holding the mass of the

Africans subject and deprived of rights of self-government, but with the Governor still holding reserved powers and special responsibilities on behalf of the British Government. In 1953 a Federation of Rhodesia and Nyasaland was established, combining North and South Rhodesia and Nyasaland. The Federation comprised 213,000 Europeans and 6,470,000 Africans. The white 3 per cent. monopolised the electorate (out of 66,929 voters in the elections of 1953 there were 445 Africans), and controlled the Legislative Assembly and Government. Thus the establishment of the Federation represented a step, not towards self-government, but to a strengthening of the local White dictatorship over the Africans. It met with universal African opposition.

8. *The Bond of Unity*

If we draw together the results of this general survey, it will be seen that the British Empire comprises a series of different tiers or levels, and that the real categories do not always correspond to the constitutional or diplomatic forms. Such a realistic analysis of the main groupings constituting the British Empire would give the following picture as the actual concrete picture of the British Empire in 1950:

Table 7

THE BRITISH EMPIRE IN 1950: CLASSIFIED ANALYSIS

	<i>Area</i> (thousand square miles)	<i>Popula- tion</i> (thou- sands)	<i>Per cent. of total popula- tion</i>	<i>White</i> (millions)	<i>Non- White</i>
United Kingdom . . .	94	50,519	8.2	50.5	—
"White" Dominions	7,240	36,377	5.9	26.2	10
Asian Dominions . . .	1,605	449,482	72.7	—	449.5
Colonial Empire . . .	3,881	81,439	13.2	—	81.4
<hr/>					
Total (official boundaries) . . .	12,820	617,817	100.0	77	541
Associated territories	1,687	77,037	—	3	74
<hr/>					
Grand Total . . .	14,507	694,854	—	80	615

(Sources: Given in the preceding separate tables. The slight difference of the total area from the 12,982,080 square miles in the *Statistical Abstract* reflects differences of computation in the official statistics of individual territories.)

What is the unity which holds together this enormous range and variety of peoples and nations, races, colours and creeds, scattered over the entire globe?

In constitutional parlance the sole unifying factor which is valid for all the varied parts of the Empire is "the Crown."

"Mr. Baldwin . . . told King Edward the Eighth during the abdication crisis that while the Crown had been deprived of many of its prerogatives the importance of its integrity was beyond all question greater than it had ever been, particularly because 'the Crown was the last link of Empire that is left'."

(N. MANSBERGH, *Documents and Speeches on British Commonwealth Affairs, 1931-52*, Volume 1, Introduction, page XXXVIII.)

This is, however, a constitutional symbol, not an executive organ of government. It can be regarded as the formal expression of executive authority in the United Kingdom and the Colonial Empire directly administered by the United Kingdom. But it is in no sense, not even formally, the executive authority in any of the Dominions, old or new, in relation to which "the Crown" represents "the Head of the Commonwealth," not an organ of government or sovereignty. The real basis of unity cannot be the symbol, which is only the symptom or expression of the unity that gives rise to the symbol. The existence of the symbol only leads to the previous question: what gives rise to the symbol? What is the economic-political reality which finds necessary the symbol of "the Crown," and to the interests of which this symbol corresponds?

Is the Empire, then, a species of loose alliance, federation or association with mutual obligations and responsibilities? To this suggestion also the answer must be negative. The Empire is in no sense a federation: all the endeavours of the imperial federationists have invariably met with shipwreck. Nor is the Empire an alliance. The North Atlantic Treaty Organisation is a far more definite alliance, with written obligations under-signed and accepted by its contracting members, than the Empire or Commonwealth. And if refuge is sought in the attempt to describe the Empire as an "association," without any formal agreement or concrete obligations or responsibilities, this is once again to beg the question. Since there is no formal agreement, written or unwritten, what is the basis of association?

The despair of the constitutional jurists and political pundits to find an answer to this question leads to the attempt to create a *mystique* of Empire as the solution—the “mystic bonds” without concrete form or obligation, the “mystic circle of the Crown” (Churchill), the “brothers across the seas,” the possession of common ideals, the “spiritual unity.”¹ But there is no common character of nationality, race, religion or political forms over the Empire as a whole. Between the peoples of Britain and the “White” Dominions—primarily, Australia, New Zealand and Canada—there are common ties of kinship, language and tradition. But these represent numerically only a very small minority of the Empire. This natural basis of affinity has no application for the Empire as a whole. It is also possible to speak of a genuine basis of unity of interests of all the peoples of the Empire in the struggle for freedom: it is the purpose of the present study to promote such unity. But this unity is in the struggle *against* imperialism to establish a new basis of relations. It has nothing in common with the unity based on imperialist domination and exploitation.

The attempt, however, to substitute a *mystique* of Empire for a definable bond does in fact provide a clue to the real solution, provided that clue is followed through. For the final refuge in an undefinable *mystique*, a supposed “spiritual” essence which cannot be expressed in words, is always the last resort of a ruling class to describe a class reality whose true character it is desired to conceal.

When all the mythical factors of unity of the existing system of the Empire have been examined and exposed for the figments which they are, there remains one hard, concrete reality which is the sole common factor underlying the present economic-political structure of the Empire. That sole common factor is British finance-capital. It is British finance-capital whose

¹ “The Crown has become the mysterious link, indeed I may say the magic link which united our loosely bound, but strongly interwoven Commonwealth of Nations, states and races” (Winston Churchill, broadcast on the death of King George VI on February 7, 1952). By 1955, however, *The Times* found it necessary to repudiate this theory of the Crown as the link of Empire: “It is no longer possible to define the uniting principle as the sentiment of royalty, or any sentiment whatever. The Monarchy in particular is not now the bond of union for the Commonwealth at large . . . what in fact brings the Prime Ministers willingly together to-day . . . is their sense of common interest in the substance of the matters they need to discuss. This is now the sole real force of attraction.” (*Times* editorial on “The Commonwealth,” January 13, 1955.) It would be difficult to devise a more tenuous and intangible formula for a “uniting principle.”

ramifications reach through all the variety of political forms of the existing Empire, and which seeks with its customary coy anonymity to conceal itself beneath the symbol of "the Crown."

A partial recognition of this truth appeared in the *Economist* of June 28, 1952, when that journal wrote:

"In the past the capital needed for the Commonwealth came predominantly from the United Kingdom. Indeed, it is this capital nexus, more than trade relations or common monetary reserves, that holds the sterling area together."

The "*capital nexus*" (admirably concrete term in contrast to the *mystique*) does in fact not only hold the "sterling area" together. It holds the Empire together. And with the drying up of the sources of capital from the United Kingdom, this journal of the City came to the melancholy conclusion that in such circumstances the British Empire would also disappear:

"A Commonwealth whose development was financed predominantly from America would not long remain a British Commonwealth."

In other words, the master of capital is the master of the Empire. All the other more widely publicised spiritual "links" and "ties" are only the outer cover, not the inner essence.

Just before his death in 1895, Engels was engaged in writing draft notes for an article for *Neue Zeit*, containing his additions to the third volume of *Capital*, in which he gave attention to the new developments of colonial policy. Engels wrote:

"(7) Next, colonisation. To-day colonisation is simply a department of the Stock Exchange in whose interests the European Powers a few years ago divided up Africa. The French conquered Tunis and Tonkin. Africa has simply been given out on lease to the larger companies (the Niger, South African, German South-West and East African), Mashonaland and Natal have been taken over for the Stock Exchange by Rhodes."

Here Engels placed his finger on the driving force of the era of rapid colonial expansion.

The essence of empire—of capitalist empire, especially in its latest era of monopoly capital or imperialism—is the search for *super-profit*, as an essential part of the search for the maximum rate of profit by modern monopoly capitalism as a whole. Marx already showed in the nineteenth century, in the era of industrial capital, how, in the conditions of uneven economic development of different countries, capital in advanced

industrial countries could extract "super-profit," or a higher rate of profit than the average rate prevailing at home, from the peoples of countries at a lower level of technical development. "The favoured country recovers more labour in exchange for less labour" (*Capital*, Vol. III, Kerr edition, p. 279), the surplus going into the pockets of the capitalist class of the "favoured country" (who may use a portion of that surplus for the corruption of a privileged section of the workers and intermediate strata of the home population)✓

This extraction of "super-profit," as Marx showed, can take place on a basis of "pure" economic exchange between an advanced capitalist country and a country of backward economic development without any element of political domination by the colonial system. But the capitalist class invariably seeks in practice (already in special forms in the early colonial era; also, though less markedly, in the era of industrial capital; but most of all in the era of finance-capital, when the export of capital becomes decisive) to utilise its state machinery to establish *political* domination or control, direct or indirect, over the backward country, including with the use of armed force, in order to establish for itself as far as possible a monopoly hold on the particular country as a market, a source of raw materials and a sphere of investment, and so to ensure a specially favoured position for the extraction of the maximum super-profit. This is the essential character of the *colonial system*.

The colonial system is not an original invention of monopoly capitalism. The British monopoly capitalists took over and adapted to their own use the colonial empire which had been built up by the capitalist traders of an earlier period, and enormously extended that empire. In the earlier capitalist era the colonial system was directed primarily to the conquest of closed markets and sources of supply openly run for the enrichment of the home country, and often closely linked with looting and piracy, wherever favourable opportunities arose. In the era of industrial capital, when Britain's supremacy in world manufactures gave unchallenged economic predominance without need of special political control over the foreign purchasing country, the colonial system was regarded as of less importance, though it was still tenaciously maintained, both for the control of trade routes, and for the special advantages thus obtained in monopolising a country's trade and

retarding its own industrial development, as in India. But with the development of the era of finance-capital, when the export of capital became the decisive economic driving force, relegating the profits of trade and shipping to a relatively secondary role, linked up with and subordinate to the export of capital, the question of political domination of the country where capital was invested, especially if that country was in the pre-capitalist stage, became of key importance. The relation of the exporter of goods and the customer is one in which each operation is completed in a short term, and only reasonable political stability is required. But the relation of creditor and debtor is a long-term relation, which inevitably gives rise to the demand for political control in the case of a weaker or backward country in order to protect the capital invested and ensure the regular payment of interest or redemption. Hence the export of capital plays a specially important role in the violent expansion of the colonial system in the late nineteenth century and modern imperialist era.

Colonial super-profit is thus extracted in a variety of ways, and is not confined to a single type. The varying forms of extraction of colonial super-profit correspond to the different historical stages in which they have arisen, during the successive phases of capital development, the older forms not disappearing with the emergence of newer forms, but being taken over, adapted and merging into them.

Through the forms of trade the advanced industrial country is able to exchange "more labour for less," in Marx's phrase, i.e. by exchanging the product of a few hours' labour-time in home industry for the product of many hours in the colonial or dependent country. While such super-profit through trade can also be extracted from backward non-colonial countries (in practice such countries are normally dependent countries), in colonial countries this super-profit is enhanced by direct ownership of key resources and monopoly control of the market and means of communication. This process of colonial exploitation could be abundantly illustrated from the operations of the United Africa Company as the dominant monopoly in Western Africa.

The special advantages obtained by Britain from colonial domination even in terms of "pure" trading relations—irrespective of the obvious additional advantages of the governmental

power in respect of the placing of contracts or to influence the placing of contracts, and the elaborate mechanism of preference tariffs designed to give a discriminatory advantage—is illustrated in the lower prices paid by Britain for colonial supplies of food or raw materials from British colonies below the world price and even below the prices paid by Britain at the same time for identical supplies from countries outside the British colonial empire.

“The control over Colonial suppliers gives us a double advantage. We can get the same goods at lower prices from our colonies than from other overseas countries, and in addition we can retain some of the proceeds of the sale of colonial products in the world in the form of sterling balances.

“In 1951 bananas were imported from Nigeria and Jamaica at £2.42 per hundredweight and from the Canary Islands at £2.65. Coffee was imported from British East Africa at £13.0 per hundredweight and from Brazil at £20.3. Unrefined sugar was imported from Mauritius at £1.92 per hundredweight and from the British West Indies at £2.05, but from Cuba at £2.48. . . .

“These examples suffice to show that Britain can and does wrest a price advantage from dependent suppliers. This price advantage may be presumed to take also another form. The same commodity exported from British Colonies reaches a higher price in foreign countries than in the United Kingdom, e.g. cocoa beans.”

(DR. MARS of Manchester University,
Manchester Guardian, May 28, 1952.)

The second and most characteristic form of colonial exploitation, often linked and interwoven with the first, is the direct seizure (plunder in the most thinly legalised form) of the natural resources of the colonial country, minerals, oil, forests, etc., the appropriation of the best land and relegation of the population to overcrowded starvation “reserves,” and utilisation of the engine of taxation to force the peasantry to labour at the lowest levels for the profits of the great exploiting companies and traders.

Third, with the development of the export of capital and ruination of the peasantry develops the direct exploitation of wage-labour in the colonial countries—in mines, plantations, railways, docks and light processing industries—at colonial semi-starvation levels of wages and conditions, backed by the

armed force of the foreign ruling Power, and extracting enormous rates of profit far exceeding the average rate in the home country.

All these are forms and types of colonial super-profit. The search for colonial super-profit is the essential objective and driving force of the colonial system. The administrative structure, police and military apparatus, and the endless intricacies of political manoeuvres are the means to maintain and protect the extraction of super-profit by the imperialist monopolies. The tribute passes to the possessing class of the imperialist country. The costs of maintaining the system are imposed on the colonial peoples and on the working people of the imperialist country.

9. *The Great Imperialist Monopolies*

Hence, to see the reality of the Empire as it is to-day, behind all the kaleidoscope of changing outer forms, it is necessary to see above all, and first and foremost, the great imperialist monopolies and combines, i.e. the monopolies and financial trusts which represent primarily British capital, and normally have their headquarters in London, but operate on a world scale, and especially in the countries of the Empire. These imperialist monopolies seldom appear in the fantasies of the constitutional jurists and historians of the Empire. But in practice their operations, through a variety of forms, and often through subsidiary companies, extend through all the countries of the Empire. Often a particular monopoly dominates the economic and political life of a particular colony, like the United Africa Company—a subsidiary of Unilevers—in Nigeria. Not only do they continue to operate, but they continue, even in these days of the "liquidation" of Empire and the "renunciation" of imperialism, to extract gigantic super-profits.

Let us examine a few examples of these monsters (see Table 8).

The picture presented in the table overpage can only be regarded as a rough indication and approximation, not as an exact measure. The distinction between companies operating mainly overseas and mainly at home cannot be absolute, although it is sufficiently obvious between a goldmines, oil or rubber group and a breweries, hotels or catering group. The biggest imperialist monopolies have closely interlocked overseas and home

Table 8

IMPERIALIST MONOPOLIES AND SUPER-PROFITS

	Capital Assets in 1951 (Ordinary Capital and Reserves) £million	Gross Profits £million		Dividend 1951 Per Cent.	Percentage of Profit to Capital Assets in 1951
		1950	1951		
I. COMPANIES					
Unilevers . . .	188.5	66.0	70.8	13½	38
Anglo-Iranian . .	136.0	115.7	75.9	30	56
Royal Dutch-Shell	550.8	190.4	249.5	15	44
Imperial Tobacco	97.0	27.8	30.2	32	31
P. & O.	87.9	15.2	20.0	16	23
Dunlop Rubber . .	45.1	17.8	18.2	17½	40
Tate and Lyle . .	9.7	3.1	3.8	20	39
Total of Seven Monopolies	1,115.0	436.0	468.4		42

(Sources: *Economist* and financial Press.)

II. GROUPS OF COMPANIES OPERATING OVERSEAS

89 Gold mines . .	244.0	51.0	68.0		28
95 Tin, copper, base metals . . .	109.0	35.0	59.0		54
13 Miscellaneous mines	77.0	20.0	27.0		35
18 Oil companies	345.0	146.0	225.0		65
401 Rubber com- panies	102.0	12.0	38.0		37
201 Tea companies	53.0	13.0	21.0		40
Total of 817 over- seas companies .	930.0	277.0	438.0		47

III. HOME INDUSTRIALS

2,970 Companies	4,227	1,154	1,437		34
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(Source for Tables II and III: *Financial Times*, January 5, 1952.)

interests, e.g. Unilevers. While Unilevers has been included as an example of a gigantic imperialist combine, in view of its dominant interest in so large a proportion of the colonial empire (especially through the United Africa Company), it might be argued that there would be equally as much reason to include Imperial Chemical Industries (capital assets in 1951, £227 million, and gross profits of £54 million) in view of its far-flung interests in the exploitation of Empire countries. Further, the figures themselves are far from an exact measure. The total of ordinary capital and reserves is far from an adequate measure of real assets; and the figure of "gross profits" is only a very partial guide until further analysed (thus the £115 million "gross profits" of Anglo-Iranian in 1950 was *after* putting aside over £32 million for contingent royalty payments which might never be paid). A more exact presentation would require a separate analysis of the accounts of each combine; and even so the balance sheet would not be found to be couched in a form to facilitate the researches of the student of colonial exploitation.

Nevertheless, even within these limitations, these tables are instructive. They show seven typical major imperialist monopolies, with interests strongly based in Empire exploitation, owning assets measured at £1,115 million, and making gross profits in one year of £468 million, or 42 per cent. of the assets. It is true that a large slice of these profits go to the British Government in taxation; but this is a question of the division of the surplus, not of the size of the surplus. What is taken by the British Government in taxation is still in fact taken by British imperialism in its corporate capacity, and is used to pay the costs of the maintenance of imperialism (for the entire "social services" expenditure in Britain is in fact paid for by the workers: see p. 480).

Even more instructive is the contrast between the second and third table. On the one hand, 817 companies operating overseas in 1951, primarily in the Empire, made gross profits equivalent to 47 per cent. of their capital assets. On the other hand, 2,970 companies operating mainly in the home country made gross profits equivalent to 34 per cent. of their capital assets. In the difference between these two figures we have a partial indication of colonial super-profit within the general structure of monopoly profits. It is not a scientific measure,

since colonial super-profit in practice extends directly or indirectly through the whole range of British capitalism. But if we can take this difference as a rough and ready indication of colonial super-profit, then we can say that the level of monopoly profit of British companies operating mainly overseas at 47 per cent. is thirteen points higher than the level of monopoly profit of companies operating at home at 34 per cent. The overseas rate is 13·34 higher than the home rate. This is equivalent to a rate of super-profit of 38 per cent.

From a different angle an indication of the enormous volume of colonial super-profits drained away from colonial and semi-colonial countries is provided by the official computation that no less than 27 per cent. of the national income of Northern Rhodesia, 17 per cent. of the income of Venezuela, and 13 per cent. of the income of Iran was paid away as interest and profits on foreign investments in 1949 (United Nations Report on *National Income and Its Distribution in Under-developed Countries*, 1951, p. 10).

10. *Technique of Colonial Exploitation*

How does the method of colonial exploitation produce these gigantic super-profits?

In 1955, according to the official report (*The Colonial Territories, 1955-6*), the gross domestic product of all colonial territories amounted to £3,100 million, an increase of £200 million on the preceding year. The total value of exports was £1,359 million, an increase of 11 per cent. on the preceding year. Thus 44 per cent. of the gross product of the colonial territories in 1955 was exported, as compared with 18 per cent. in the case of Britain, a country with a high exporting level.

Let us examine a little more closely the technique of colonial exploitation.

Leonard Barnes, in his *Empire and Democracy* (1939), gave a classic example from Northern Rhodesia which displays in a vivid and simplified form the essence of colonial exploitation. He showed how the output of copper, the main product of the colony, and all of which is sold outside the colony, was worth some £12 million in 1937. Of this £12 million, some £5 million went in dividends to shareholders (all non-residents). Half a million was paid as royalties to the British South Africa Company, "which is quite functionless so far as the copper

industry is concerned, but which happens to own all the minerals in the colony by virtue of a so-called treaty made forty years ago with Lewanika, King of the Barotse." On this basis he drew up an approximate income and expenditure account as follows in Table 9 below.

Table 9

NORTHERN RHODESIA COPPER INDUSTRY IN 1937
(Income and Expenditure Account)

	£		£
By copper exported	12,000,000	To dividends . . .	5,000,000
		„ royalties . . .	500,000
		„ Income-tax . . .	700,000
		„ salaries of 1,690	
		Europeans . . .	800,000
		„ wages of 17,000	
		Africans . . .	244,000
		„ Balance (other	
		costs of opera-	
		tion, mainten-	
		ance, stores,	
		freight, insur-	
		ance, etc.) . . .	4,756,000
	<hr/>		
	£12,000,000		<hr/>
			£12,000,000

It will be seen that the wages of £244,000 for 17,000 African workers were equivalent to an average of £14 7s. a year, or 5s. 6d. a week, for each African worker. If we contrast with this figure the £5½ million paid out in royalties and dividends, then this figure of direct profits alone, without taking into account the further sums drawn in taxation and the very high distribution and other charges, concealing additional profits, would amount to a rate of surplus value of over 2,000 per cent.—a very striking demonstration of colonial super-profit.

On this income and expenditure account Leonard Barnes commented:

"Of the above figures, the £12 million appear in the Customs returns, and may be taken, if you like, as an index of 'the economic development of Northern Rhodesia.' But to speak as though copper-mining had made that sum available for increasing the social welfare of Africans in the colony shows either too much

ingenuousness or too little. In point of fact, African consuming power is directly raised only by what is paid in miners' wages and by that part of European salaries which is spent on hiring domestic servants—say, £350,000 in all.

“Even when all indirect benefits to Africans are taken into account, their gross gain can hardly be put higher than £1 million. And in order to arrive at a net figure expressive of welfare economics, we have to set against the gross figure (a) whatever is injurious in the impact of the new economic order on the minds and bodies of the African tribespeople, and (b) any net diminution of the food supply of Africans that may be occasioned by the diversion of tribal man-power from agriculture to mining.”

He drew the conclusion:

“This account of the copper situation gives the typical pattern of our behaviour, wherever mineral production is concerned. Broadly, we appropriate the natural resources, develop them in our own ways and for our own purposes (ways and purposes which wholly ignore the pre-existing structure and function of African society), and of the wealth so produced carry out of the country £11 for every £1 we leave behind. Many English people like to call the procedure trusteeship, but when they do so, they are perhaps using the term a little loosely.”

Lest it be thought that this analysis for 1937 is now out of date, some more recent figures may usefully be given. During 1954-5 the four principal Northern Rhodesian copper mining companies made £48 million gross profits and, after taxation and heavy allocations for depreciation, reserves and investment, distributed £24 million in dividends declared in 1955 (Roan Antelope, 80%; Mufulira, 100%; Nchanga, 140%; Rhokana Corporation, 212½%). On the other hand, the report of the Northern Rhodesian Mining Department for 1953 showed that the total wages, salaries and bonuses of 5,879 European employees amounted to £9,965,780, or an average of £1,678 per employee for the year, and the total wages, bonuses and rations of 36,147 African workers amounted to £4,842,633, or an average of £134 for the year. African wages were thus one-tenth of total gross profits, and one-fifth of dividends, while both African wages and European salaries and wages combined were less than one-third of total profits.

Let us take another example from the largest direct colony to-day—Nigeria. An authoritative detailed study, published in 1948, showed the following figures for the total accounts of the tin mining industry in 1937:

Table 10

TIN-MINING IN NIGERIA IN 1937

	£
Value of exports	2,496,000
Total profit	1,249,000
Total African wages	329,000
Yearly average number of Africans employed	36,142

(*Mining, Commerce and Finance in Nigeria*, edited by Margery Perham, 1948, pp.18-19.)

It will be seen from the above that each African tin worker produced a value of £69 tin exported, and received of this £9 2s. od., or 3s. 6d. a week, equivalent to less than one-seventh of the value produced. Profits, on the other hand, amounted to £34 11s. od. annually per African worker employed, or nearly four times the total amount paid in wages to African workers, equivalent to a rate of surplus value of 380 per cent. (actually, considerably higher, since this leaves out of account the large sums paid in royalties, taxation, etc.).

Nor should it be imagined that the technique of colonial exploitation applies only to the companies owning mines and plantations, and directly exploiting colonial wage-labour. On the contrary, the majority of the colonial populations are peasants; and they are subjected to the heaviest exploitation of all by the great colonial trading, banking and shipping concerns, and by the whole imperialist machinery of government. Robbed of the wealth of natural resources of their country, they are overcrowded on to the land by the destruction of the old handicraft industries and retardation of modern industrial development, or by segregation on to insufficient native reserves, after the best land has been taken from them. They are ground down by taxation, often expressly devised in order to compel them to labour for their conquerors, and in the majority of cases also by the exactions of the landlord and the money-lenders, who are maintained and protected as satellites of the imperialist rulers. Thus handicapped and burdened, they are compelled to labour with the most primitive technique on their tiny plots of land, not to provide for their own needs, but to provide the tribute for their exploiters, while remaining half-starved themselves, and in an increasing proportion turning to the production of cash crops for the great imperialist

exporting companies in place of subsistence for themselves. In this way the great mass of the peasantry, who constitute the overwhelming majority of the population in the colonial, dependent and other "under-developed" countries are as closely tied to the system of exploitation by the big imperialist monopolies and their state machinery as the direct wage-labourers. And this is to leave out of account the wide prevalence of legally imposed forced labour in the Colonial Empire, as well as the semi-slavery of the indenture system. The consequences lead to increasing pauperisation and ruination of the mass of the peasantry in the colonial and dependent countries, with growing numbers driven into the ranks of the landless proletariat in the rural areas or to join the urban proletariat seeking employment in the ports, mines and railways and subsidiary industries required by the machinery of imperialist exploitation. The deepening agrarian crisis which springs from these conditions is the main driving force of revolution in all colonial and dependent countries.

II. Social Conditions of the Colonial Peoples

How do these conditions of colonial subjection and exploitation reveal themselves in the living standards and social conditions of the colonial peoples?

Let us again take the example of the largest direct colony, Nigeria, where we have already examined the enormous rate of super-profit extracted.

In 1948 the British Government sent a Mission to Nigeria to examine the possibility of making Nigeria a source of meat for Britain. The Report of the Nigerian Livestock Commission, published in 1951, revealed some startling discoveries for the meat-hungry British Government on the living conditions of the people of this principal British colony after three-quarters of a century of British rule. The Commissioners found that more than half (51 per cent.) of the children in the Northern Provinces of Nigeria die before they are six.

"Of the children admitted to hospital under three years of age, 31 per cent. are suffering in one form or another from malnutrition and 41 per cent. of these die. In other words, 13 per cent. of all children under three admitted to hospital die from the effects of malnutrition solely.

“In the over-populated Eastern Provinces . . . of the children admitted to hospital 70 per cent. suffer from malnutrition of some sort.”

Ironic commentary on the hope of the British Government to extract meat from Nigeria for Britain was the discovery that the average consumption of meat per head among Nigerians was under 5 lb. a year (1½ oz. a week), as against 74 lb. per head (nearly fifteen times as much) in meat-hungry Britain in 1948. So far from Nigeria offering any prospect of supplying meat for Britain, the Commission concluded that “an agricultural revolution” would be necessary before the people of Nigeria could feed themselves, let alone “contribute to an essential export programme.”

In 1948 a House of Commons Select Committee revealed the following grim picture of conditions in Nigeria:

“In Nigeria, as a whole, there is one doctor for every 133,000 people and one hospital bed for every 3,700 compared with one doctor for every 1,200 people and one hospital bed for every 250 people in the U.K. There are ten dentists. Over 20 million people are living on an agricultural subsistence of a very low order, and malnutrition and disease are widespread. Health statistics for the country are not available. The infant mortality in Lagos is stated to be 110 as compared with 40 to 50 in European countries, and from post-mortem examinations, together with notifications from private practice, it has been estimated that tuberculosis accounts for 9 to 10 per cent. of all deaths. There are no sanatoria in the country; tuberculosis is treated in ordinary hospitals. There are only three asylums; in every prison a ward is set aside for those suffering from mental disorders. Long waiting lists exist at all hospitals, and in some it is necessary to put patients on the floor. Out of about 8 million children under the age of 16, 660,000 are receiving primary education in various forms. There are about 10,000 children in secondary schools; and technical education is totally inadequate.”

(House of Commons Select Committee on Estimates, Fifth Report, 1947-8 Session.)

In 1949, following the shooting of Nigerian coalminers at the Government-owned Enugu colliery, who had struck for a basic wage of 5s. 10d. a day, and twenty-two of whom had been shot dead by the police, an official Commission of Enquiry was sent to investigate. The Report of the Commission found that the average wages of skilled Nigerian workers (doing skilled work but graded as unskilled labour) was 3s. to 4s. per day, with only

a small section obtaining 4s. 6d. to 6s.¹ In view of the widespread misconception that these murderously low colonial wages are not to be regarded as comparable to European wages, because the costs of living and prices of necessities are erroneously supposed to be lower in a colonial country (an error which is never repeated when it comes to calculating the allowances considered necessary for a White official in a colonial country) it is worth noting that the same Report recorded the retail prices of ordinary foods and clothing on December 14, 1949, at Obwati Market, Nigeria. These prices showed bread costing 1s. for a 1 lb. loaf, dried fish at 2s. 6d. a pound, sandals at 16s. a pair, soap at 1s. 4d. a bar or towels at 4s. 9d. each. The Commission found that prices had more than doubled since pre-war, but that wages had only gone up 40-50 per cent.—thus representing a heavy fall in real wages below the terrible levels prevailing before the war.

These conditions could be widely paralleled. Indeed, far worse examples could be quoted from many colonies. Nor are these conditions confined to the subject Colonial Empire. They apply also to newly independent countries like India or Egypt, where the inheritance of the old colonial economy still depresses the conditions of the masses of the people.

Innumerable volumes of reports have been produced during recent years (that is, since the sharpening of the colonial revolt after the second world war), by official bodies, United Nations agencies, the Food and Agriculture Organisation, etc., to describe, chart, analyse and classify the misery, hunger and disease of the 1,200 million men, women and children living and dying in the colonial, dependent and newly ex-colonial countries—described in the official code language as “underdeveloped territories.”

These reports reveal a uniform picture of human suffering, shortage and need, far exceeding the worst levels known in the ruling capitalist countries. They reveal over half of mankind, in the vast regions of Southern and South-east Asia, the Middle East, Africa, the West Indies or Latin America, underfed, diseased, ill-clothed and ill-housed from the cradle to the grave. They reveal an expectation of life of under thirty years,

¹ These were relatively favourable figures, compared to the wages of general unskilled labourers. In December, 1955, the Hanbury Arbitration Award on Nigerian wages gave a daily minimum ranging from 2s. 4d. for “certain areas” in the North to 4s. 8d. in Lagos for “general labour.”

as against sixty-five in Britain, and an infant mortality reaching in some cases as high as 400 per thousand, as against twenty-seven in Britain. They reveal an income per head of £19 in India in 1948-9, or one-twelfth the level of Britain; of £5 18s. or less than 4d. a day, for an African in Kenya in 1949, as against £205 14s. for a non-African in the same colony; or thirty-five times as much, or of £10 6s. for an African in Northern Rhodesia (including the estimated subsistence value of food production), as against £486 16s. for a non-African. They reveal illiteracy reaching to 99 per cent. in British Somaliland or 85 per cent. in India. In Malaya forty-five out of every 100 Malay children born are dead before they reach their sixth year; in Egypt fifty out of every 100. In Egypt in 1950, out of every seventeen persons called up for the army, sixteen were found unfit on medical grounds. In Jamaica in 1951 over 100 deaths occurred in a single month from the notorious "vomiting sickness," described by Professor Hill of the University of the West Indies, as "just plain starvation."

The summary conclusions are unchanging in their repetition. Thus for Africa as a whole

"Most of the population is badly nourished or under-nourished. . . . African diets remain among the lowest in the world."

(United Nations Special Study on Social Conditions in Non-Self-Governing Territories, 1953.)

"Malnutrition is the shadow behind the whole health problem in Africa."

(United Nations Special Study on Social Conditions in Non-Self-Governing Territories, 1953.)

For the 600 millions of Southern and South-east Asia:

"Large proportions of the population in the region as a whole live in a state of primary poverty; their income . . . does not suffice to keep them in a state of physical health. . . . The great majority of the people live in slums, rural or urban, or in unsanitary surroundings. . . . The elemental problem of South and South-east Asia is the all-prevailing poverty of the people. . . . Many people in these areas live in debt, die in debt, and their children inherit their debt."

(United Nations Preliminary Report on the World Social Situation, 1952.)

In the nineteenth century, when the rise of working-class

revolt began to threaten the social order, a vast proliferation of official and philanthropic studies proceeded to analyse the social and economic conditions of the working class. The net conclusion of these studies revealed that what was the matter with the poor was their poverty. These studies did not attempt to lay bare the cause of that poverty in the social system of capitalist exploitation.

To-day, in the face of the extending colonial revolt, a similar vast proliferation of official and philanthropic studies of the social and economic conditions of the colonial and dependent peoples has revealed the similar grand conclusion that their problem is poverty. But these studies do not attempt to lay bare the main cause of that poverty in the colonial system.

On the contrary, every effort is made to present the picture of this poverty as a picture of natural "backwardness," which imperialism is benevolently and philanthropically endeavouring to overcome with schemes of "development."

"The poverty and backwardness which are still widespread in the colonies . . . spring primarily from natural causes, particularly in the tropics."

(Labour Party Statement of Policy
on Colonial Affairs, 1954.)

Thus the hideous facts of the poverty and ruin of the colonial and dependent peoples plundered by the imperialist exploiters can no longer be denied. To-day they are universally admitted. But with a bland unconsciousness of guilt, these very facts are to-day paraded by the apologists of imperialism under a thick cloak of appeals to charity and benevolence, which serves to conceal the real role of the colonial system in maintaining and actually intensifying this poverty.

Hence in any consideration of the appalling living conditions of the peoples in all colonial and dependent countries it is necessary to guard against the two illusions which are most zealously fostered by the apologists of imperialism in order to blunt the real political lesson from these conditions.

The first illusion is, in relation to those countries where the inheritance of a colonial economy from the period of imperialist rule is still maintained within the political framework of independent states. Here it is endeavoured to shelve the responsibility of imperialism by throwing all the blame on the

shoulders of the local governments in these areas and the exploiting upper classes which are their social basis. It is true that in many such countries, where the popular movement is still weak, the upper classes—the feudal princes and chiefs and pashas, big landlords and traders, budding capitalists and speculators allied with imperialism—are in general most corrupt and shameless exploiters and oppressors of their peoples. But in fact they are only the *second-class* or subordinate exploiters, the satellites, parasites and protégés of imperialism, operating under its ægis and protection. It is imperialism that has already devastated and impoverished these countries, and continues to do so, and that maintains and upholds these subordinate local exploiters as its allies and social mainstay against popular revolt. The primary responsibility of imperialism cannot be shelved in these countries. And, indeed, the close parallelism of the low living conditions in these countries with those in the directly administered colonial countries shows the basic identity of the key factors operating.

The second illusion which the apologists of imperialism seek to foster is that these terrible conditions are “only” the absolute bad conditions of backward undeveloped and poverty-stricken countries, irrespective of the colonial system; and that imperialism, so far from being responsible, is bringing gradual, but continuous, improvement and upward advance. Thus at the Labour Party Conference in 1954, which adopted the Colonial Policy report, already quoted, laying down that “the poverty and the backwardness” of the colonial peoples “spring primarily from natural causes,” James Griffiths, in introducing the document for the Executive Committee, declared:

“We have not created that poverty; it is implicit in the conditions of their life, in the climatic and other factors that have been there for centuries.”

On this basis the civilising mission of enlightened imperialism is presented to develop these backward countries and help them to overcome their poverty which is due to “natural causes.”

This analysis of the operation of imperialism is the exact contrary of the truth. The picture of the colonial system is a picture of continuous social and economic *deterioration* of all countries brought within its orbit. This deterioration is the inevitable consequence of the operation of the colonial system.

No imperialist "development" plans can avail to arrest or avert it, so long as the system of colonial plunder, of the extraction of super-profit, continues to operate.

The truth of this deterioration has been most powerfully demonstrated in the past in the case of India, the classic ground of the colonial system over two centuries. India in the seventeenth century was regarded with awe and admiration by European traders and travellers as in the front rank of technical and cultural development on the world scale. By the twentieth century it had descended to the lowest level of relative technical backwardness and a world slum. The evidence of this deterioration has been set out in detail in my previous book, *India To-day*, to which reference must be made in order to avoid repetition here. In the case of Africa, some of the testimony to the decline of African physique in the colonial era will be found on pp. 264-6.

What is especially important, however, for the present situation is not merely the *general* deterioration brought about over decades by the colonial system in all countries in which it operates. What is immediately important is that in the most recent period this deterioration has markedly *accelerated*. In all colonial countries, or countries heavily subjected to the economic operations of foreign imperialism, without exception wages have failed to keep pace with the rapid rise in prices since the onset of the second world war; real wages have fallen even below the appalling low levels of before the war. In all such countries without exception the agrarian crisis is deepening.

This worsening of the living conditions of the peoples in colonial and dependent countries since the second world war has been repeatedly confirmed in official reports:

"The gap between the rich and the poor countries is wider than before the war. . . . For the great masses of the people who are illiterate peasants engaged in small-scale farming with primitive technique, general poverty does not appear to have been substantially reduced in recent years—it has in wide areas quite possibly been aggravated. . . .

"In South-east Asia it is clear that large proportions of the population in the region live in a state of primary poverty. . . . If the situation in this respect has always been bad, it has taken a turn for the worse since the end of the second world war. . . . Estimated per capita income for many countries in the region in 1949 and 1950 was still below the pre-war figures. . . . While

money wages have generally gone up, they have not in a number of countries kept up with the rise in the cost of living."

(United Nations Preliminary Report on the World Social Situation, 1952.)

Similarly with the fall in food consumption:

"For the world as a whole the consumption of food per capita is now less than it was fifteen years ago. Moreover, inequalities of food consumption are now greater than before the war."

United Nations World Economic Report for 1950-1.

The Second World Food Survey of the Food and Agriculture Organisation estimated in 1952 that the percentage of the total population of the globe which is definitely undernourished had risen from 38.6 per cent. before the war to 59.5 per cent. The survey for 1953-4 reported that, while world food production had increased 3 per cent. in the preceding year, and world population $1\frac{1}{2}$ per cent., the inequality of development was revealed in the fact that, while food production in North America had increased by 19 per cent., food production in East Asia, excluding China (where it had increased) decreased by 13 per cent. It is significant that the widely publicised Colombo Six-Year Development Plan for South and South-east Asia set as its target after six years to restore pre-war standards—equivalent to the "stabilisation of misery" in the phrase of the Director General of the International Labour Office.

This sharpening deterioration is in marked contrast to the epoch-making rapid rise in living standards and social conditions, technical and industrial development, and health, educational and cultural levels within three decades in the former most backward colonies of Tsarism, now the Central Asian Soviet Republics, or during the past five years in China. Some of the record of this advance is examined in a later chapter. This contrast makes the present grinding poverty, enforced backwardness and worsening conditions the more intolerable to all colonial peoples.

It is against these conditions of political subjection and economic and social deterioration that all colonial and dependent peoples have risen in revolt. This revolt is changing the face of the world, and is bringing the most far-reaching consequences for the traditional imperialist economy of the ruling countries, and especially for Britain.

CHAPTER III

HOW THE EMPIRE DEVELOPED

"To and for the establishment, promotion and development of a Secret Society, the true aim and objects whereof shall be the extension of British rule throughout the world . . . and especially the occupation by British settlers of the entire Continent of Africa, the Euphrates, the islands of Cyprus and Candia, the whole of South America, the Islands of the Pacific not heretofore possessed by Great Britain, the whole of the Malay Archipelago, the seaboard of China and Japan, the ultimate recovery of the United States of America as an integral part of the British Empire."

CECIL RHODES, *First Will and Testament*, 1877

OVER half a century ago Joseph Chamberlain, who became Colonial Secretary in 1895, admonished Englishmen to "think imperially." The New Imperialism, as it was called, was proclaimed to be the gospel of the future. English patriots were denounced as "Little Englanders." England was to be merely the base for the great cosmopolitan money-making interests whose aim was to extract millions from the goldfields of the Rand, the rubber of Malaya or the tin of Nigeria, while leaving the slums to rot in the East End, the fields of England to pass out of cultivation, the looms of Lancashire to become obsolete and great industrial areas of the North East, Scotland and Wales to become derelict. To-day we are experiencing the outcome of this programme.

Britain's colonial system is older than British capitalism. But the Empire of to-day is mainly a modern growth, and the cult of Empire dates from the later years of the nineteenth century.

Already before the era of capitalism the feudal monarchy pursued its wars of territorial conquest in Ireland and Wales, and its predatory expeditions of extra-European aggression in the Middle East. "Ireland was the first English colony," wrote Engels in 1856, and continued:

"The country has been completely ruined by the English wars

of conquest from 1100 to 1850 (for in reality both the wars and the state of siege lasted as long as this)."

(ENGELS, letter to Marx, May 23, 1856.)

Indeed, the wars of colonial suppression in Ireland were to continue longer—as the ruthless crushing of the Easter Rising in 1916, with the murderous execution of the socialist patriot, James Connolly, and the subsequent "Black and Tan" Wars of 1919-22 demonstrated. Ireland was in effect reduced to colonial status before the earliest onset of the era of capitalism, and after eight and a half centuries has still to win complete national liberation with the ending of the enforced partition and British military occupation and maintenance of a satellite Government in the North.

But the colonial system of Britain developed mainly in close association with the development of capital at each stage. The principal stages of development of capital have seen corresponding stages of development of the colonial system.

1. The Early Colonial Era

The foundations of Britain's extra-European colonial expansion date from the second half of the sixteenth century, that is, from the beginning of the capitalist era.

It is true that the first expeditions of exploration, trading adventure and attempted colonial conquest go back to the end of the fifteenth century. It was in 1496 that John Cabot, the discoverer of Newfoundland, was given his royal patent by Henry VII to "subdue, conquer and possess" the foreign lands which he might discover; and he was further authorised to "sail under the royal flag, and to set up the king's banner as his officers." In 1497 Cabot did unfurl the royal banner on Cape Breton Island, and in solemn form took possession of the country in the name of King Henry VII. From Cabot's two voyages in 1497 and 1498 originated Britain's claim to the mainland of North America by right of discovery. But in practice Cabot's initiative was not immediately followed up, and no colonial possession resulted.

Similarly in 1501 Henry VII granted a patent to Bristol merchants to settle colonies in newly discovered territories; and in 1505 a charter was granted to the Company of Merchant Adventurers.

But the first acquisition by Britain of colonial territory

outside Europe was the annexation of the Bahamas by Sir Humphrey Gilbert in 1578. Already by 1562 the first slave-trading expedition of John Hawkins had ravaged Sierra Leone and sailed away with a cargo of Negro slaves. By the fifteen-seventies the conception of the advantages of a colonial system was widely publicised. Sir Humphrey Gilbert, who had had experience of ruling a subject people as Governor of Munster, published in 1576 his *Discourse to prove a passage by the North West to Cathaia and the East Indies*, in the course of which he set out the advantages of establishing colonial settlements (to be inhabited by dispossessed proletarians and ex-convicts from Britain):

“We might inhabit part of those countries, and settle there such needy people of our country which now trouble the commonwealth, through want here at home are forced to commit outrageous offences, whereby they are daily consumed with the gallows.”

Such colonies, he pointed out, would provide a market for the large production of English cloth, and facilitate the development of new industries in Britain to supply articles suitable to the needs of Eastern nations, thus ensuring full employment in Britain “for vagabonds and such-like idle persons.” Although the conception of colonies here set out is based on settlement (with the assumed expulsion or extermination of the original inhabitants), and not yet on the subjugation and direct rule of extra-European peoples, the characteristic flavour of the arguments of the champions of the colonial system is already fully present.

In 1583 Sir Humphrey Gilbert took possession of St. John's Harbour, Newfoundland, and adjacent territory, and proclaimed the English sovereign's authority and jurisdiction over it. On this basis Newfoundland is commonly claimed as “the first English colony,” and 1583 as the starting point of Britain's colonial empire, by the conventional historians of the British Empire, who prefer to overlook Ireland. In 1585 Sir Walter Raleigh established the first colony in Virginia. In 1600 the first East India Company received its Charter. In 1612 the first English settlement in India, initially a trade depot, was established at Surat, to be followed by Fort St. George (Madras) in 1639 and Bombay in 1662.

This period of early colonial expansion was the period of the “Merchant Adventurers,” of freebooting and plundering

expeditions, of the slave trade, of the establishment of trading stations, of privileged monopoly trading companies, of the conquest of newly discovered overseas territories, extermination of the original inhabitants and establishment of colonial settlements by migration.

The colonial system before the Industrial Revolution, first under the Tudor and Stuart monarchies, then under Cromwell, the Restoration and the eighteenth-century oligarchy of the earlier phase, sought to keep a tight hold on the colonies, regarding them as a direct source of wealth for the home country, through the importation of precious metals and colonial products, while sending the minimum of goods in exchange. This was the "old colonial system" which was denounced by the new school of economists represented by Adam Smith, ushering in the new era of industrial capital and *laissez-faire*.

The "old colonial system" provided the main basis for the primary accumulation of capital, alongside the expropriation of the peasantry within Britain which made possible the rapid development of capitalism in Britain. Marx wrote:

"The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalised the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation. . . .

"The colonial system ripened, like a hothouse, trade and navigation. . . . The treasures captured outside Europe by undisguised looting, enslavement and murder, floated back to the mother country and were there turned into capital."

(MARX, *Capital*, I, ch. xxxi.)

2. *The Era of Industrial Capital*

The Industrial Revolution of the second half of the eighteenth century and the early nineteenth century was thus prepared and stimulated on the basis of colonial spoliation, and especially the spoliation of India (see the present writer's *India To-day*, ch. v, § 2, "India and the Industrial Revolution").

Britain became the workshop of the world. Raw materials were drawn from all over the world. The products of British machine industry dominated the markets of every country.

British shipping, under the protection of the British Navy, dominated world trade. The old colonial monopoly developed to world industrial monopoly.

“The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian nations, into civilisation. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians’ intensely obstinate hatred of foreigners to capitulate. . . . Just as it has made the country dependent on the towns, so it has made barbarian and semi-barbarian countries dependent on the civilised ones, nations of peasants on nations of bourgeois, the East on the West.”

(MARX and ENGELS, *Manifesto of the Communist Party*.)

Britain’s nineteenth-century world industrial monopoly brought in this way a new phase of the colonial system.

On the one hand, countries such as Canada and Australia, where settlers from Britain had established themselves on the basis of extermination of the original inhabitants, developed as auxiliary capitalist branches of the British metropolis, subsidiary to the British manufacturing centre, supplying raw materials and receiving British manufactured goods, but entering on the path of their own bourgeois economic development, eventually to become the virtually independent Dominions.

On the other hand, in the conquered and enslaved colonial countries, such as India, the West Indies and the African colonies, where the British appeared as alien rulers and traders, the old basis of tribute and exploitation continued, but became subordinate to the new basis of relations, whereby the colonies served as sources of cheap raw materials, furnished either through the plantation system or by peasant labour under semi-starvation conditions, and as markets for British goods. The influx of British manufactured goods spread ruin among the native handicraft industries. The bones of the weavers, wrote the Governor-General of India in 1834, are bleaching the plains of India.

In this era of Britain’s nineteenth-century industrial supremacy the unchallenged domination of British machine industry appeared able to break down every obstacle in all countries, not only in countries directly ruled by Britain, but also in foreign countries independent of Britain. This superior economic

power, which found its expression in the doctrines of *laissez-faire* and free trade, seemed so invincible to the new ruling class representatives of the British manufactures that conceptions began to gain currency during the middle nineteenth century which dismissed the whole colonial system as a superfluous extravagance and an obsolete relic. Marx wrote of the Manchester school of Cobden and Bright:

"The Free Traders (the men of the Manchester School, the Parliamentary and Financial Reformers) are the *official representatives of modern English Society*, the representatives of that England which rules the markets of the world. . . .

"The struggle of this part against the old English institutions, products of a superannuated, an evanescent stage of social development, is resumed in the watchword: *Produce as cheap as you can, and do away with all the faux frais of production* (with all superfluous, unnecessary expenses in production). . . . The nation can produce and exchange without royalty; away with the Crown. The sinecures of the nobility, the House of Lords? *Faux frais* of production. The large standing army? *Faux frais* of production. . . . National wars? *Faux frais* of production. England can exploit foreign nations more cheaply while at peace with them."

(MARX: "England: The Chartists," *New York Daily Tribune*, August 25, 1852.)

These new conceptions influenced also Toryism and official circles. Disraeli, in 1852, described "these wretched colonies" as "a millstone round our necks." Herman Merivale, Permanent Under-Secretary for the Colonies from 1848 to 1860, laid down the principle:

"With the colonial trade thrown open and colonisation at an end, it is obvious that the leading motives which induced our ancestors to found and maintain a colonial empire no longer exist."

Another Colonial Office official, Sir Henry Taylor, in 1864 referred to the British possessions in America as "a sort of *damnosa haereditas*." Similarly Bismarck wrote to Von Roon in 1868:

"All the advantages claimed for the Mother Country are for the most part illusions. England is abandoning her colonial policy; she finds it too costly."

This short phase of fashionable anti-colonial theories did not prevent in practice the continuance of colonial aggression and

conquest also through the middle decades of the nineteenth century. Warships and guns were still found useful to batter a way into markets.

In 1840 the First Opium War, conducted in the name of the sacred right of the East India Company to poison the Chinese with opium ("foreign mud," as the Chinese called it), served to open China to trade, and extracted from the Chinese authorities as a punishment for their resistance to the blessings of opium the cession of Hong Kong—the "legal right" which Labour Ministers claimed as the justification for their military measures to endeavour to hold on to Hong Kong. Cobden and Bright zealously supported the suppression of the Indian Revolt in 1857. Aden was annexed in 1839; New Zealand in 1840; Natal in 1843; Sind in 1843; the Punjab by the Sikh campaigns of 1845 and 1848; Burma in 1852 (final annexation in 1886).

3. *The Advent of Modern Imperialism*

But it was the Great Depression of the eighteen-seventies, when for the first time Britain's export supremacy began to weaken before the advance of new industrial rivals, which ushered in the new phase of the extending export of capital and scramble for new colonial acquisitions, preparing the way for the twentieth-century era of imperialism.

During the last quarter of the nineteenth century Britain lost industrial supremacy, first to the United States, and then to Germany. In 1880 British steel output stood at 1·3 million tons, American at 1·2 million and German at 700,000. By 1900 American steel output had reached 10·2 million tons, German 6·4 million and British 4·9 million. By 1913 American steel output had reached 31·3 million tons, German 18·9 million, and British 7·7 million.

Britain still maintained the first position in the export of manufactured goods, but with a lessening proportion. Between 1880-4 and 1900-4 British exports of manufactures increased 8 per cent., German 40 per cent. and American 230 per cent.

But in the sphere of the export of capital and colonial expansion Britain led the way.

Between 1884 and 1900 Britain acquired 3,700,000 square miles of new colonial territories. By 1914 the British Empire covered 12·7 million square miles, of which the United Kingdom represented 121,000 or less than one-hundredth part, the

self-governing Dominions 7 million, and the colonial or dependent empire 5.6 million, or forty-six times the area of the United Kingdom. *Thus the greater part of the dependent empire was acquired after 1884.* The population totalled 431 millions, of which the White self-governing population of Britain and the Dominions totalled 60 millions, or under one-seventh. The imperialist world war of 1914-18 brought the further acquisition of one and a half million square miles. By the eve of the second world war the British Empire, protectorates and dependencies covered one-quarter of the earth's surface and one quarter of the world's population.

Between the 1850s and 1880 British capital invested abroad multiplied five times from £200 million to £1,000 million. By 1905 it had doubled again to reach £2,000 million. By 1913 it had doubled again, and reached close on £4,000 million. At the close of the century, in 1899, Sir Robert Giffen estimated the total profits from foreign trade at £18 million, and the total income from foreign investments at £90 million. By 1913 the income from foreign investments had reached close on £200 million and by 1929 £250 million.

The era of industrial capital had given place to the era of finance-capital. Britain had lost industrial supremacy to become the great usurer and colonial exploiter, sucking tribute from all over the world.

Since the first world war, and especially since the second world war, Britain's position as the dominant overseas capital exporter and holder of overseas capital investments has been progressively weakened. This is the characteristic economic feature of the present deepening crisis of British imperialism. But this does not mean that Britain's role as world usurer and colonial exploiter has yet come to an end.

The widespread myth that Britain liquidated all its overseas securities during the second world war in order to obtain the necessary dollars for the war effort is a considerable exaggeration of the real picture. In fact a little under one-third were liquidated. The total holdings fell from £3,535 million in 1938 to £2,417 million by the end of 1945, according to the Bank of England survey published in 1950, or a drop of 31.6 per cent.

During the years following the war the principal concentration of British policy has been directed, even at the expense of home shortage, to endeavour to resume the export of

capital and rebuild Britain's overseas capital accumulation. In the course of the ten years from 1946 to 1955 (inclusive) new capital investment by Britain in the rest of the sterling area amounted to £1,469 million. A large proportion of this new investment by Britain was achieved on the artificial basis of simultaneous forced loans from the colonies, since during the same period the sterling balances of dependent overseas countries rose by £1,000 million.

By 1948 the Bank of England was able to estimate the total of Britain's overseas capital investments to have reached a figure of close on two thousand million pounds, the majority being placed in the Empire.

Table 11

BRITISH OVERSEAS INVESTMENTS, 1938-54

	1938 £ million	1948 £ million	1951 £ million	1954 £ million
Total British overseas investments	3,545	1,960	1,987	2,128
In the Colonies and Dominions	1,998	1,111	1,120	1,178
In non-Empire countries	1,547	849	865	950

("U.K. Overseas Investments", Bank of England Surveys, 1951, 1955, 1956.)

The proportion in the Empire was 56·6 per cent. This estimation of direct overseas investments does not take into account the capital of the big monopolies and trusts centred in London, but operating mainly in the Empire and drawing the greater part of their income from the Empire.

By 1951 the Bank of England estimate of British overseas investments had only risen to £1,985 million, but the income from these was estimated to have risen from £116 million in 1948 to £159 million in 1951, or an increase of 37 per cent.—a partial reflection of the intensified colonial exploitation.

By 1954 the estimated total of British overseas investments had reached £2,128 million. The recorded income from property owned abroad was £604 million, or net (after deducting property income paid abroad) £422 million.

The basis of tribute has weakened, and is further weakening. But the tribute has not yet come to an end.

CHAPTER IV

PRICE OF EMPIRE

"The thorns which I have reaped are of the tree
I planted; they have torn me, and I bleed.
I should have known what fruit would spring from such a seed."

BYRON.

ACROSS three-quarters of a century of experience it is possible to see the outcome of the new imperialist system which was built up in the later decades of the nineteenth century and early twentieth century to replace Britain's lost industrial supremacy. The final harvest is being reaped in the present crisis; but the heavy cost was already making itself felt over the intervening years.

1. Imperialism as the Alternative to Socialism

The new imperialist expansion was acclaimed by its sponsors as the solution to the dilemmas of British capitalism, after the break-down of the mid-nineteenth century free-trade illusions of continuously advancing industrial and commercial supremacy and infinite unchecked progress.

With the loss of Britain's industrial world monopoly the possibilities of progressive capitalist development in Britain had reached exhaustion. The objective conditions had ripened for the advance to the socialist organisation of society as the only progressive path forward. Socialist agitation arose anew in Britain from the eighteen-eighties, with the formation of the Social Democratic Federation. The modern labour movement derives from the work of the early socialist pioneers of the eighteen-eighties.

Already in 1885 Engels had shown how "the manufacturing monopoly of England is the pivot of the present social system in England," and that "with the breakdown of that monopoly the English working class will lose its privileged position" and "there will be Socialism again in England." The new challenge of socialism to the old class system was raising alarm in the

hearts of the ruling class by the last quarter of the nineteenth century.

The champions of the new imperialism, Disraeli, Chamberlain and Rhodes, were consciously directing their efforts to meet and defeat the rising challenge of the working class and socialism.

Lenin has quoted the words of Cecil Rhodes in 1895:

"I was in the East End of London yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for 'bread,' 'bread,' 'bread,' and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism. . . . My cherished idea is a solution for the social problem, i.e. in order to save the 40,000,000 inhabitants of the United Kingdom from a bloody civil war, we, colonial statesmen, must acquire new lands to settle the surplus population, to provide new markets for the goods produced by them in the factories and mines. The Empire, as I have always said, is a bread-and-butter question. If you want to avoid civil war, you must become imperialists."

Similarly Joseph Chamberlain in 1895, as soon as he became Colonial Secretary, defined his policy:

"I regard many of our colonies as being in the condition of undeveloped estates, and estates which can never be developed without Imperial assistance."

(JOSEPH CHAMBERLAIN, House of Commons, August 22, 1895.)

"The policy of the Government will be to develop the resources of such colonies to the fullest extent; and it is only in such a policy of development that I can see any solution of those great social problems by which we are surrounded."

(JOSEPH CHAMBERLAIN, reply to deputation on West African railways, *The Times*, August 24, 1895.)

More than half a century later the same basic conception of colonial development as the grand secret of social progress, first expounded by the notorious buccaneering leader of the most aggressive Tory imperialist expansion at the end of the nineteenth century, was being proclaimed afresh in almost identical language by "Socialist" Cabinet Ministers as a new discovery and the expression of the latest wisdom.

Once again in 1896 Chamberlain proclaimed the new imperialism as the only means to save Britain from hunger:

"To-day no one contests any longer the enormous advantages of a unified Empire, keeping for ourselves the benefit of trade which at the present time is actually a benefit to foreigners. Believe me, the loss of our domination would weigh first of all on the working classes of this country. We should see chronic misery let loose. England would no longer be able to feed her enormous population."

(JOSEPH CHAMBERLAIN, quoted in Victor Bérard, *British Imperialism and Commercial Supremacy*, 1906, pp. 51-2.)

Thus the millionaire exploiters cynically presented the Empire as the indispensable economic basis for saving the British working class from starvation (actually, from socialism). This is the continuous central theme of modern Tory imperialist "democracy," which has been taken over by Labour imperialism. In the same way Winston Churchill as Chancellor of the Exchequer in 1929 no less cynically proclaimed the imperialist basis of world tribute from overseas investment as the indispensable foundation for the maintenance of social services for the imperialist proletariat:

"The income which we derive each year from commissions and services rendered to foreign countries is over £65 million. In addition, we have a steady revenue from foreign investments of close on £300 million a year. . . . That is the explanation of the source from which we are able to defray social services at a level incomparably higher than that of any European country or any country."

(WINSTON CHURCHILL, Budget speech, April 15, 1929.)

And again Lord Cranborne, as Dominions Secretary, in 1943 drove home the same moral:

"Those who could not look beyond their personal interests should remember that their employment and standard of living depended mainly on the existence of the Empire."

(*Daily Telegraph*, October 23, 1943.)

From this it is no far cry to the declaration of Mr. Bevin, as Labour Foreign Minister, in 1946:

"I am not prepared to sacrifice the British Empire because I know that if the British Empire fell . . . it would mean the standard of life of our constituents would fall considerably."

(ERNEST BEVIN, House of Commons, February 21, 1946.)

The profound falsity of this line of argument, as is powerfully demonstrated by events to-day, will be examined later. For the moment it is important to establish the fact of this imperialist basis of the current economic, social and political structure in Britain, and the conscious conception and policy expressed by the leaders of all the ruling parties during this period.

Such, then, is the British imperialist economy which has been built up over the past three-quarters of a century to replace the lost industrial world monopoly. It is on this basis that the boasted modern imperialist "democracy" has been built, like the old Athenian slave-owning democracy, as a "democracy" run by slave-owners of empire, ruling a majority of subject colonial peoples, and in practice holding subject also the masses in the metropolitan country.

2. Balance Sheet for Britain

What have been the consequences of this imperialist economy for the people?

For the colonial peoples it has meant a régime of plunder of their resources and labour, extraction of gigantic monopoly profits without return, degradation of their living conditions, and intensive exploitation and oppression, against which they are to-day in revolt. Some picture of these conditions has been given earlier.

But for the masses of the British people has the Empire brought the benefit which is claimed by the big monopolists and their spokesmen, who endeavour to present the domination and exploitation of other peoples as a source of social and economic benefit for the British people?

On the contrary. The crumbs of a share in the spoils with which the imperialist exploiters seek to bribe the working class into acquiescence, and thus to hold off the advance of socialism, have been far outweighed by the consequent burdens, disorganisation of economy, arrest of progressive development, ruinous military exactions, colonial wars and imperialist wars, and deepening crisis and decay at home.

The price of imperialism for the British people is not only written in the heavy record of blood, of ceaseless wars and the burden of armaments. It is also written in the increasingly disastrous social and economic consequences for Britain's productive development, and for the conditions of life of the

mass of the people. This price is becoming demonstrated ever more sharply in Britain's present crisis.

The imperialist economy of Britain is a parasitic economy. It is increasingly dependent on world tribute for its maintenance. By the eve of the first world war over one-fifth of British imports were no longer paid for by exports of goods; and this proportion had risen to over one-third by the eve of the second world war. The imports surplus, or adverse balance of visible trade, rose from £30 million in 1855-9 to £134 million in 1913, to £302 million in 1938, and £415 million in 1947. By 1951 it had soared to a total of £743 million.

This imports surplus was covered in the first phase of imperialist development by the overseas income from foreign investments, financial commissions and shipping. But in the later phase, as the home decay consequent on this parasitism developed further, even the overseas income could no longer cover the unpaid imports. A net deficit in the balance of payments began to appear from the beginning of the thirties, following the world economic crisis. During the eight years from 1931 until 1938 only one year (1935) showed a small surplus on the balance. By 1938 the deficit on the balance of payments reached £70 million. Over the whole eight years 1931-8 the aggregate net deficit on Britain's balance of payments totalled £270 million. Thus the problem of the deficit of the balance of payments did not arise following the second world war. It developed throughout the decade preceding the second world war. The symptoms of mortal sickness of Britain's imperialist economic system had already manifested themselves before the further blows of the second world war. Hence the inadequacy of the shallow conventional explanations commonly given by the dominant political leaders and economic "experts" (whether Conservative or Labour imperialist), who seek to "explain" Britain's crisis as a consequence of the second world war and of Britain's sacrifices in the second world war. The mounting aggregate of Britain's deficit on the balance of payments during the 'thirties revealed that, in place of the previous continuous accumulation of overseas capital, a process of *disaccumulation* had begun.

The second world war, with its expenditure of nearly one-third of overseas capital assets, enormously accelerated this

process. The deficit on the balance of payments reached £298 million in 1946, and £443 million in 1947. After all the drastic emergency measures taken since then, and a temporary surplus during 1949-50, the deficit rose again to £403 million in 1951. After a renewed temporary surplus during 1952-4, a deficit of £103 million reappeared in 1955. The net aggregate deficit of £270 million during the eight years 1931-8 had become a net aggregate deficit of £286 million during the ten years 1946-55. The long-term line of development over this quarter of a century indicated that, whatever the particular fluctuations from one year to another, this deficit had become during this period a recurrent symptom of the unbalanced situation of Britain's economy.

Thus the imperialist basis of economy, to which the fortunes and existence of the British people have been committed in the modern era, is an unsound, unstable, mortally sick basis, leading to chronic crisis.

But the adverse consequences for the British people are not only revealed in Britain's external economic relations, and the resultant impact of crisis conditions on the British people. They are also revealed in the direct home consequences, the retarding of home productive development, and neglect of home economic and social needs.

The direction of capital investment and accumulation more and more overseas, to win the colossal super-profits of colonial exploitation, and consequent increasing parasitic dependence on overseas tribute, led to the neglect and decay of home industry and agriculture. When dividends of one hundred per cent. could be obtained from the exploitation of cheap colonial labour, there was no attraction to carry through technical re-equipment or modernisation of British industry or programmes of social development at home.

"Resources were turned towards foreign investment rather than to the rebuilding of the dirty towns of Britain, simply because foreign investment seemed more remunerative."

(J. H. CLAPHAM, *Economic History of Modern Britain*, chap. III, p. 53.)

Agriculture was allowed to fall into decay. Between 1871-5 and 1939 the arable area of Britain fell from 18.2 million acres to 11.8 million, or a drop of one-third. The area under crops

fell from 13·9 million to 8·3 million, or a drop of two-fifths. The area under wheat fell from 3·5 million to 1·7 million, or a drop of one-half. This imperialist wrecking of British agriculture is costing a heavy price to-day, when desperate efforts have to be made to recover lost ground in order to grow needed food at home. Under the extreme stress of war the wheat area was temporarily raised to 3,280,000 acres by 1943; but had fallen again to 2,070,000 acres by 1951 and 1,967,000 by 1955. Between 1949 and 1955 no less than 112,000 farm workers or 15 per cent. of the total left the land.

British industry was allowed to fall behind. Britain, which had been the workshop of the world in the mid-nineteenth century, became more and more the home of obsolete equipment relative to the more advanced technical industrial level in America and Germany. Recent estimates have shown how the superiority of American industry is based on mechanical equipment, measured in terms of horse-power per worker, three times the British level. This disparity has increased since the second world war.

This decline was marked already from the first approach towards the imperialist era in the 'eighties, and especially with full development of modern imperialism in the twentieth century during the years before the first world war. The coal industry, wrote Professor Clapham, became "worse than stagnant in efficiency since before 1900." Textiles have had to make do with machinery which has become notoriously more and more obsolete in the majority of factories. In the iron and steel industry Professor Clapham recorded that "there was no fundamental improvement in the blast-furnace and its accessories between 1886 and 1913." "The industry in Great Britain has lagged behind the rest of the world both absolutely and relatively" (Burnham and Hoskins, *Iron and Steel in Britain, 1870-1930*, 1943, p. 70).

In the era between the two world wars this deterioration and decay of British industry and agriculture went forward at an accelerating pace. Coal production fell from 287 million tons in 1913 to 230 million in 1938; the number of pits was brought down from 3,267 in 1913 to 2,125 in 1938. In textiles between 1920 and 1935 fourteen million spindles were destroyed. One-third of British shipyards were closed down; between 1918 and 1938 British ship-building capacity was reduced from three

million tons annually to two million tons. In agriculture between 1918 and 1939 over two million acres were allowed to pass out of cultivation, the decrease in arable land being over four million acres; and the proportion of the cultivable land under crops fell from 38 per cent. in 1918 to 28 per cent. by 1939. In 1936 Sir George Stapleton, the leading agricultural scientist, stated that there were about $16\frac{1}{4}$ million acres of land in a more or less neglected condition, and most of it absolutely derelict; while every single acre of this enormous area, representing two-fifths of the land surface of England and Wales, was capable of radical improvement. Former leading industrial areas became derelict areas.

While the basic industries and agriculture thus passed into decay in the imperialist era, the secondary and luxury industries and services, appropriate to a parasitic *rentier* economy, swelled and boomed. Between the decade 1904-13 and the five-year period 1924-8, the annual average of capital issues for the basic industries fell by half from £41.7 million to £21.4 million, while those for breweries more than doubled, from £6 million to £15 million, and those for hotels, theatres, etc., nearly trebled, from £7.1 million to £20.4 million. The proportion of the population engaged in production in the basic industries fell from 23 per cent. in 1851 to 13.6 per cent. in 1929; the numbers engaged in commercial and financial operations, distribution, office employment and all manner of "services" rose continuously, thus giving rise to the legend of the "new middle class" as a sign of rising prosperity. By 1937 this degeneration had reached such a pitch that the *Economist* (November 20, 1937) could describe "foreign investment" as "the nation's greatest single industry."

3. Outcome for the British Labour Movement

This growth of parasitism and relative weakening of the productive working class in industry had its harmful consequences also on the development of the labour movement. Marx and Engels had already shown in the nineteenth century the connection between Britain's world monopoly and colonial empire and the corruption of the upper section of the working class, stifling the original revolutionary impulse of Chartism and leading to the retarded and distorted development of the labour movement.

In the period of the still dominant and triumphant industrial

world monopoly of Britain in the mid-nineteenth century Engels wrote in a letter to Marx in 1858:

“The English proletariat is becoming more and more bourgeois, so that this most bourgeois of all nations is apparently aiming ultimately at the possession of a bourgeois aristocracy and a bourgeois proletariat as well as a bourgeoisie. For a nation which exploits the whole world this is of course to a certain extent justifiable.”

(ENGELS, letter to Marx, October 7, 1858.)

With the onset of the new policies of rapid and aggressive colonial expansion in the eighties, Engels wrote in a letter to Sorge in 1889:

“You ask me what the English workers think of colonial policy? Exactly the same as they think of politics in general, the same as what the bourgeois think. There is no workers’ party here; there are only Conservatives and Liberal-Radicals; the workers merrily share the feast of England’s monopoly of the world market and the colonies.”

(ENGELS, letter to Kautsky, September 12, 1882.)

With the full development of imperialism in the twentieth century, Lenin carried forward this lesson:

“In Great Britain the tendency of imperialism to divide the workers, to encourage opportunism among them and to cause temporary decay in the working class movement, revealed itself much earlier than the end of the nineteenth and the beginning of the twentieth centuries; for two important distinguishing features of imperialism were observed in Great Britain in the middle of the nineteenth century, viz. vast colonial possessions and a monopolist position in the world market. Marx and Engels systematically traced this relation between opportunism in the labour movement and the imperialist feature of British capitalism for several decades.”

(LENIN, *Imperialism*, chap. VIII.)

This development of labour imperialism, tying the workers to alliance with capitalist policies and delaying the advance to socialism, was further demonstrated and carried to new heights by the two MacDonald Labour Governments between the wars. In the most recent period it reached a disastrous climax in the Attlee Labour Government after the second world war, with its policies of imperialist reaction, colonial wars, the close tie-up with American imperialism, soaring armaments and austerity at home, and preparation for a third world war.

Above all, the ruinous cost of imperialist policy has been most powerfully shown in the growing burden of armaments and war.

Britain's ceaseless colonial wars throughout the imperialist era, including the South African War at the opening of the century, culminated in the heavy destruction and price in blood of two world wars, with the consequent crippling of Britain's economy. Yet frantic preparations have since been pressed forward for a third world war, for which the impoverished British economy has been driven to pile up armaments to new record heights.

Thus the balance sheet of imperialism, however profitable for the big monopolists, has been disastrous for the mass of the people.

This is the modern imperialist system of British economy, with the whole social-political structure of imperialist "democracy" built upon it, which has now entered into deepening crisis and is approaching collapse.

CHAPTER V

CRISIS OF THE COLONIAL SYSTEM

“The world historic event during the post-war period is the disintegration of the colonial system of imperialism . . . The problem of the complete liquidation of the colonial system is on to-day’s agenda. A new period in world history, in which the peoples of the East are playing an active part in the solution of the fate of the whole world and are becoming a new and powerful factor in international relations, has come about.”

(Resolution of the Twentieth Congress of the Communist Party of the Soviet Union, 1956.)

ALL over the world the colonial and dependent peoples, formerly the majority of mankind, in Asia, in the Middle East, in Africa, in the Caribbean or Latin America, have swept forward during the past decade, and are further sweeping forward wherever subjection still remains, in their advance to freedom. They have pressed forward to win their freedom from foreign domination, in order to take the future of their countries into their own hands and solve the problems of poverty and backwardness. Great victories have already been won in this advance, and further victories are in prospect.

The days of the supremacy of the rulers of a tiny handful of rich and powerful states in Western Europe or North America holding under their domination, direct or indirect, hundreds and hundreds of millions of black, brown or yellow subject and exploited peoples, representing the overwhelming majority of mankind, are drawing to an end. The old colonial order is drawing to an end, not because of a change of heart on the part of the rulers (the often proclaimed “change of heart” of the rulers in the present period has always followed, and never preceded the revolt) but because of the ever extending and more powerful revolt of those subject to their rule. The rulers, while still fighting tenaciously, wherever able, to maintain their rule, have been compelled in many areas to execute retreats or

make concessions. In all areas of colonial rule the battle is advancing to greater heights. This is the crisis of the colonial system which has become ever more marked during the most recent years. The crisis of the colonial system is one of the most powerful driving forces of the modern world situation.

1. Rise of the Colonial Freedom Movement

The freedom struggle and revolt of the colonial peoples against their oppression has developed continuously with the colonial system. The pages of colonial history are littered with colonial wars and the barbarous repression of popular revolt. Thus the nineteenth century, before the imperialist era—to take only a few examples—saw the Java revolt of 1825–30, the Taiping rebellion in China of 1850–64, the Indian armed rising of 1857–9, and the Sudan armed struggle of 1883–5.

But it is only in the modern era, as the conditions have ripened, first with the development of the colonial bourgeoisie, and then with the development of the colonial working class, that this elementary popular revolt has been able to advance to the stage of powerful national liberation movements, capable of uniting and organising the entire people, in association with the working class in the imperialist countries and with the first victories of the socialist revolution, to challenge the foundations of their oppressors' rule and march forward to victory over imperialism.

The early forms of the modern national movements in the colonial countries outside Europe took shape during the later decades of the nineteenth century in some of the more advanced countries, such as India, China and Egypt. These early stages of the organised national movement were led by the representatives of the emergent national bourgeoisie. They oriented themselves towards the Western capitalist countries, as at that time representing the most advanced progressive countries. They sought to imitate Western parliamentary institutions. They confined their appeal and range of organisation mainly to the limited circles of the educated classes, students, traders and lower middle class, without contact with the masses of the working class and peasantry.

The effects of the first Russian Revolution of 1905 and of the Japanese victory in Asia led to the beginnings of change and a more militant movement, but only the beginnings.

Already by 1908 Lenin was able to write:

“The class-conscious workers of Europe now have Asiatic comrades, and their numbers will grow by leaps and bounds.”

(LENIN, *Inflammable Material in World Politics*, 1908.)

And by 1913 he was writing of “Backward Europe and Progressive Asia,” with special reference to the advance of the Chinese Revolution and the support of the European Powers for the reaction of Yuan Shih-kai (the precursor of the American support for Chiang Kai-shek in the recent period):

“Advanced Europe is commanded by a bourgeoisie which supports everything backward. . . . A more striking example of this decay of the entire European bourgeoisie can scarcely be cited than the support it is lending to reaction in Asia on behalf of the selfish aims of the financial dealers and capitalist swindlers.

“Everywhere in Asia a mighty democratic movement is growing, spreading and gaining strength. There the bourgeoisie is still siding with the people against reaction. Hundreds of millions of people are awakening to life, light and liberty.”

(LENIN, *Backward Europe and Advanced Asia*, 1913.)

The war of 1914 and the first victory of the world socialist revolution in Russia brought a transformation. The liberation of one-sixth of the world from imperialism gave a giant impetus to the movement against imperialism in all colonial countries. The Soviet State demonstrated for the first time the successful socialist solution of the national problem on the basis of the complete national freedom and equality, irrespective of race or colour, of advanced or backward cultural development, of all the nationalities and former colonial peoples oppressed under the old Tsarist Empire. This exercised a profound influence on all colonial peoples.

Henceforward the focus of the colonial revolution became, no longer the centres of the antiquated reactionary Western imperialist countries and the institutions of imperialist “democracy,” but the new Socialist State which had abolished slavery and the colour bar. Lenin declared on the significance of this transformation:

“Whereas formerly, before the beginning of the epoch of world revolution, the movement for national liberation was part of the general democratic movement, now, after the victory of the Soviet revolution in Russia and the beginning of the epoch of

world revolution, the movement for national liberation is part of the world proletarian revolution."

(LENIN, quoted in Stalin's *Collected Works*, Vol. VIII, p. 382)

The world revolutionary wave which followed the war of 1914-18 and the Russian Revolution swept through all the colonial countries. The former limited national movements were transformed into powerful mass movements which repeatedly stormed against the citadels of imperialism and were met with violent repression. The colonial bourgeoisie, fearful of the mass advance, moved over to a two-faced vacillating role. An upper section moved towards compromise and forms of reactionary alliance with imperialism against the masses. The national bourgeoisie, comprising those sections supporting the struggle for national liberation, continued to maintain leadership of the national movement in a number of countries, although often with compromising tendencies. On the other hand, the colonial working class now reached independent political consciousness and organised strength, with the formation of Communist Parties and stable trade union organisation in the major colonial countries, and entered on a leading role in the national revolutionary movement in a number of countries as the most consistent and uncompromising fighter to the end against imperialism.

2. *Effects of the War of Anti-Fascist Liberation*

The world war of liberation against fascism powerfully accelerated the development of the colonial revolution.

The rottenness of the old imperialist structure was demonstrated by the collapse of the old colonial empires in Asia before the Japanese advance. In a famous dispatch *The Times* Singapore correspondent wrote in 1942:

"After nearly 120 years of British rule, the vast majority of Asiatics were not sufficiently interested in the continuance of this rule to take any steps to ensure its continuance. And if it is true that the government had no roots in the life of the people, it is equally true that the few thousand British residents who made their living out of the country—practically none of whom looked upon Malaya as being their home—were completely out of touch with the people. . . . British rule and culture and the small British community formed no more than a thin and brittle veneer."

(*The Times*, February 18, 1942.)

The myth of the military invincibility of Western imperialism was shattered. Millions of colonial soldiers were drawn from their homes to fight for the freedom of enslaved European nations, and to awaken inevitably to the question why they should not fight also for the freedom of their own countries.

Abandoned by their imperialist rulers without defence or means of defence before the Japanese occupation, the peoples of South-east Asia built up their own national resistance movements under Communist leadership to conduct a heroic guerrilla battle against the Japanese invaders. These national liberation movements fought for freedom, not only from Japanese domination, but from all imperialist domination, and they continued the struggle for freedom when the returning European Powers at the close of the war sought to reimpose the colonial system.

In the Atlantic Charter, which was accepted as embodying the aims of the United Nations, the principle was laid down:

“They respect the right of all peoples to choose the form of government under which they will live.”

However deceptive such a formulation might be in the mouths of the statesmen of the imperialist Powers, it was not without reason that this principle, embodying the aspirations of the peoples of the world fighting for freedom, was seized upon by the representatives of the colonial peoples to demand its application to their own countries.

In vain the British Prime Minister, Winston Churchill, issued an official declaration on September 9, 1941, specifically excluding “India, Burma and other parts of the British Empire” from the operation of the Atlantic Charter, and explained:

“At the Atlantic meeting we had in mind primarily the restoration of the sovereignty, self-government and national life of the states and nations of Europe now under the Nazi yoke.”

It was significant of the already developing Anglo-American antagonism over the Empire that President Roosevelt, in his broadcast of February 22, 1942, tacitly repudiated Churchill’s denial of September, 1941, and went out of his way to declare:

“The Atlantic Charter applies, not only to the parts of the world that border the Atlantic, but to the whole world.”

Above all, the inspiring example and demonstration of unshakable strength of the Socialist Soviet Union, which bore the main brunt of the war and shattered nine-tenths of the Nazi forces to win the common victory over fascism; the role of the national liberation movements under Communist leadership in Europe; and the victory of the new People's Democracies in Eastern Europe emancipating their countries from the yoke of imperialism, all gave a powerful impetus to the new movements of liberation in the colonial countries.

3. New Advance Since 1945

A new era of the colonial liberation movement opened after the second world war.

The outstanding expression of this new era, and the most powerful inspiring influence of the general advance, was the victory of the Chinese Democratic Revolution, which reached completion with the establishment of the Chinese People's Republic in 1949. Thirty-eight years after the opening of the Chinese Revolution in 1911; thirty years after the revolutionary upsurge of 1919; twenty-two years after the counter-revolutionary coup of Chiang Kai-shek in alliance with imperialism in 1927; and twelve years after the Japanese invasion of China in 1937; the Chinese people, under the leadership of the Chinese Communist Party, through long and arduous years of struggle, of wars and civil wars, finally reached complete victory. During the four years between 1945 and 1949 American imperialism spent no less than six billion dollars to combat the Chinese people, poured in arms, supplies and finance to bolster up Chiang Kai-shek, as well as dispatching military missions and officers, and naval and air aid. Nevertheless, this interventionist war of American imperialism ended in fiasco; imperialism was driven from China; and Chiang Kai-shek became a refugee cowering behind American naval guns on the island of Taiwan (Formosa). This victory of the 600 millions of the Chinese people over imperialism changed the face of the world. Just as the victory of the Russian socialist revolution in 1917 set the example and opened the path of advance for all the peoples of the world, so the victory of the Chinese democratic revolution in 1949 further carried forward the path of advance for all colonial and dependent peoples.

Alongside the advance and victory of the Chinese people

wars of liberation developed throughout South-east Asia, and a powerful upsurge went forward in all colonial and semi-colonial countries.

Thus the outcome of the second world war deepened and extended the revolt of the colonial peoples to a general crisis of the colonial system. New features appeared which are without parallel even in the height of the revolutionary wave after the first world war. Some of the most important of these new features may be noted.

First, the victory of Chinese democracy against Chiang Kai-shek and Anglo-American imperialism transformed the balance of world relations, and exercises the most far-reaching influence on the advance of the liberation struggle of the colonial peoples throughout Asia.

Second, new independent states have been constituted under varying conditions by former colonial peoples in a wide range of countries, including India, Pakistan, Ceylon, Burma, Indonesia, Syria, the Korean People's Republic and the Vietnam People's Republic in Asia; and Egypt, Sudan, Morocco, Tunis, Libya and Ghana in Africa.

Third, the Korean People's Republic and the Vietnam People's Republic have successfully maintained their independence against the armed assault of the combined forces of imperialism.

Fourth, in other colonial countries the liberation movement has reached a new height previously unknown, with the advance to armed struggle and full-scale wars of independence, as in Northern Africa, Kenya, Malaya and the Philippines.

Fifth, the geographical range of the colonial liberation struggle has conspicuously extended, shown especially in the advance in Africa, as also in the West Indies.

Sixth, Communist Parties are now playing the leading role in the national movement in an extending series of colonial or dependent countries.

All this amounts to a qualitative change in the character and stage of the colonial liberation movement.

4. Disintegration of the Colonial System

The extent of the transformation during the decade since the second world war can be measured from the following facts:

At the outset of the second world war the population of the

colonial and dependent countries directly or indirectly under the domination of imperialism totalled some 1,500 millions, or more than three-fifths of the population of the world.

During the decade after the second world war some 1,250 millions of these had established their independent states, even though the degree of effectiveness of the independence might vary, and in some cases was qualified by economic or strategic limitations, against which the national liberation struggle continued to be waged. By 1957 there were fourteen such newly independent states in Asia, and six in Africa.

Table 12

INDEPENDENT STATES REPLACING FORMER COLONIAL OR
SEMI-COLONIAL COUNTRIES BY 1957

	<i>Population (millions)</i>
<i>In Asia:</i>	
China	600
India	380
Indonesia	80
Pakistan	76
Burma	18
Vietnam People's Republic	18
Korean People's Republic	10
Ceylon	8
Cambodia	4·1
Syria	3·5
Laos	1·7
Israel	1·7
Jordan	1·4
Lebanon	1·4
14 countries	<hr/> 1,200 <hr/>
<i>In Africa:</i>	
Egypt	22
Morocco	10
Sudan	8·8
Tunisia	3·2
Libya	1·1
Ghana	4·6
6 countries	<hr/> 50 <hr/>
<i>Total: 20 countries</i>	<hr/> 1,250 <hr/>

The remaining 250 millions are sweeping forward towards the goal of liberation with resolute determination. Some have already built up their powerful united strength in their liberation movement; and the brutal colonial wars still waged by the imperialist powers have testified to the strength of their revolt. Others are still engaged in building up their unity against the blows of the oppressor, or are as yet in the early stages of confused unrest and stirring and the beginning of elementary struggles. The forms of the struggle vary from fully developed armed national uprisings to the first endeavours to build up organisation and win elementary democratic rights. But in all the remaining colonial and dependent countries without exception, from the Philippines to Puerto Rico, from Malaya to Malta, from Aden to Algiers, from Tanganyika to Trinidad, the battle goes forward.

5. Bankruptcy of Colonialism

This all-embracing extent of the present crisis of the colonial system, has more and more laid bare the weakness of the basis of imperialist rule.

Previously, the methods by which imperialism has in the past always been able to quell colonial revolt and maintain its domination have taken the two classic forms. First, violent repression, including, where necessary, the unrestrained use of superior armed force concentrated against a specific point of insurrection. Second, political corruption to split and disorganise the national movement, and win over a section of its leadership or a particular social stratum into a privileged position of subordinate partnership or collaboration.

Both these methods are proving less effective in the period of the general crisis of the colonial system.

The traditional basis of partnership with the reactionary feudal elements, princely families, big landlords or tribal chiefs is proving inadequate in the face of modern development and the advance of popular consciousness. In some countries the attempt has been made to establish puppets or quislings, or prop up tyrannical protected rulers, with no real basis of support in the population, and openly dependent on foreign subsidies and foreign arms. Glaring examples of this were the French establishment of the Emperor Bao Dai in Vietnam; the British establishment of the princely ruling houses in Jordan

and Iraq, or the American maintenance of Syngman Rhee in South Korea and Chiang Kai-shek in Formosa.

The fatal weakness of this method, however, lies in the lack of popular support for these foreign-protected dictators and the intense hostility aroused against them as traitors and quislings.

Hence the imperialists have repeatedly found themselves compelled to conduct major colonial wars, and to depend on armed force, martial law, special penal ordinances and the dispatch of costly expeditionary invading forces to maintain their rule. The wars in Korea, Vietnam and Malaya had to be conducted by expeditionary invading forces of the Western imperialist powers. The South-east Asia Treaty Organisation, established in 1954 after the collapse of the interventionist war in Vietnam, had to be based on non-Asian imperialist powers in the face of intense Asian opposition.

These intensified military measures, however, of the invading imperialist powers in Asia, have met with increasing difficulties in the present period, as a result of the advanced stage of the present crisis of the colonial system.

Previously, the imperialists could count with considerable confidence on crushing any revolt of the colonial peoples under their rule, despite the enormous numerical majority of the colonial populations in their empires. Three factors made possible this relative certainty and confidence. First, their overwhelming superiority in arms and equipment, against disarmed colonial populations or primitive peoples with the most primitive weapons:

“Whatever happens, we have got
The Gatling gun, and they have not.”

Second, the divisions within each colonial population, so that one section could be used against another (the Indian Empire was conquered in this way). Third, the divisions and lack of contact of the colonial peoples one with another, scattered over the globe, and with all means of communication in imperialist hands.

All these conditions are now changing, and consequently these factors no longer operate in favour of the imperialists to the same extent as before. The superiority in arms and equipment remains, especially against the disarmed colonial populations, but is no longer as decisive. Its effectiveness depends on

the trustworthiness of the troops that use them; and the revolt of the Indian Navy in 1946, alongside smaller scale movements in the military and air services, was the decisive factor which compelled imperialism to manoeuvre and execute a partial retreat in India. Further, in the countries of South-east Asia which were overrun by Japan the formation of the national liberation armies against the Japanese occupation gave experience in warfare, and some supplies of weapons, despite the attempts of the imperialists to seize all weapons at the end of the hostilities against Japan. In China the great bulk of the arms and equipment supplied by American imperialism to Chiang Kai-shek fell into the hands of the Chinese people to be used for their liberation.

The divisions within the colonial peoples diminish, with the advance of political consciousness, and with the development of united national liberation movements drawing together all sections of the people in a common national anti-imperialist front. The growth of Communist Parties in the colonial countries has played a key role in many countries in this advance of national unity.

Most important is the change in the international situation. The victory of the Russian socialist revolution already made the first breach in the front of imperialism, and opened the way to the advance of the colonial liberation movements all over the world. The growth of the international Communist movement has raised the level of international consciousness of the working class; developed the understanding of the working class in the imperialist countries of their responsibility in relation to the struggle of the colonial peoples; developed at the same time the understanding among the colonial peoples of the world character of their struggle; and thus helped to build the alliance of the working class in the imperialist countries with the colonial and dependent peoples. Each colonial people no longer fights alone, but as part of a world anti-imperialist front. The victory of the Chinese People's Revolution has powerfully carried forward this development.

This change in the international situation has far-reaching effects, not only in the political sphere, but also in the military sphere. Previously the imperialist rulers could draw on the enormous resources of their entire empires to concentrate overwhelming superiority of forces against a casual or sporadic

revolt at a single point. Now, when the liberation struggle develops in varying degrees in all colonial countries, and flares up into open revolt in a number simultaneously, the imperialist rulers find themselves far more heavily strained to endeavour to cope with it, and begin to find the task beyond their resources. Despite their still-continuing superiority in arms and equipment, the cry goes up from their ranks with increasing desperation and urgency that they suffer from one decisive shortage in the military sphere—*shortage of manpower*.

The Malayan war drew half the then available mobile expeditionary forces of the British Army. The Vietnam war drew half the expeditionary forces of the French Army; the North African wars in 1955 drew still larger forces, equivalent to two-fifths of the entire French Army, and leading to mutinies of the reservists who were called up. The Korean War drew four-fifths of the available United States mobile forces. Heavy additional strains of rearmament and lengthened conscription are placed on the imperialist countries.

The imperialists are compelled to fight with costly imported forces against peoples who are fighting in their own countries for their freedom. This is the essential military weakness of imperialism in its war against the liberation struggle of the colonial peoples.

The prominent American publicist, Walter Lippmann, bitterly complained:

“Always it is necessary for the West to do the fighting itself. Never yet has it been necessary for the Russians to do this. This is on many counts a profoundly disturbing contrast between the Soviet and the Western position in Asia.”

(WALTER LIPPMANN, *New York Herald Tribune*, June 29, 1950.)

To understand this twisted language, it is necessary to bear in mind that the national liberation movements are equated by all imperialist spokesmen with Communism, and that Communism in turn is equated with the Soviet Union or “Russia”; so that by this devious chain of reasoning “Russia” is declared to be fighting in Asia—without troops. Once this translation into plain language has been made, the significance of this “disturbing” admission goes very much further than the spokesmen of imperialism would care to recognise.

Similarly, the *Daily Telegraph* complained in almost identical language:

"In the disputed area—China, Korea, Formosa, Indo-China, Malaya—Soviet influence and power have expanded without the armed forces of the U.S.S.R. being committed. On the other hand, nowhere on the mainland of east Asia has Communism been contained except by committing French, British or American forces. . . .

"Asian Communism gains strength from leadership; its standard bearers are all Asian. . . . The leadership and the principal weapons for fighting Communism come from the West because they are not otherwise available.

"The Communist forces are led by able men like Mao Tse-tung and Chou En-lai in China, by the veteran Ho Chi-minh in Indo-China. . . .

"Not Asians, but General Douglas MacArthur, Mr. Malcolm MacDonald, and France's High Commissioner in Indo-China, M. Pignon, are the key figures in the anti-Communist front."

(*Daily Telegraph*, June 27, 1950.)

These words registered the confession of bankruptcy of imperialism in eastern Asia, and finally in the whole colonial world.

The epitaph on imperialism in Asia was written by the United States Government White Paper on China, the so-called Acheson Report, published in the autumn of 1949 to explain the fiasco and rout of the American war of intervention in China in 1946-9:

"The unfortunate but inescapable fact is that the ominous result of the civil war in China was beyond the control of the Government of the United States. Nothing that this country did or could have done within the reasonable limits of its capabilities could have changed that result; nothing that was left undone by this country has contributed to it. It was the product of internal Chinese forces, forces which this country tried to influence but could not."

Marx prophesied after the Franco-German War of 1870-1 that history would "drum dialectics even into the heads of the mushroom upstarts of the new Holy Prusso-German Empire." Here in the melancholy confession of impotence of the Acheson Report on China in 1949 we can see history beginning to "drum dialectics" anew "even into the heads of the mushroom upstarts" of the new Holy American Empire—and of all the imperialists.

CHAPTER VI

CRISIS OF "WESTERN CIVILISATION"

"And because we know we have breath in our mouth and think we have thoughts in our head,
We shall assume that we are alive, whereas we are really dead. . . .

The Lamp of our Youth will be utterly out, but we shall subsist on the smell of it;

And whatever we do, we shall fold our hands and suck our gums and think well of it.

Yes, we shall be perfectly pleased with our work, and that is the Perfectest Hell of it."

KIPLING.

THE crisis of the colonial system has not only transformed the situation in the colonial countries. It has also transformed the situation in the imperialist countries. The undermining of the colonial base of imperialism has produced its reflection in the deepening crisis of the metropolitan countries of imperialism, especially in Western Europe.

1. The Red Line on the Balance Sheet

With unconcealed alarm the Western rulers have seen the rising tide of colonial revolt and liberation advancing to triumph in Asia, and already stirring in Africa, and have recognised in its thunders the knell of doom for their imperialist system of parasitic economy and political corruption (mis-named "Western democracy" and "Western civilisation") in the countries of imperialism in Western Europe and America.

Under the title "Far Eastern Front," *The Times* editorial wrote on March 1, 1949:

"The revolutionary movements in Eastern Asia as a whole—ranging from North China down to Indonesia and northward again to Malaya and the Burmese hills—are changing the world strategic and political map. The destinies of nearly a thousand million people are being shaped. With Communists either in the leadership or striving towards it, the challenge to Western security is at least as great as if Africa were in ferment."

With brutal frankness the same editorial proclaims the grand thesis: "*Eastern Asia is a main base of Western Europe*"—a curious sentiment from the standpoint of geography and democracy, but completely comprehensible from the standpoint of imperialist economy.

On the lines of this thesis, the organ of the British ruling class lays bare the materialist basis of the spiritual bonds of empire and the white man's burden with the reckless candour of the bandit suddenly faced with the prospect of the loss of his booty:

"The disturbances in the Asian area . . . have put in peril the rich supplies of raw materials which this country, France and the Netherlands desperately need. From the half million tons of rubber which Malaya produced yearly before the war and the 60,000 tons of tin, and from the Burmese rice, minerals and timber, this country gathered a large part of the sterling area's dollar surplus. . . . For Holland, success or failure in reaching agreement in Indonesia, with its oil, rubber, tin and coffee, will determine whether or not she is to remain a Power."

When British Government spokesmen used to boast of the achievement of British exports in bringing down the dollar deficit and achieving a surplus by 1950, it was seldom mentioned in this complacent context that this boasted surplus of the sterling area was based on colonial dollar exports, covering up and compensating a United Kingdom dollar deficit, and that Malayan tin and rubber earned more American dollars for Britain than the total of British dollar exports. The criminal war in Malaya was openly defended—also in official Labour expression—with the brazen mercenary argument that Malaya is "our principal dollar earner."

Of course these regions could produce all this wealth, and eventually much more, under a free régime; but the share of the Western European countries would then have to be based on equal exchange (to the advantage of home productive development) and not on imperialist exploitation.

Similarly the *New York Times* in a message from its Geneva correspondent dated January 11, 1949, emphasised that colonial domination is the indispensable basis for Western European reconstruction:

"The high living standards of Europe are certainly to a degree dependent upon the availability of raw materials and cheap labour in

Asia and Africa. Although old-fashioned colonial imperialism is considered out-moded, a recovering Europe cannot do without sources of wealth menaced by the U.S.S.R.'s new drive for 'popular democracy.'"

Under the blows of experience, and in the shadow of their impending downfall, the pundits of Western "democracy" are learning to read Lenin's *Imperialism* backwards.

With corresponding frankness the American Far Eastern expert and former political adviser to Chiang Kai-shek, Owen Lattimore, analysed in 1949, after the collapse of Chiang Kai-shek and the costly fiasco of the American-subsidised war of intervention in China, the new *debit balance* beginning to appear in the "arithmetic" of imperialist colonial policy:

"Asia, which was so easily and swiftly subjugated by conquerors in the eighteenth and nineteenth centuries, displayed an amazing ability stubbornly to resist modern armies equipped with aeroplanes, tanks, motor vehicles and mobile artillery.

"Formerly big territories were conquered in Asia with small forces. Income, first of all from plunder, then from direct taxes and lastly, from trade, capital investments and long-term exploitation—covered with incredible speed the expenditure for military operations. This arithmetic represented a great temptation to strong countries. Now they have run up against another arithmetic, and it discourages them."

In other words, the bottom is falling out of the bandit business.

2. *Mythology of "Western Civilisation"*

The deeper this crisis develops of the material basis of the Western European imperialist countries, the more "spiritual" becomes the language which is used to describe it. Grandiloquent phrases are bandied about to-day on all sides to call for the defence of "Western civilisation in danger," "Western democracy and respect for the individual," the "Western way of life," "Western spiritual values" and "the Christian heritage" on whose behalf it is proclaimed justified and necessary to use the "spiritual" weapon of the atom bomb.

The more the real content of these grandiloquent phrases is examined, however, the more they will be found to have no consistent or coherent meaning, and no theoretical or historical justification, but in practice to be only "respectable" pseudonyms and *aliases* for Western capitalism and imperialism, which has its root and basis in the class system at home and

the subjection and exploitation of the colonial peoples abroad.

What is this special "*Western* civilisation" (the expression dates only from the modern era), and wherein is its distinctive character? The impression is sought to be conveyed that the spirits of Plato, Thomas Aquinas, Shakespeare and Rousseau are the inspirers of the Stock Exchanges of London, New York and Chicago, and gave their blessing to the cannonading guns which utilised the Chinese invention of gunpowder to force opium on Chinese peasants.

Thus the profound tradition of *human* progress and culture, with its myriad interacting streams, is artificially twisted, sectionalised and distorted in order to provide a historically inaccurate and anachronistic justification for the barbarities and reaction of late capitalist imperialism when it has become a barrier to human progress and the enemy of human culture.

The advance of human civilisation and culture was powerfully carried forward by the Western European nations when they were the representatives of still ascending and progressive capitalism. Despite all the violence and horrors and tyrannies accompanying its achievement, despite the slave trade and colonial devastation and destruction of ancient civilisations, these Western European nations were nevertheless then fulfilling a historical role in the vanguard of human advance. Their political institutions broke old forms of bondage; their technique and science opened new horizons for knowledge and the conquest of nature; their commerce opened up and drew into a network the whole globe; their writers and artists permanently enriched the treasure-house of humanity.

But that era has passed. The progressive and advancing culture which made war on medieval obscurantism, and which found expression in the Renaissance, the Reformation, the Enlightenment, and the English, French and American Revolutions, with the formation of the nation-states, and with all its accompanying artistic and scientific achievement, reached its limits of development within capitalist conditions during the nineteenth century. As its final outcome and harvest it prepared the way for and gave rise to Marxism, at once the inheritor of all the positive achievement of the old, and the expression of the new rising social force of the working class and socialism. Thereafter the path of advance of human culture, and the inheritance of the past, has passed to Marxism,

to the socialist revolution of the twentieth century and the world Communist movement.

To-day the finance-capitalist oligarchies in the Western European countries and America have become the representatives of world reaction, seeking to uphold by violence the old order against all popular advance, and bolstering up the most reactionary, including pre-capitalist and feudal forces in all parts of the world. They have become, not a progressive and civilising element, but the most menacing, destructive and barbarous element in the modern world, debasing culture and striving to twist and distort science for the purposes of general atomic devastation and even extermination of the human race. And it is to sanctify this horrible abortion of this final decaying phase that the false mythological concept of "Western civilisation" has been evolved by the apologists of reaction as their chosen emblem and fighting device.

This pseudo-concept of "Western civilisation" is a manufactured myth comparable to the corresponding Nazi racial myth of "Aryan civilisation" and "Aryan" superiority and predominance.

What is its basis? Has it a geographical basis? On the contrary. The peculiar geography of "Western Europe" includes Greece and Turkey and excludes Czechoslovakia. And on a wider range, an illuminating editorial in *The Times* proclaimed the aim—somewhat startling to a simple-minded geographer—to "win Japan for the West." In the same large geographical spirit a subsequent editorial of this journal laid down the axiom that the Middle East must remain "Western":

"If Baghdad or Beirut or Amman are to remain in any sense Western cities they can be defended only from Washington or from London."

(*The Times*, January 21, 1955.)

Does it represent a cultural, social, or political unity of institutions and ideas? Certainly not in any sense which its champions claim to profess. The semi-fascist dictatorships of Greece and Turkey are welcome to the fold alongside the parliamentary democracies of Britain and France. Similarly *The Times* (April 25, 1950) acclaimed the "strong man" Marshal Pibul," the pro-Axis dictator of Siam, as the only

staunch and dependable outpost of the "weakening forces" of Western "democracy" in South-east Asia.

Does it represent a religious unity—the "unity of Christian civilisation"? On the contrary. Japanese Shintoism or Moslem Pakistan are welcome, if willing, to uphold the sacred cause of "Western civilisation"; but the Orthodox Christian Church is excluded. The claim to represent the Asiatic religion of Christianity, carried forward in a continuous tradition through the Eastern Church, is calmly annexed as a peculiar monopoly of Rome and Western Protestantism.

In short, the pseudo-concept of "Western civilisation" is an artificially constructed latter-day symbol, without historical, geographical, cultural or religious justification, which seeks, for a current short-term political purpose, to ignore equally the Asiatic origins of Christianity; the preservation of the records of classical culture by the Byzantine Empire when Western Europe was sunk in darkness; the debt of scientific origins to the Egyptians or of mathematics to the Arabs; or the invention of printing and gunpowder by the Chinese (actually, the Koreans used the first movable type).

With justice Professor Barraclough has pointed out that this "theory" of "Western civilisation" or "the Western European tradition" or "the Western way of life" has long forfeited any claim to be regarded as a genuine academic theory, and has become essentially a political weapon:

"has now become the vehicle of organised political forces, charged with political content; it has come into its own as an ideological smokescreen behind which the militant upholders of 'Western tradition' hastily seek to manœuvre into position the compelling artillery of the atomic bomb; it is the battle cry of the British Council and the Anglo-Saxon equivalent of '*Blut und Boden.*'"

(*Humanitas*, June, 1947.)

The only basis of unity behind this conception is the unity of modern imperialism. This is the reality behind the symbol. The Brussels Pact, the Atlantic Pact, "Western Union," the "Atlantic Community"—all these represent the bloc of the great *colony-owning powers* and their associates—the United States, Britain, France, Belgium, Holland, etc.

It is this system of so-called "Western civilisation"—which has nothing in common with the great cultural heritage of the

Western European nations, but is basely misused as a synonym for imperialism—that is now shaken to its foundations by the deepening colonial crisis.

3. *Western Europe in the Doldrums*

The outcome of the second world war has profoundly changed the relations of imperialism.

The area of imperialism has been restricted, with the disintegration of the former Japanese and Italian Empires, the eclipse of Germany as an independent imperialist Power, and the emancipation of the Eastern European democracies from the orbit of imperialism.

Within the diminished area of the remaining imperialist Powers of America and Western Europe the balance of relations has radically altered.

The old colonial Powers of Western Europe have been greatly weakened. This has been shown in the obstinate and prolonged economic difficulties and problems, obstacles to recovery, and extreme economic and financial unevenness of development and instability during the whole period since the second world war. It has found most direct expression in the heavy deficit on the balance of payments of Britain and the leading countries of Western Europe. It has been further intensified by the programmes of heavy rearmament.

During the first phase after the war, early superficial explanations and illusions sought to interpret the special economic difficulties of the Western European countries as only a temporary result of war devastation and unsettlement. These illusions have had long since to be abandoned. War devastation was, in fact, relatively lighter in the countries of Western Europe, and most heavy and crippling in the countries of Eastern Europe. Britain, despite the bombing of London, Coventry and other cities, could show no human or material destruction comparable to the losses of the Soviet Union in the war, with 7 million dead, 70,000 towns and villages entirely razed, 6 million houses and buildings demolished, 30,000 industrial plants stripped, 90,000 collective farms destroyed, and something like one-third of its productive resources put out of action. France could show no parallel of destruction to stricken Poland; Paris, relatively untouched under occupation, could show no parallel to Warsaw levelled to the ground.

Further, Western Europe, whose need was least, received lavish American subsidies running into billions of dollars. When the countries of Eastern Europe (excluding Yugoslavia, which, after the break with the Soviet Union in 1948, also received American aid and credits), whose losses and sacrifices in the common cause had been greatest, and which therefore most merited full and unconditional aid from those who had enriched themselves from the war, refused to bow to conditions of economic and political subjection as the price of such aid, all the pundits of Western imperialism gloatingly anticipated—and were naïve enough publicly to predict—that Western Europe, basking in the shower of dollars, would march to rapid prosperity, while mortally stricken Eastern Europe would be doomed to misery and economic impotence.

Facts turned out otherwise. Already by 1948 the United Nations Survey had to admit that the Soviet Union had achieved the highest rate of advance of industrial production in the world, 71 per cent. above 1937, as against 70 per cent. for the United States; that the People's Democracies of Eastern Europe had achieved a remarkable advance; while Britain and the countries of Western Europe lagged behind, with totals only just above, or even below, pre-war:

Table 13

EUROPE EAST AND WEST, 1937-48

(*Industrial Production Index: 1937=100*)

U.S.S.R.	. . .	171	United Kingdom	. . .	110
Poland	. . .	141	France	. . .	100
Bulgaria	. . .	179	Belgium	. . .	93

(*United Nations World Economic Report for 1948.*)

The following years showed the contrast carried still further forward. By 1954 Soviet industrial production was nearly three times the pre-war level; money wages were more than double; while seven annual reductions of prices all round between 1947 and 1954 had cut the cost of living by more than half. This compared with ceaselessly rising prices and consequent lowered real wage rates and standards for the majority in the West, as arms expenditure was trebled. Between Europe East and West the contrast continued:

Table 14

EUROPE EAST AND WEST, 1950-3

(Industrial Production Index: 1950=100)

Czechoslovakia	149	United Kingdom	106
German Democratic Republic	159	Belgium	112
Poland	175	France	114
Rumania	181	West Germany	139

(United Nations World Economic Report for 1952-53.)

The United Nations Statistical Yearbook for 1953 noted that between 1948 and 1952 the real national income per head rose by 37 per cent. in Czechoslovakia and 66 per cent. in Poland, as against 10 per cent. in Britain and 11 per cent. in the United States. The difficulties and defects involved in so vast a transformation in the new socialist countries, conducted under conditions of cold war, have not prevented the gigantic advance achieved.

Basically, this contrast is a reflection of the different social, economic and political systems in Eastern and Western Europe. It reflects also the consequences of American Marshall "aid" (actually economic and financial penetration and disorganisation). It reflects further, especially in the later period, the strain of heavy military expenditure, colonial wars and the new enlarged rearmament programmes in Western Europe.

But these differences of the social, economic and political systems, and of the policies pursued, cannot be separated from the imperialist basis of the economies of the Western European countries.

The causes of the prolonged economic difficulties and continuing crisis in economic and financial conditions in the countries of Western Europe after the second world war, must be sought deeper than in temporary post-war unsettlement or disturbance, and cannot be separated from the crisis of the colonial system, on which the imperialist economies of these countries have been founded.

The crisis of Britain and Western Europe reflects the weakening of the old imperialist basis and loss of overseas tribute, and the failure to carry through the necessary changes to establish a new and healthy productive basis. This was shown very clearly in the following table from the Report of the Marshall

Plan Committee on "European Economic Co-operation" in 1947, revealing the pre-war economic basis of the Western European countries.

Table 15

PRE-WAR PROPORTION OF WORLD TRADE OF U.S.A. AND WESTERN EUROPE

	<i>Pre-war population (millions)</i>	<i>Percentage of world trade, 1938</i>	
		<i>Imports</i>	<i>Exports</i>
United States	131·7	8·1	13·2
16 Marshall countries	205·9	40·8	30·4

Such was the pre-war economy of Western Europe. Before the war the Marshall countries of Western Europe took two-fifths of world imports and exported less than one-third of world exports. One-quarter of their imports were not paid for by exports of goods. In practice, the raw materials drawn from their colonial possessions were used, not only to supply directly their own requirements, but by sale to the United States and dollar countries to provide the exchange for the purchase of dollar goods for Western Europe. The colonial peasants and workers sweated under semi-starvation conditions to ship the rubber and tin and copper and palm-oil and cocoa to the United States and dollar countries, as well as to the Western European metropolitan countries. The privileged sections in Britain and Western Europe, whose colonial investments brought rich dividends, were able to enjoy the latest luxury gadgets of American technique. With characteristic sardonic irony this process was described as "triangular trade"—thus concealing the basis of colonial exploitation.

The privileged position of Western Europe was also based on the semi-colonial exploitation of the backward countries of Eastern Europe (Poland, Hungary and the Balkans), restricted to a low level of primitive agricultural development, without industrialisation, under reactionary landlord and fascist régimes, tied economically and politically to the dominant circles of the industrially developed Western European countries, including Germany. This basis has disappeared with the liberation of these countries of Eastern Europe, and their economic advance along the path of industrial development.

Hence the crisis of the colonial system, undermining the

foundations of this corrupt, parasitic economy, brought at once a dollar crisis for Britain and Western Europe. The diminution of colonial tribute, and of the income from shipping and finance connected with it, appeared on the books, not as a shortage of colonial goods, but as a shortage of dollar goods or inability to pay for dollar goods. *The colonial crisis appeared in its superficial form as a dollar crisis.*

The Marshall Plan represented a plan to meet temporarily (at a price of economic dependence) the superficial form of this crisis—the dollar crisis. But it could not touch the real underlying factors—the colonial crisis.

Desperate attempts have been made to restore or maintain and extend the basis of the old colonial system as the assumed indispensable condition for Western European economic "recovery." The British Government's Four Year Plan, presented to the Marshall Plan authority ("Organisation for European Economic Co-operation") in December, 1948, envisaged "a large increase in the contribution of the colonies to European recovery," and hopefully set the target for a more than sevenfold increase in "invisible earnings" within four years. By 1950, the Chancellor of the Exchequer was proudly able to announce, a surplus in the *sterling* balance of payments with the dollar area had been achieved. But this surplus concealed a continuing *United Kingdom* dollar deficit. The surplus reflected a large increase in *colonial* dollar earnings, which were credited to the sterling account in the hands of the United Kingdom. On this basis of intensified colonial exploitation the Labour Government sought to claim a "socialist triumph" of "recovery" in 1950. The outcome in the following year soon exposed the hollowness of this boast. The same experience was repeated with the Conservative Government's boast of "recovery" in 1952 and 1953 and the reappearance of the balance of payments crisis during 1955.

All the attempts to build the recovery of Western Europe on the basis of intensified colonial exploitation are doomed to bankruptcy, whatever temporary, precarious and unstable results they may achieve, in the face of the deepening crisis of the colonial system. These attempts have only resulted in ruinous colonial wars and increased costs of colonial suppression and overseas military commitments, which further strain the already weakened imperialist economy and in the end add

to the deficit. This was already illustrated in the budgets and balance of payments of France, with the effects of the war in Vietnam; of Holland, with the effects of the war in Indonesia; and of Britain, with the effects of the war in Malaya and numerous other military commitments all over the world.

Nor could the Marshall Plan offer a solution. Dollar subsidies could only conceal artificially for a short time the unhealthy basis of the economic structure, but could not touch the real causes. On the contrary they served in practice to intensify the disease by increasing the dependence on dollar supplies and delaying and even restricting any attempt to find an alternative basis. Thus the Marshall Plan brought, not economic recovery, as advertised, but further economic difficulties of the Western European countries and dependence on United States imperialism.

4. American Penetration of Western Europe

The Western European countries after the second world war, while remaining imperialist colony-owning countries, have sunk into a position of partial dependence (though not without significant counter-tendencies) on the more powerful United States imperialism.

Two principal types of technique have been used to bring about this transformation. The first is the technique of economic and financial penetration, which found expression in the Marshall Plan, with its far-reaching political consequences. The second is the technique of military subordination, establishment of bases, and control of the armed forces, which found expression in the Atlantic Treaty, with the military arrangements arising therefrom. The Marshall Plan was in effect the first stage; the Atlantic Treaty the second stage.

The practical experience of the Marshall Plan during its years of operation from 1948 to 1952 soon revealed that its real significance was very different from the simplified propagandist picture presented of "aid" and "recovery." Already the Harriman Report in 1947, in explaining the purpose of the Marshall Plan to the American Congress, made clear that that purpose was by no means purely economic:

"The interests of the United States in Europe cannot be measured simply in economic terms. It is also strategic and political."

By 1949, when the vast apparatus of American economic controlling agencies was established and operating in every country of what came to be known as "Marshall Europe," the United States Minister-in-Charge of the Economic Co-operation Administration Mission to the United Kingdom, Thomas K. Finletter, was boasting at a Pilgrim's Dinner at the Savoy Hotel, London, on June 16, 1949:

"Never before in history have the representatives of one Government been given the duty of reviewing in detail and in public the acts of another country in dealing with its own affairs."

The operation of the Marshall Plan was directed to cut living standards and social services, restrict plans of capital development, deepen the division of Europe between East and West by the imposition of trade bans, and thus increase and make permanent the economic dependence of Western Europe on the United States. By 1949 the official Report of the Secretary of the O.E.E.C. in charge of the Marshall Plan was admitting the fiasco of the professed aims of ending dollar dependence:

"Europe is not on the way to achieve independence of all exceptional outside aid. . . . The dollar problem, in spite of the improvement in the situation over the last two years, is not on the way to solution. . . . The United Kingdom is not the only country in this position. . . . This is a problem for which our organisation can find no solution."

By 1952, with the effective completion of the Marshall Plan (when the initial alias of "economic co-operation" was replaced by the new alias of "mutual security," or, in other words, the original "economic" mask was replaced by the unconcealed military vizor), the *Economist* was compelled to make the rueful comment:

"It is ironical that Europe, after four years of co-operation, should find itself in what seems to be the same position as in 1947. Europe is still hungry for dollars; the overseas accounts of most countries are again markedly in the red."

(*Economist*, January 5, 1952.)

By 1954 the United Nations Economic Information for Europe, *Economic Survey of Europe in 1954*, published in the spring of 1955, had to admit that, despite the limited measure

of Western European economic advance in 1953 and 1954 "the hard core of the dollar deficit remained, and the dollar gap as such has not yet disappeared."

By 1956 American comment was drawing up the balance sheet of dollar aid to Western Europe and registering its failure in the economic sphere:

"Since the end of World War II the United States has poured more than \$25 billion of foreign aid into Western Europe. More than \$8 billion of U.S. aid has gone to Great Britain alone.

"The purpose of this money was to help rebuild the economy and the military strength of these West European nations so that they could support themselves and be useful and strong allies for the United States . . .

"What is the result thus far of all this aid?

"One clear thing is that our billions have not accomplished what was intended.

"Economically, all these billions have done little more than relieve recurring symptoms."

(*Wall Street Journal*, December 10, 1956.)

Between 1953 and 1956 the six leading West European countries (Britain, France, Western Germany, Belgium, Holland and Italy) increased their gold and dollar reserves by 3 billion dollars (from \$8,679 million at the end of 1953 to \$11,713 million by the autumn of 1956). But between 1953 and 1955 Western Europe received over 6 billion dollars in U.S. military "aid" (*U.S. Statistical Abstract*, 1956, p. 891). During the same period the expenditure of American military forces in Western Europe amounted to over 6 billion dollars. Thus the apparent "improvement" of Western Europe's dollar account during these three years by 3 billion dollars was only made possible by American military subsidies of 12 billion dollars, thus concealing a real dollar deficit of 9 billion dollars. The economic "improvement" was the counterpart of subsidised military dependence on the United States.

The military counterpart of the Marshall Plan was the North Atlantic Treaty, signed in 1949. By this Treaty a permanent Council of Deputies under American presidency was established, and a United States Commander-in-Chief was appointed for the armed forces of the Western European countries. In 1955 the Paris and Bonn Treaties provided for the rebuilding of the Wehrmacht in Western Germany under the generals of Nazism, alongside American military occupation

in Western Europe. Within five years of the original Marshall Plan intervention, the economic, political and military subordination of the ancient countries of Western Europe to the domination of the United States had been carried to an advanced stage.

All these new developments have reflected the profound changes in the relations of imperialism since the second world war. The outcome of the second world war brought radical changes, not only in the colonial sphere, and in the relations of the colonial countries and imperialist countries, but in the relations of the remaining imperialist Powers of America and Western Europe.

The unequal development of imperialism has reached an extreme stage in the contrast between the situation of the United States and the rest of the imperialist world. While the war impoverished all other belligerent countries, United States capitalism, untouched by war destruction, accumulated gigantic profits and increased enormously its productive power. The United States has attained productive preponderance outweighing the rest of the capitalist world put together. The United States has attained strategic supremacy as against all the other capitalist Powers. On the other hand, the United States holds directly a relatively smaller area of colonial territories. The Western European Powers with their much weaker economic strength still hold the main colonial empires.

Thus the contradiction which was characteristic of the relations of advancing German imperialism and the rest of the imperialist world in the earlier twentieth century, giving rise to the first two world wars, has been carried forward to a much higher degree. The United States imperialist drive to world expansion has in consequence been directed, not merely against the land of socialism and the countries emancipated from the yoke of imperialism, but also and immediately against the existing colonial empires and above all the British Empire.

In the face of this advancing offensive and penetration by United States imperialism, the Western European imperialist powers, and especially Britain and France, have sought to manoeuvre for their interest, even while tied within the net of formal alliance and "aid," and have begun to show initial signs of increasing resistance.

In this way, despite the active counter-revolutionary partner-

ship of Britain and the United States, the Anglo-American antagonism has revealed itself more and more powerfully as the main antagonism of the imperialist world. It has shown itself markedly in the terms of the Loan Agreement, the conflicts over the Sterling Bloc and devaluation, Imperial Preference and the Havana Trade Agreement, the use of the weapon of the Marshall Plan to secure a hold on the strategic raw materials of the British Empire countries, and the advance of American oil interests at the expense of British oil interests in the Middle East. It reached a high point with the open opposition of Britain and France to the United States in the war on Egypt in 1956.

It is the special character of the method of world expansion of American imperialism at the expense of the older colonial empires that it has not needed armed conquest of these empires, but has followed the lines of subordination and penetration. The older colonial powers were left in nominal possession of their empires, and had thus to do the dirty work of policing and administering and holding down the colonial peoples, while the United States monopolies more and more took the cream of the profits.

In this way a new structure of imperialism may be said to have developed after the second world war. The first tier or top of the pyramid was occupied by the United States. Then below it came the other colonial powers, still exercising dominion over subject peoples, but themselves satellite to the United States as suzerain. At the bottom of the pyramid came the colonial and dependent peoples.

This represents, however, no stable equilibrium, but is continuously shaken and undermined by the advancing expansion of American imperialism, the partial weak resistance of the older colonial powers, and the powerful upsurge of the struggle of the colonial peoples for liberation. This interplay of imperialist antagonisms, with the advancing aggression of American imperialism and the rising freedom struggle of the colonial peoples, constitutes the special character of the present crisis of the colonial system.

CHAPTER VII

AMERICA AND THE BRITISH EMPIRE

"Whatever the outcome of the war, America has embarked on a career of imperialism in world affairs and in every other aspect of her life. . . . At best, England will become a junior partner in a new Anglo-Saxon imperialism, in which the economic resources and the military and naval strength of the United States will be the centre of gravity. . . . The sceptre passes to the United States."

VIRGIL JORDAN, President of the National Industrial Conference Board of the U.S.A., speech to the Investment Bankers' Association on December 10, 1940.

"Over two-thirds of the globe, along the great arc stretching from Europe to Japan, no treaty can be signed, no alliance can be forged, no decision can be made without the approval and support of the United States Government. Only the great Communist bloc is impervious."

The Times editorial, August 29, 1951.

THE outstanding new feature in imperialist relations since the second world war is the overwhelming predominance of American imperialism and the relative weakening of the British Empire within its orbit.

Britain became by the middle of the twentieth century economically, financially and militarily dependent on the United States. Its governments have been bolstered up by American subsidies in return for loyalty to the rulers of the United States. American economic and financial penetration of Britain and the Empire has been pressed forward, and restrictions imposed on British trading autonomy. Sea power has been surrendered to the United States. Britain has been occupied as an American air base, its armed forces brought under an American Supreme Commander, and its chain of bases throughout the world brought within the American network.

All this profound change in the relations of the two largest world imperialist Powers has not proceeded in smooth

harmony. The conflict of interests, economic, financial and strategic, has been ceaseless, and continues to grow more and more acute at every point. The British imperialists still endeavour by every means and manœuvre to hold on to their weakening world position against the dominant American power. But their resistance is weakened, because their own decadence and counter-revolutionary role has tied them to the American overlord as their protector. The deepening of the conflict between British and American interests will inevitably give rise to new shifts of relations within the camp of imperialism, and to consequent new political alignments inside Britain. But the final task of liberation can only be accomplished by the national anti-imperialist struggle of the peoples of Britain and the British Empire, led by the working class, and acting in unity against the alliance of American imperialism and its British junior partners.

1. Foreshadowings of the Future

The American offensive against the British Empire did not begin after the second world war. Its foundations were laid in the preceding era. Already by the last decade of the nineteenth century United States capitalism had overtaken and outstripped British steel output and won industrial primacy in the world. From the early years of the twentieth century American statesmen began to look forward to the future aim of taking over world leadership from Britain.

In 1913 Ambassador Page, United States Ambassador to Britain, wrote in a private letter to Secretary Houston about Britain's "unctuous rectitude in stealing continents. . . . I guess they really believe that the earth belongs to them" (letter of August 24, 1913, *Life and Letters of Walter H. Page*, 1925, Vol. I, p. 139). But he added in a subsequent letter to President Wilson on October 25, 1913:

"The future of the world belongs to us. These English are spending their capital. . . . Now, what are we going to do with the leadership of the world presently when it clearly falls into our hands? And how can we use the British for the highest uses of democracy?"

That was already four decades ago, before the first world war. The United States had earlier displaced Britain's industrial supremacy. But in the first decade of the twentieth century Britain still held supremacy in world trade, the mercantile

marine, international finance, overseas investment, naval armaments and colonial power. The United States was a net debtor country. The City was still the centre of world credit and financial operations. Sterling dominated international commerce and exchange.

√The War of 1914-18 brought the first big change in this position. The United States monopolists, maintaining neutrality until the last stage, drew enormous profits from the belligerents, and intervened only in the final phase, with the minimum of losses, and with unexhausted forces to exercise a decisive voice in the settlement. The United States advanced to the position of a creditor country, and, following the Dawes Plan (an embryonic predecessor of the Marshall Plan), embarked on large-scale foreign investment. Britain was mortally stricken and entered into a period of chronic depression which continued from the winter of 1920 till the second world war.

By 1930 a foremost American publishing firm issued a book which received widespread attention on both sides of the Atlantic under the title *America Conquers Britain*. The author, Ludwell Denny, reached the conclusion:

“We were Britain’s colony once. She will be our colony before she is done: not in name, but in fact. Machines gave Britain power over the world. Now better machines are giving America power over the world and Britain. . . .

“Of course, American world supremacy is rather horrible to think about. But American supremacy can hardly be worse than British and others gone before. . . .

“What chance has Britain against America? Or what chance has the world?”

That was over two decades ago. The onset of the world economic crisis which revealed the deep inner weakness of American capitalism behind all its arrogant claims of inevitable triumph, made these prophecies premature at the time. But during recent years, when American Economic Administrators for Britain established their offices in London and the American General Staff its permanent bases, troops and bombers on British soil, these words have a topical ring.

By the time of the second world war American expressions of the aim of displacing Britain and subordinating the British Empire to American world hegemony became open. It was in 1940 (when, as Cordell Hull’s memoirs have since informed us,

the State Department was drawing up plans for a post-war world on the assumption of a defeated Britain), that Virgil Jordan, President of the National Industrial Conference Board of the U.S.A., the principal organisation of American big capital, made his confident prediction—quoted at the head of this chapter—that “England will become a junior partner in a new Anglo-Saxon imperialism” with the United States as “the centre of gravity.”

In 1941 at the time of the Atlantic Charter meeting of Churchill and Roosevelt, the latter’s son, Elliott Roosevelt, has recorded the sharp discussion on the future of the British Empire and colonial territories, which resulted in the British Prime Minister declaring:

“Mr. President, I believe you are trying to do away with the British Empire. Every idea you entertain about the structure of the post-war world demonstrates it. But, in spite of that, in spite of that, we know that you constitute our only hope. And *you* know that *we* know it. *You* know that *we* know that without America the Empire won’t stand.”

(ELLIOTT ROOSEVELT, *As He Saw It*, 1946, p. 41.)

The relation of simultaneous antagonism and dependence here received classic expression.

President Roosevelt saw the aims of American policy in terms of liberal anti-imperialist sympathies with the sufferings of the colonial peoples ground down under British or French or Dutch colonial rule. But this did not prevent that the sharp edge of American policy, also in his liberal expression, was turned against the British, French and Dutch Empires, and that this coincided with the more outspoken expansionist aims of the magnates of American finance-capital. In a conversation with his son, recorded in the same book, President Roosevelt attributed the defeats of the Allies in the Far East to the colonial system and—

“the short-sighted greed of the French and the British and the Dutch. Shall we allow them to do it all over again? . . .

“The United Nations—when they’re organised—they could take over these colonies, couldn’t they? . . .

“When we’ve won the war I will work with all my might and main to see to it that the United States is not wheedled into the position of accepting any plan that will further France’s imperialistic ambitions or that will aid or abet the British Empire in its imperial ambitions.”

Similarly, it was in October, 1942, that the American magazine *Life* came out with its widely publicised article

suggesting that Great Britain had better decide to part with her Empire, as the United States was not prepared to fight to enable her to keep it. This was the article which provoked the famous rejoinder of Mr. Churchill on November 10, 1942, that he had "not become the King's First Minister in order to preside over the liquidation of the British Empire." However, this did not prevent the subsequent Churchillian Fulton programme after the war hastening the surrender to American predominance.

These typical statements are worth recalling to-day in order to see present events in a broader perspective. Ambassador Page's private letter to Wilson was written before the first world war, before the Russian Revolution of 1917, before the Communist International, before there was a Communist Party anywhere in the world—before, that is, there was any possibility of covering up the aims of world domination with the subsequent camouflage of the Holy War of Western Civilisation against Communism.

America Conquers Britain appeared before the second world war, before Hitler came to power, before the Anti-Comintern Pact, that is before the rulers of American policy had conceived the inspiration of picking up the fallen mantle of the Anti-Comintern Pact to pursue corresponding aims.

Similarly the President of the National Industrial Conference Board of the United States proclaimed the aims of American "imperialism," and the relegation of Britain to a "junior partner," before America was involved in the war, and before the Soviet Union was involved in the war—that is, before there was any possibility of talking about the Russian menace or the "threats of Russian aggression" as a supposed reason for American aggressive measures throughout the world.

These statements, revealing a continuous line of policy developed with increasing precision over four decades, should be helpful in restoring a sense of perspective in the midst of the wild and whirling storm of anti-Communist and anti-Soviet propaganda which has in the recent period been presented in some quarters as a substitute for a serious analysis of the world situation.

2. *Effects of the Second World War*

The second world war brought the decisive change in the

balance of power between the United States and the British Empire. Already by the eve of the second world war American imperialism had advanced to effective dominance in the Western Hemisphere, although British interests were still strongly entrenched in Canada and the Argentine. The circumstances and outcome of the second world war provided the opportunity for the American imperialists to advance their offensive beyond the American Continent for world predominance. The mantle of President Wilson, who had essayed this task prematurely and without success after the first world war, fell on President Truman.

As in the first world war, so in the second world war the United States intervened once again as the last of the major belligerents, to draw the maximum profits in return for the minimum burdens. All the other belligerents suffered heavy losses in the war. Mr. Churchill has pointed out in the second volume of his history that the number of Americans killed in action in the war, totalling 322,188, fell below the level of 412,240 for the British Empire (just as the combined figures of both were barely one-tenth of Soviet losses). Other countries were devastated, overrun or blitzed. The United States was immune. Other countries emerged economically and financially impoverished and weakened. The American monopolists made gargantuan profits, totalling, according to official records, 52 billion dollars or £13,000 million, after taxation. They increased the productive power of their plant by one-half, and accumulated capital reserves of 85 billion dollars or £21,250 million. This vast expansion of accumulated capital and productive power sought outlet after the war and led to the drive for American world expansion which has been so marked a characteristic of the post-war years.

The transformation in the relative position of the United States and Britain before and after the second world war may be measured by the following indications.

By the end of the second world war American capital controlled two-thirds of the productive capacity of the capitalist world and three-quarters of its investment capacity.

In world trade Britain lost export markets during the war which were captured by American manufacturers. The change of relative position of Britain and the United States is illustrated in Table 16 opposite.

Table 16

WORLD TRADE: CAPITALIST WORLD MARKET, 1937-51

(Proportionate shares of trade in the capitalist world in 1937 and 1951.)

WORLD EXPORTS	1937 \$ million	% of		
		World Total	1951 \$ million	% of World Total
World Total (f.o.b.) . . .	24 100	100.0	76,700	100.0
United Kingdom . . .	2,581	10.7	7,224	9.4
United States . . .	3,299	13.7	14,877	19.4
<i>WORLD IMPORTS (c.i.f.)</i>				
World Total . . .	27,106	100.0	81,600	100.0
United Kingdom . . .	4,716	17.4	10,605	13.0
United States . . .	3,311	12.2	11,897	14.6
<i>TOTAL TRADE</i>				
<i>(Exports and Imports)</i>				
United Kingdom . . .	7,297		17,829	
United States . . .	6,610		26,774	

"World"—excluding U.S.S.R., China, Bulgaria, Hungary, Rumania and the German Democratic Republic.

U.S.A.: Imports reported f.o.b.; adjusted to arbitrary c.i.f. (f.o.b. plus 10 per cent.); excluding silver.

United Kingdom: excluding silver.

Values in U.S. dollars.

(Source: *United Nations Monthly Bulletin of Statistics*, August, 1952.)

Thus before the war British total trade exceeded that of the United States. By 1951 United States total trade was more than half as large again as the British total. Despite the most intensive exports drive, the British proportion of world exports fell from 10.7 per cent. in 1937 to 9.4 per cent. in 1951. The United States proportion of world exports during the same years rose from 13.7 per cent. to 19.4 per cent.

This United States predominance was not maintained to the same degree during subsequent years, but revealed a certain relative decline. The U.S. share of industrial output of the capitalist world fell from two-thirds to about one-half by the mid-fifties. Similarly the U.S. share of world exports of manufactures fell from 27 per cent. in 1950 to 25 per cent. in 1954, reflecting the advance especially of Western Germany; but the relative decline of Britain became all the more marked.

Table 17
 WORLD EXPORT OF MANUFACTURES, 1937-55
 (Percentage shares)

	U.S.A.	U.K.	<i>West Germany</i>
1937	20	22	23
1950	27	26	7
1955	25	20	15

(British Government pamphlet, *Must Full Employment Mean
 Ever-rising Prices*, 1956)

In world finance and the export of capital, sterling had to bow to the supremacy of the dollar, although strenuous efforts were made to build up and protect the sterling area under the control of London. The devaluation of the pound to \$2.80 in 1949 revealed the changed position.

The reversal of the relative position of Britain and the United States as the principal world creditor is illustrated in Table 18 below.

Table 18
 OVERSEAS CAPITAL INVESTMENTS OF BRITAIN AND U.S.A.
 1939-55

	1939	1946	1955
<i>United States</i>		<i>\$ billion</i>	
Private	11.4	13.5	29.0
Government	—	5.2	15.9
Total	11.4	18.7	44.9
	<i>£ million equivalent</i>		
	2,280	3,740	16,036
	1939	1946	1954
<i>United Kingdom</i>		<i>£ million</i>	
.	3,545	1,960	2,128

(U.K. figures from Bank of England Surveys. U.S. figures from Department of Commerce returns; years refer to end of years; £1 exchange for 1955 at \$2.80.)

Even if only private foreign investments of the United States are taken as a basis of comparison, the total increased from \$11.4 billion in 1939 to \$29 billion in 1955, or £10,357 million, equivalent to nearly five times the British total of 1954, and exceeding the combined total of all other imperialist powers. The enormous development of capital export by the United States Government and official banking institutions since the second world war still further swelled the aggregate total.

Thus between 1938 and 1954 British overseas capital investments were reduced by two-fifths. During the same period United States overseas capital investments which before the war had been less than British, quadrupled, and reached a level over seven times the British total. The United States not only overtook Britain's position as principal world creditor, but left Britain hopelessly behind.

The enormous exports surplus of the United States during these years facilitated this rapid overseas capital accumulation, at the same time as Britain's heavy imports surplus had the opposite effect.

Table 19

U.S. EXPORTS SURPLUS AND U.K. IMPORTS SURPLUS, 1946-54		
	Total 1946-54	Annual Average
<i>U.S. Exports Surplus</i>		
\$ million	44,953	4,995
<i>U.K. Imports Surplus</i>		
£ million	-2,311	-257

(U.S. figures from International Monetary Fund Statistics; U.K. figures from *Balance of Payments*, 1946-54.)

With this export surplus it was not surprising that the United States could annually export capital on such a scale as to increase its total of overseas direct private investments (excluding Government capital) from \$7.9 billion in 1943 to \$11.8 billion in 1950, and \$17.7 billion (\$17,748 million) in 1954, equivalent to £6,336 million. On the other hand, Britain with a net deficit on the balance of payments averaging £185 million a year during these same nine years was incapable of any genuine export of capital (although a measure of overseas net investment of capital took place, by a series of devices examined on p. 450.)

In world shipping Britain had equally to yield pride of place to the United States as a result of the second world war.

Table 20

MERCHANT SHIPPING TONNAGE, U.K. AND U.S.A., 1938-56
(in thousand gross registered tons: *Lloyd's Register of Shipping*)

	1938	1956
United Kingdom	17,781	19,546
United States	11,939	23,643

The British lead of 6 million tons before the war gave place to an American lead of 4 million tons after the war. The United States proportion of the world merchant fleet rose from 13·8 per cent. in 1938 to 22·5 per cent. in 1956.

In the key battle for the control of world oil supplies the United States equally displaced Britain after the second world war. In 1938, out of the total oil output of the capitalist world outside the United States American firms controlled 35 per cent., and British 55 per cent.; by 1951 American firms controlled 55 per cent. and British 30 per cent.

No less significant was the passing of strategic power to the United States. Once upon a time the Navy League used to issue extensive literature to prove that Britain's command of the seas was the condition of Britain's survival. The Navy League survives, but not the command of the seas. During recent years the Navy League must have had to pulp a lot of literature. In the days before 1914 the Two Power Standard was the favourite slogan; the British Navy must equal the two next naval Powers combined; anything less was ruin. After the Washington Treaty of 1922 the One Power Standard became the motto; the British and American Navies were to be equal; in fact, Britain continued slightly in front. After the second world war the Half Power Standard became the new rule; whereas before the war the British Navy totalled 1·2 million tons and the American 1 million, in 1947 the British Navy totalled 1·5 million tons, and the American 3·8 million. By 1951 the Admiralty announced that British naval personnel totalled 140,000 and American 850,000. Farewell "Rule Britannia."

On the other hand, if we examine the situation with regard to world colonial possessions we find a different picture.

At the end of the war the British Empire outside the United Kingdom (excluding the nominally independent countries in the British sphere, like Egypt and Iraq and the former Italian colonies administered by Britain) covered some 13 million square miles with a population of over 550 millions. As against this, the American direct colonial possessions, including the Philippines, covered only 125,000 square miles and a population of 19 millions.

The disparity between the powerful advancing American capitalism with limited world colonial possessions, and the

weakening British imperialism, with vast world colonial possessions, and the consequent control of wide markets, trade routes, sources of raw materials and spheres of investment, is evident. This is the classic type of contradiction giving rise to imperialist antagonism.

This type of antagonism had given birth to the challenge of German imperialism to British imperialism in the early decades of the twentieth century, and found expression in two world wars. During the Nazi phase German imperialism concealed its aims of world aggression and expansion under the guise of leadership of Western Civilisation in the crusade against the "Eastern menace" of the Soviet Union and Communism. The protagonists of the Munich policy of "appeasement" swallowed avidly the Hitler-Goebbels bait of anti-Soviet propaganda. In the name of the anti-Soviet crusade the Old Appeasers eagerly connived at and acclaimed the expansion of Hitler's power as a supposed "bulwark against Communism." They were ready to sacrifice immediate British interests to Hitler and Mussolini in the fond belief that the main offensive would be turned away from the British Empire and the blow would fall to the East.

Nevertheless, in the end the real imperialist antagonism defeated the Munich plans and revealed itself in war in 1939.

To-day American imperialism has similarly presented its drive to world expansion in terms of the leadership of "Western Civilisation" against the "menace" of the Soviet Union and Communism. Once again the New Appeasers in Britain have rallied in support, and readily sacrificed British interests to American domination in the sacred name of the anti-Communist crusade. But the real conflict of commercial and financial interests continually breaks through, and complicates the plans for a unified counter-revolutionary bloc.

The American drive to world expansion has in fact been directed, not merely against the Soviet Union and the people's democracies of Eastern Europe, but also and immediately against the countries of the older and weaker colonial powers, and especially against the British Empire. This antagonism has developed beneath all the forms of alliance and partnership. The "cold war" of American imperialistic expansion against the Soviet Union has been open and avowed. The "cold war" of American imperialist expansion against the British Empire

has been hidden and unavowed, but none the less real for being camouflaged behind the phrases of friendship.

3. *The New American Empire*

The American aim to take over world leadership and domination after the second world war received open expression from the principal spokesmen of the new offensive expansionist policy which replaced the old obsolete "isolationism." It is worth noting also that the inter-war "isolationism," which replaced President Wilson's ambitious aims of American world hegemony after the first world war, was only the reverse side of the aim of American world domination, since its essential principle was withdrawal from any organs of international co-operation or organisation, such as the League of Nations, which the United States was not yet strong enough to control and dominate, and participation only in organs or projects, such as the Dawes Plan or Young Plan, which were effectively under United States control.

In 1946 Leo D. Welch, Secretary-Treasurer of the powerful Standard Oil Company of New Jersey, who thus occupied the position of one of the key magnates of United States finance-capital, proclaimed the aim in an address to the National Foreign Trade Convention in concrete business terms:

"As the largest producer, the largest source of capital, and the biggest contributor to the global mechanism, we must set the pace and assume the responsibility of the majority stockholder in this corporation known as the world. . . . Nor is this for a given term of office. This is a permanent obligation."

Popularising the new conception, the American mass-sale magazine *Life*, which in the beginning of 1941 had carried the notorious article of its publisher Henry Luce entitled "The American Century" proclaiming the aim that the United States should take over world leadership on the basis of its vast power, in 1947 published a new article and map, based on Burnham's *The Struggle for the World*, delineating the aims of an "American World Empire." According to the indication of the map the areas which should come under the influence of the "American Empire" were:

"The North Pole; Canada; South America; Mexico; Norway; Sweden; Belgium and Holland; Germany; France; Italy; Spain;

England; Africa; the Near East; the Middle East; India; China; Indonesia; Australia; New Zealand; and the South Pole."

The notorious theorist of American world expansion, James Burnham, whose bellicose works were spread with all the devices of lavish publicity on the American bookstalls, sought to educate the American public to their new destiny in the spirit of a Bernhardt or a Treitschke (not to mention Mussolini or Goebbels). In his *The Struggle for the World*, published in 1947, he set out the programme for—

"an American Empire which will be, if not literally worldwide in formal boundaries, capable of exercising decisive world control. Nothing less than this can be the positive or offensive phase of a rational United States policy" (p.188).

"There is already an American Empire, greatly expanded during these past years" (p. 189).

This American Empire can only be established by force:

"It must be granted that the United States cannot within the allotted time win the leadership of a viable world political order merely by appeals to rational conviction" (p.193).

"Power must be there, with the known readiness to use it, whether in the indirect form of paralysing economic sanctions, or in the direct explosion of bombs. As the ultimate reserve in the power series there would be the monopoly control of atomic weapons" (pp.194-5).

For the peoples who might still cling to obsolete conceptions of national freedom and sovereignty the familiar Hitlerite answer is given:

"'Independence' and 'freedom' are after all abstractions" (p. 201).

In these ravings is set out with crude frankness the programme which the official statesmen and militarists of American imperialism usually sought to veil in terms of moral sanctimoniousness concerning "American world leadership" and "the American world mission."

The strategy of the programme of American world expansion has been conducted by the combined operations of the State Department, Wall Street and the Pentagon in an ever-extending variety of forms during the years since the second world war.

In the economic field, alongside "normal" trading and financial penetration by the overwhelming preponderant

power of the American monopolies, it has taken the form of direct governmental intervention, utilising billions of dollars of subsidies through the Marshall Plan and other forms, to subordinate the economies and trade of the satellite countries to American requirements; establish a multiple array of economic agencies of supervision and control; impose trade bans; and regulate budgeting, financial and currency policy. In addition President Truman's Point Four Programme, proclaimed in 1949, set the aim of penetration into the colonial empires of the European Powers.

In the political field, the Truman Doctrine,¹ proclaimed in the spring of 1947, laid down the right of the United States to intervene in any country in the world to ensure the maintenance of governments approved by it. While the methods of direct financial, political and military intervention were used in Greece and in China, in Western Europe the weapon of economic control and dependence was used to ensure political dependence. An indication of the extent to which this technique of indirect control of European governments had been carried by 1949 was provided by the statement of the well-known American foreign correspondent, John Gunther, author of *Inside Europe*, in his new series of articles "Inside Europe To-day" in the *New York Herald Tribune*.

"It is my honest belief that if American aid were withdrawn from Greece the Greek Government could not survive ten days. Nor could the governments of France and Italy survive more than a few weeks or months."

(JOHN GUNTHER, *New York Herald Tribune*, February 3, 1949.)

Thus by 1949, in the view of this leading foreign correspondent of the most influential American newspaper, the Governments of Western Europe had become satellite Governments dependent on American support. At the same time the United Nations organisation was converted, by a continuous and flagrant violation of the provisions of its Charter, and by substituting the Assembly (with an American majority of satellite votes,

¹ It is worth noting that the Truman Doctrine, which became accepted as a canon of "Western civilisation," aroused sharp hostile comment at the time from British official expression. *The Times* found the Truman Doctrine "revolutionary" in "the blunt readiness it expresses to go ahead with a controversial American policy, without preliminary Great Power agreement or discussion by the United Nations." *The Daily Herald*, the official organ of the Labour Government, found the declaration "grave," "disturbing" and "frightening," and went on to declare (March 15, 1947): "Our first reaction to President Truman's speech was one of uneasiness. Our second thoughts are no happier."

representing a minority of the world's population) to take over the functions of the Security Council, into a caucus machine for registering and ratifying American policy, including acts of aggression.

In the military field the United States entered on a vast armament programme, many times eclipsing the highest level of Hitler's, and reaching to the equivalent of seventy times its pre-war rate of expenditure; established a network of hundreds of military, naval and air bases in every continent throughout the world; built up a vast military coalition through the Atlantic Pact in contravention of the United Nations Charter; imposed heavy rearmament on its satellites; proclaimed its right to use atomic weapons and other weapons of mass destruction and stockpiled atom bombs; engaged in military operations in the Far East; and concentrated on strategic preparations for a third world war.

The extent of the American Empire by 1950 was estimated to include a total population of 563 millions—even excluding the subordinate position of the Western European imperialist powers and their colonial empires.

Table 21
AMERICAN EMPIRE IN 1950

	<i>Population, 1947</i> (in millions)
United States proper	144
Complete domination—minimum estimate of colonial and semi-colonial empire	197
In process of transition to U.S. colonial domination	96
Military occupation (Japan and Western Germany)	126
	<hr style="width: 10%; margin: 0 auto;"/> 563

(VICTOR PERLO, *American Imperialism*, New York, 1951)

This estimate, however, tends to exaggerate the extent of direct domination; subsequent developments have affected the position of some of the countries included.

All this programme of extending world expansion and domination was nominally conducted in pursuance of the American doctrine of the "cold war" (the phrase is of American coinage), proclaimed by the State Department and President Truman to be the guiding principle of American foreign policy in the

current period for the "containment" of the Soviet Union and Communism. The analogy with the Nazi programme of expansion and aggression in the name of "Anti-Communism" and the "defence of civilisation against the Soviet Union" is evident. The American "cold war" doctrine proved as elastic in its interpretation as was the old "Anti-Comintern Pact" of Hitler, Mussolini and Hirohito. The "Anti-Comintern Pact" found its resurrection in the Atlantic Treaty and appropriately sought to include in its orbit the revival of German Nazism and Japanese militarism.

The doctrine of the "cold war," replacing the older Monroe Doctrine of non-intervention by a policy of universal intervention in other countries, received its initial programmatic expression in Sir Winston Churchill's Fulton speech of March, 1946 (delivered under the chairmanship of President Truman); and received its first official embodiment in a major act of American policy in the proclamation of the Truman Doctrine in March, 1947. It is thus worth noting that it *preceded* and did not follow the rejection of the Marshall Plan of economic intervention by the Soviet Union and the People's Democracies of Eastern Europe, in the summer of 1947; it *preceded* the formation of the Communist Information Bureau in September, 1947 (which was a defensive answer to American interventionist strategy in Europe); it *preceded* the democratic victory over the attempted right-wing coup in Czechoslovakia in February, 1948. Thus it preceded all the events which have been subsequently quoted by apologists, with their customary falsification of history, as the causes and justification of the policy.

Walter Lippmann's pamphlet, *The Cold War, a Study in U.S. Foreign Policy*, was published in 1947. Walter Lippmann criticised the policy in the following terms:

"The policy can be implemented only by recruiting, subsidising and supporting a heterogeneous array of satellites, clients, dependents and puppets. The instrument of the policy of containment is therefore a coalition of disorganised, disunited, feeble or disorderly nations, tribes and factions around the perimeter of the Soviet Union. . . .

"It would require, however much the real name for it were disavowed, continual and complicated intervention by the United States in the affairs of all the members of the coalition which we were proposing to organise, to protect, to lead and to use."

Subsequent events have abundantly proved the correctness of this prediction.

The overt aims of the "cold war" and plans for an eventual third world war were directed against the Soviet Union and the People's Democracies, since this one-third of the world had won complete liberation from imperialism and alone remained, as *The Times* editorial of August 29, 1951, noted, completely independent of American domination and control. The aims of American world domination required the overthrow of this independent power, just as the aims of the re-establishment of imperialist rule required the defeat of the advance of socialism and of popular democracy and colonial liberation.

But these ultimate major aims required as their presupposition and first step the building up of a coalition of governments and armed forces under American control over the remaining two-thirds of the world. The long-term strategic plans required the preliminary conquest of control of the periphery, and establishment of a chain of bases and hinterland territories from which to launch the offensive. These territories could not be in the American continent (apart from Alaska), but must be in eastern Asia, the Middle East and Western Europe. Hence the first stage of the American world offensive was directed towards winning control of these regions.

Thus, while the *propaganda* of the American world offensive was conducted in the name of the anti-Soviet and anti-Communist crusade, in similar terms to the previous similar crusade of the Axis (even to the extent of unabashedly taking over the formulas of Nazism, such as Goebbels' coinage, "the Iron Curtain"), the *practical immediate drive* of expansion in the first phase has been directed to extending penetration and domination *at the expense of the Western European imperialist powers and their colonial empires*. This coincides with the aim of the stronger American imperialism to bring under its sway and weaken the older imperialist powers of Europe, and especially its main rival, British imperialism.

4. *Penetration of the British Empire*

The strategy of the offensive of American imperialism against the British Empire has developed through successive phases of the Loan Agreement; the Havana Trade Agreement; the

Truman Doctrine; the campaign against Imperial Preference; the Marshall Plan and consequent trading restrictions; President Truman's Fourth Point; the enforcement of devaluation to weaken the sterling bloc; the Atlantic Treaty and rearmament programme, with new strategic organs of control; the re-equipment of Western Germany and Japan as industrial rivals; the displacement of Britain in the Middle East; and the embargoes on East-West trade.

The abrupt ending of Lend-Lease after the conclusion of hostilities and lifting of controls, with the consequent boom inflation of American prices, intensified Britain's economic difficulties at the end of the war and prepared the way for acceptance of the Loan Agreement.

The Loan Agreement established the shackling restrictions of "non-discrimination," which hindered British attempts to seek freedom from dependence on dollar supplies or extend economic relations with Empire countries in order to diminish dollar dependence.

The Havana Trade Agreement and the insistent pressure for multilateral trading carried forward the offensive against Imperial Preference. This offensive was reinforced by the conditions imposed through the Marshall Plan, and was further pressed forward at the Torquay Trade Conference in 1951.

The Truman Doctrine expressed the American strategy to establish suzerainty in the Near East, and proclaimed the new imperialist technique of imposing economic and political control over formally independent countries through the supply of subsidies and armaments and the maintenance of docile governments on this basis.

The Marshall Plan further developed this expansionist and interventionist technique to the new stage of establishing direct economic organs of control in the metropolitan countries of Western Europe, and at the same time included special provisions for the supply of strategic raw materials from the colonies of the European powers to the United States.

With the new dollar crisis of 1949, arising from the fiasco of the Marshall Plan, the offensive for devaluation was opened, directed to undermine the basis of the sterling bloc which is mainly the economic expression of the grouping of the countries of the British Empire.

The victory of this offensive, with the devaluation of the

pound in September, 1949, represented the further triumph of the dollar as the dominant world currency of capitalism over the disinherited pound—that is, of American over British imperialism.

President Truman's "Point Four" Programme, originally proclaimed in his inaugural address of January, 1949, set out openly the aims of American world financial penetration and expansion in the colonial areas of the European powers.

"We must embark on a bold new programme for making the benefits of our scientific advances and industrial progress available for the improvement and growth of undeveloped countries. . . . We should foster capital investment in areas needing development."

Secretary of State Dean Acheson, pressed to explain more concretely the kind of areas in mind, gave one specific instance only—India. Subsequent events testified to some advance of American financial penetration of India and the active schemes for the United States to displace British hegemony in the Middle East and a wide range of Empire countries.

The Atlantic Treaty, signed in April, 1949, established a new series of military and strategic organs under United States leadership, alongside the previous economic organs, to regulate and organise the array of satellite countries—at first nominally as a regional alliance of countries bordering the Atlantic, but later, with the dropping of the geographical pretence, extended to include Greece and Turkey, and thus revealing itself as the military coalition of the United States and its satellites.

The ramifications and consequences of the Atlantic Treaty were even more far-reaching than those of the Marshall Plan. Economic and political intervention, which was previously conducted in the name of the Marshall Plan and the alleged aims of "recovery," was now conducted on a far more extensive scale in the name of the requirements of military preparedness, strategic plans and unification of command, and the prosecution of the "cold war." Heavy economic bans and trade restrictions were imposed on East-West trade, which had especially crippling effects on Britain's overseas trade and intensified dollar dependence and the dollar deficit. With the backing of American capital for re-equipment, West German and Japanese industrial exports were rapidly expanded at the expense of British. American air bases in Britain, originally

established in 1948, were extended and multiplied. The colossal rearmament programmes imposed in 1951 dealt a shattering blow to the economy of Britain and West European countries. At the same time the still more gigantic American rearmament programme and stockpiling of raw materials simultaneously extended the American stranglehold on the economy of the British and European colonial possessions in South-east Asia, to counter the British monopoly of tin and rubber, and, by sending the price of raw materials rocketing, further unbalanced Britain's terms of trade, bringing a new and heavier deficit.

By 1951 Britain's dollar deficit on the balance of payments reached a new crisis, paralleling 1947 and 1949 in gravity. As the renewed requests for dollars poured in from the ruined Western European pensioners, the old masked Marshall formula of "Economic Aid" for "recovery" was replaced by the open face of "Military Aid" for war. From 1952 the "Economic Co-operation Administration Agency" was replaced by the "Mutual Security Administration Agency," which in 1953 gave place to the "Foreign Operations Administration," which, in turn, in 1955, was merged in the "International Co-operation Administration."

How far has this programme of American increasing penetration and subordination of the British Empire been carried out in practice? The answer to this question requires a more concrete examination of recent developments in a series of spheres.

The extent of American trade penetration into the countries of the British Empire is indicated in the following table:

Table 22

U.S. EXPORTS TO BRITISH EMPIRE COUNTRIES, 1938-53
(in millions of dollars)

	1938	1953	Per cent. of increase
Australia	61.5	135	120.3
Canada	489.1	2,995	512.5
Ceylon	1.6	6.6	312.5
India and Pakistan	42.8	250	483.6
Malaya	10.0	31	210.0
New Zealand	16.5	31	87.9
South Africa	69.1	207	199.7

(United Nations statistical returns on Direction of International Trade)

Although these are figures of value, and not of volume, and allowance must accordingly be made for the rise of prices, the general tendency of increase, in some cases considerably beyond the rise in prices, is visible. In 1952, United States exports to the British Empire (Dominions and Colonies, excluding the United Kingdom) for the first time exceeded British exports to the Empire.

Even more important has been the advance of American financial penetration and capital investment in the British Empire.

Already by 1943 the total value of United States-owned property abroad was \$13,350 million, of which over two-fifths was in the British Empire, mostly in Canada. Yet before the war the United States was not a big exporter of capital (proportionately) compared to Britain, and her pre-war overseas capital holdings were considerably less than those of Britain.

Table 23

VALUE OF U.S.-OWNED PROPERTY ABROAD (May 31, 1943)

	\$ Million	Per cent.
<i>British Empire</i>	5,680	43
Canada	4,400	
West Indies	920	
India and Burma	55	
Africa	145	
Australasia	160	
<i>Europe</i>	4,635	35
<i>Latin America</i>	2,410	18
<i>Other</i>	625	4
Total	13,350	100

(Balances of Payments, 1939-45, United Nations, 1948.)

Since the end of the second world war a large proportion of the export of American long-term capital has been government capital, used to influence and extract concessions from governments of other states, and thus open the way for economic subjugation and extending private investment on terms acceptable to the investors (e.g. convertibility of profits into dollars, guarantees against nationalisation, tax concessions, etc.). Of the total gross outflow of United States long-term capital, government capital comprised 24 per cent. in 1946 and had risen to 42 per cent. in 1949.

The direction of the outflow of capital was mainly to the Marshall Plan countries and dependencies and Canada (see Table 23).

Table 24

DIRECTION OF U.S. TOTAL CAPITAL HOLDINGS (GOVERNMENT AND PRIVATE) IN 1950

	\$ Billion	Per cent.
Marshall Plan countries	12.7	36.6
Marshall Plan dependencies	0.7	2.0
Canada	7.3	21.0
<hr/>	<hr/>	<hr/>
Total of above.	20.7	59.6
Other Europe	1.1	3.0
Latin America	6.5	18.7
Other countries	2.6	7.5
International institutions	3.7	10.7
<hr/>	<hr/>	<hr/>
Grand total	34.6	100.0

Three-fifths of American overseas capital in 1950 was in the British Empire or other Western European empires.

This concentration on the British Empire was even more clearly shown in the sphere of American private capital investments abroad. Out of the total of United States private foreign investments recorded at \$11.8 billion in 1950 no less than 43 per cent. or over three-fifths were in countries of the British Empire (United Kingdom, Dominions and Colonies). By 1950 United States investments in the British Empire (excluding Britain) for the first time exceeded British investments in the Empire.

Table 25

U.S. PRIVATE CAPITAL INVESTMENTS IN THE BRITISH EMPIRE IN 1950

	\$ Million	£ Million		\$ Million	£ Million
Canada	3,579.2	1,278.2	British		
United Kingdom	847.0	302.5	Colonial		
Australia	200.8	71.7	Empire	297.4	106.2
South Africa	140.0	50.0			
India	37.7	13.46	<i>including</i>		
New Zealand	24.0	8.5	West Indies	56.7	20.9
Pakistan	7.8	2.7	African		
			Colonies	40.9	14.6
Total U.S. investments in the British Empire	\$5,134.8 million				
	(£1,833.8 million)				

(U.S. Overseas Investments: Census of 1950,
U.S. Department of Commerce 1953.)

By the end of 1952 U.S. direct investments in the United Kingdom had reached a total of \$1,038 million, or £371 million, alongside \$310 million, or £110 million, in the British colonial empire (*U.S. Foreign Investments in Europe and Overseas Territories*, O.E.E.C. Report, 1955.) By the end of 1954 U.S. investment in the United Kingdom was reported by the Department of Commerce to total \$1,210 million or £432 million, of which four-fifths was in manufacturing and oil refining.

Especially marked has been the extension of American capital interests in the Dominions.

In Canada a survey by the Dominion Bureau of Statistics, published in 1956 and covering the years 1926-54, revealed that in 1954, out of a total foreign investment in Canada of \$12,469 million the United States held \$9,622 million, or 77 per cent., and the United Kingdom \$2,143 million (contrasting with \$2,476 million in 1939) or 17 per cent. The survey further revealed that at the end of 1953 United States interests controlled 55 per cent. of the capital invested in Canadian mining and smelting industries and in the exploitation and development of petroleum, and 43 per cent. of manufacturing industries. The problem of this extending American penetration and domination in Canadian economic life became a central question of Canadian political discussion.

In Australia during the seven years 1947-8 to 1953-4 net investment in Australian companies controlled by residents in the United States and Canada was estimated at £116 million, comparing with £260 million from the United Kingdom (*New Commonwealth Australia and New Zealand Review*, July, 1956). American penetration in Australia was especially interested in oil and uranium. The United States proportion of Australian imports, previously and almost exclusively a British preserve, reached 16.2 per cent. in 1952-3, as against 41.8 per cent. for Britain. The cultural, political and strategic penetration and dominance of the United States, already strongly developed in Canada, has been increasingly extended in Australia and New Zealand. This was further exemplified with the conclusion of the Pacific Pact of the United States, Australia and New Zealand in 1951, to the exclusion of Britain.

In India the United States had ousted Britain from the lion's share of the market by 1951, supplying over one-quarter of Indian imports as against Britain's one-fifth. At the end of

1951 a new stage of large-scale penetration of American capital in India was opened by the signature of important agreements for the construction of giant oil refineries in India, on terms excluding nationalisation for twenty-five years, and with 75 per cent. of share ownership in American hands. This was carried further with the Indo-American Technical Co-operation Agreement of 1952. These new developments are examined in more detail in the next chapter.

* In the Middle East the advance of American economic and strategic penetration at the expense of the previous dominant British interests has been increasingly marked in the modern period. This advance has been intertwined with the complex political situation in the Middle East, and will also need to be examined in fuller detail in a later chapter on Middle Eastern development.

In Africa the immediate prospects during the first few years after the second world war were regarded as unfavourable for any extensive investment of American private capital, pending the necessary unprofitable "development" expenditure on transport and utilities (*Report of the United States Chamber of Commerce* for 1949). But Marshall Plan funds were found useful for this purpose, and during the more recent period the penetration of American capital has begun to develop at an increasing pace. In 1951 the "Economic Co-operation Agency" voted \$7,700,000 for "development of British Overseas Territories," with special allocations affecting the Gold Coast, Nigeria and Sierra Leone. In July, 1951, Mr. W. L. Batt of the E.C.A. Mission to the United Kingdom announced that £5,000,000 would be directed to financing the Rhodesian Railways' development programme. The London financial press did not fail to note the significance of this invasion:

"There may be some surprise that funds which traditionally would have come from the London market should be coming from other sources. It is not difficult to see the connection between the new United States' financing for the Railways and the Copper Industry itself."

(*Financial Times*, July 7, 1951.)

By 1955 United States public investment in Africa was reported to have reached \$1,000 million, and private investment \$500 million:

"The United States is increasingly investing in Africa's economic future. Almost \$1,000,000,000 in American tax money has been poured into African development since the war. Marshall Plan funds, Point Four, and Technical Assistance programmes are active in various parts of the continent. At the same time, African enterprises, and especially its rich mineral deposits, have become increasingly attractive to American investors. American private investments, which were less than \$200,000,000 before the war, have now grown to more than \$500,000,000 and are mounting."

(*Christian Science Monitor*, March 10, 1955.)

This would be equivalent to a total of \$1,500 million or £550 million of American capital invested in Africa.

In the Northern Rhodesian copper belt American financial interests had won by 1952 (through subsidiaries) a predominant position. A survey of the rapid advance of American financial interests in African mining by 1952 was made in the article on "U.S. Interest in African Mines," which appeared in the *Financial Times* of March 22, 1952. In September, 1951, the American-controlled O.E.E.C. ("Organisation for European Economic Co-operation") announced that \$8,000,000 would be allocated for economic development in Africa south of the Sahara "to develop the most profitable new sources of production and new forms of wealth." At the same time the International Bank announced the sending of a Mission to Southern Rhodesia; and the Southern Rhodesian Minister of Finance boasted on August 23, 1951, that there was "no limit to the dollars we can have." There was evidence of the very active interest of American financial groups in the schemes for Central African Federation.

In South Africa American financial penetration has been especially marked. Already in 1946 the merger of the New York banking group, Ladenburg, Thalman and Co. and Lazard Frères (reflecting Rockefeller interests) with British-South African interests prepared the way for the acquisition during 1947 by this group of investment control over extensive mining properties and more than one hundred South African industrial companies—an operation hailed by *Time* magazine as "the first big beach-head of American capital in South Africa." Morgan interests, through the Anglo-American Corporation, established control over more than forty South African and Rhodesian companies, including diamond mines and new gold mining properties. In the Orange Free State the Kennecott

Copper Corporation of New York took a large part in the launching of two new gold-mining companies (Virginia and Merrespruit) both also concerned in uranium production. In South-west Africa, under the aegis of American Metals and the Newmont Mining Corporation of Delaware, the Tsumeb Corporation was formed to take over the assets of various previously German-owned mining and railway companies. A very considerable volume of American capital, in conjunction with British capital, has been put up for the large-scale production of uranium in South Africa, with an estimated capital cost of £40,000,000 for the plant projected.

Of especial interest have been the American measures to secure a monopoly hold on the uranium of the Congo, which has supplied 90 per cent. of the uranium used by the United States for the production of its atomic bombs.

“It has been estimated that over ninety per cent. of the high grade uranium ore supplies of the capitalist world are in American hands. The preclusive buying and eventual control of Congo pitch-blende, combined with exploration for new sources in South Africa, has provided a basis for the American penetration of Africa.”

(DR. E. H. S. BURHOP, *The Challenge of Atomic Energy*, 1951, p. 90.)

The uranium mines of the Belgian Congo have been operated by a Belgian company, the Union Minière du Haut Katanga, the controlling interest in whose shares has been held by the British monopoly Tanganyika Concessions. In April, 1950, the British Government sold 1,677,961 of the ordinary shares of Tanganyika Concessions (or nearly half the total of 3,831,412 issued ordinary shares), which it owned at the time, to an Anglo-Belgian group, which in turn sold 600,000 of these shares to an American group associated with the Rockefeller monopoly interests. According to the posthumously published memoirs of Senator Vandenberg, one of the conditions of aid to Britain in connection with the Marshall Plan, was that the United States should obtain a share in the development of uranium in the Congo. Thus it would appear that, not only did the Churchill Government during the war hand over to the United States the results of British atomic scientific research without condition or return, but the Labour Government after the war surrendered to the United States a key proprietary

interest in the uranium of the Congo, on the basis of which the United States sought to develop its would-be atomic monopoly, excluding Britain.

All these are only initial indications of the extending American finance-capitalist invasion of Africa.

In the West Indies American finance-capital has established an increasingly decisive grip on the economic life of the islands. On the one hand, American pressure on Britain on behalf of Cuban sugar and tobacco interests has had the most adverse effects on the previous structure of West Indian economy, reflected in widespread unemployment. On the other hand, American big business marched in to take over and open up the enormous deposits of hitherto untouched bauxite. In March, 1950, the *Crown Colonist* reported that Reynolds Metal Corporation, which controls about 30 per cent. of American aluminium production, had announced a huge development programme to commence mining with an initial output of 400,000 tons, the programme to be assisted by a £4,000,000 grant from E.C.A. In April, 1951, another American company, Kaiser Metals, came forward with a \$115 million scheme; and it was announced that three companies, Reynolds, Kaiser and Jamaica Bauxite, were to develop 100 million metric tons of 50 per cent. bauxite. The President of Reynolds Refining Company stated that the area "contained enough bauxite to supply the United States with aluminium for many years" (*Financial Times*, May 19, 1951). In 1956 the American penetration of the West Indies was carried a stage further when the British-owned Trinidad Oil Company, dominating oil exploitation in Trinidad, was sold out to the Texas Oil Company for £63 million.

No less significant has been the American drive against the still surviving spheres of British monopoly in colonial raw materials—especially rubber and tin, the great "dollar-earners." American rubber plantations in Indonesia have increased from 100,000 acres before the war to 1,000,000 acres or one-ninth of the total rubber area. The American development of synthetic rubber and cutting down of purchases of natural rubber from British colonial sources dealt a blow to the economic structure of Malaya and Ceylon. Exports of rubber, tin, cocoa, diamonds and wool from sterling sources to dollar areas were slashed by half from \$120 million in the first quarter

of 1949 to \$60 million in the second. The subsequent American stockpiling programme, in connection with the Korean war and rearmament, in 1950-1 led to a feverish boom in the prices of rubber, tin and other raw materials from British colonial territories, and thus made possible the illusory "solution" of the sterling dollar deficit for 1950. But the real effect, through the skyrocketing of the prices of raw materials, dealt a heavy blow to Britain's terms of trade, reflected in the record deficit on the balance of payments in 1951, and placed British industry in increasing difficulties through shortage of raw materials; while the closing down of American stockpiling purchases of tin and rubber in the second half of 1951 led to a rapid fall of prices and the development of new problems.

Thus the American domination of world capitalist economy and consequent capacity to manipulate or influence the prices of raw materials has been used to initiate successive sharp disorganising changes in either direction, consequent on sudden decisions of American policy. That this technique was in fact used to undermine the basis of British Empire raw materials and strengthen the position of dollar raw materials, was powerfully illustrated in the character of the price changes, following the slow-down of United States stockpiling, during 1951:

Table 26

PRICE CHANGES, APRIL TO NOVEMBER, 1951

<i>Dollar Materials</i>		<i>Empire Materials</i>	
	<i>Increase per cent.</i>		<i>Decrease per cent.</i>
Wheat . . .	+ 8	Cocoa . . .	-25
Copper . . .	+12	Rubber . . .	-28
Zinc . . .	+11	Tin . . .	-18

(President of the Board of Trade, House of Commons, November 29, 1951.)

The net effect of this large-scale American Government-backed gambling in raw materials, with its feverish ups and downs, has been to weaken Britain's world position and strengthen the developing American stranglehold on the British colonial empire.

At the same time the American financial-political offensive has been pressed forward against the Sterling Bloc, the basis of Britain's economic organisation to hold together the countries

of the Empire (other than Canada and South Africa) with London as the centre. On January 8, 1948, the *Economist* wrote:

“Unfortunately, American hostility to the sterling area goes deeper than the reasonable desire to see that Marshall dollars are used for approved purposes. In part, the hostility is a reflection of that almost instinctive aversion that most Americans feel—and that so few Britons can fathom—for all of the symbols that unite the British Commonwealth of Nations.”

The conscious aim of American imperialist expansion to establish an effective hold on the raw materials of the British colonial empire and of the other European colonial empires was explicitly proclaimed in the Report of the Materials Policy Commission, set up by President Truman in 1951, under the chairmanship of William S. Paley, to enquire into America's future needs of raw materials. The Paley Report, published in five lengthy volumes in June, 1952, found that, whereas in 1900 the United States produced 15 per cent. more raw materials than it consumed, by 1950 it consumed 9 per cent. more than it produced and by 1975 might well be consuming 20 per cent. more. “The United States appetite for materials,” declared the Report, “is gargantuan—and, so far, insatiable.” Hence the classic demand of imperialism, long ago analysed by Lenin, for control of the sources of raw materials, found explicit expression in the Paley Report. The Paley Commission recommended the negotiation of “investment treaties” between the United States and countries with undeveloped resources, together with long-term purchase contracts for raw materials. How closely these “investment treaties” would come to political control and virtual annexation of the colonial and semi-colonial dependencies of Britain and the other European powers was made clear by the terms of the Report:

“In the contemplated Special Resource Agreements, the resource country's government would pledge its co-operation in removing the uncertainties which chiefly deter investors, in return for guaranteed prices or purchase commitments by the United States Government, plus an assurance that the United States would facilitate investment in both resource and general economic development. The agreement could cover tax laws, regulations applying to foreign ownership and management, administration of the labour code, export regulations, exchange restrictions, import permits, the right to bring in foreign technicians, transport

facilities, compensation in the event of expropriation, and other matters of concern to investors."

(*United States Materials Policy Commission Report*, 1952, Vol. I, p. 68.)

Such is the blueprint of United States imperialism for taking over the British Empire and all other European colonial empires.

5. *Antagonistic Partnership*

The rulers of the British Empire have found themselves compelled to accept the increasing American penetration and domination of their Empire with the best grace they can muster. It can be no pleasure to the former lords of the earth to find themselves displaced. Sir Winston Churchill might most loyally sing the "Stars and Stripes,"¹ yet he cannot but recall that he had once declared that he had not become Prime Minister of England to preside over the liquidation of the British Empire. Mr. Bevin might proclaim his desire to "cease to be English" and become a loyal member of the American satellite organisation in Western Europe,² but he continued to proclaim his fervent devotion to the British Empire. If the Churchill-Attlee-Bevin policy in practice capitulated to American imperialism, it was not for love of American imperialism, but because these representatives of declining British imperialism could see no alternative. And, indeed, *on the basis of their imperialist premise*, on the basis of their hostility to the rising new world of socialism and colonial liberation, these representatives were in fact closing the door to any effective alternative.

The United States monopolists have held the whip hand. American imperialism possesses strategic supremacy, with its control of sea power ending the former British sea power, and control of air power, as well as economic supremacy, with its superiority of merchant shipping and ability to export capital.

¹ "Every one in the Boston Garden Hall was deeply touched when, following the speech, the American National Anthem was played by the Marine Corps band and Mr. Churchill started singing it. None of his companions on the platform followed his example.

"Mr. Churchill sang the 'Stars and Stripes' in the same manner after his famous speech at Fulton" (*Daily Telegraph*, April 2, 1949).

² "He wanted a practical organism in Europe in which we should cease to be English or French or other nationality, but would be Europeans with an organisation that could carry out a European policy in the face of new developments in the world" (Ernest Bevin, speech to the Foreign Press Association, January 25, 1949, *Times* report).

But without sea power and air power there could be no question of holding an empire spread over the seven seas and five continents. Hence it was regarded as axiomatic by the British imperialists, without need of the test of war, that they could only hope to remain even in nominal possession of their empire by permission of American imperialism. *The former owners became bailiffs.* The Empire was mortgaged, even if the creditors had not finally foreclosed. *The British imperialists found it only possible to endeavour to maintain their Empire under the general suzerainty and control of the United States*—with all the consequences that have followed from that dependent and satellite position. This was the significance of Churchill's declaration to Roosevelt in 1941 already quoted: "You know that we know that without America the Empire won't stand."

In this way has developed the present peculiar relationship of Britain, the Dominions and the United States: one of subordination to the United States alongside conflict, of *antagonistic partnership*, with the United States in the dominant position.

The Dominions have attempted to play both ways in relation to America and Britain. In the period between the wars it was customary to speak of the centrifugal tendencies of the Dominions, that is, the drive to end their dependence on the British centre and establish themselves as independent capitalist powers. To-day the situation is more complex. The aim of establishing themselves as independent capitalist powers has been in the main attained (though the significant decision of the Privy Council upholding the annulment of the Australian Labour Government's legislation for the nationalisation of the banks revealed an example of the legislation of an elected parliamentary majority and its Government in a Dominion being overruled by a superior non-elected organ in London). But the pressure of American penetration and the tendency to American domination has now come to the forefront. This has produced mixed consequences and conflicting currents among different sections of the Dominions capitalists according to the degree of their closer connections with British or American capital. The general influence of the United States on the various Dominions has undoubtedly become stronger; but at the same time the Dominions capitalists fear the domination of American capital, and in consequence seek to a certain extent to play off the relationship with Britain against the relationship

with the United States. They fear the loss of the advantages of their trade connections with Britain through the weakening of imperial preference and the development of schemes for closer British and Western European "economic integration" through Western Union. On the other hand, American pressure has been exercised to "prod" Britain (in Dewey's phrase) into closer absorption into Western Union and the abandonment of imperial preference. This expressed the policy to weaken Britain's links with its empire possessions and reduce it to the role of a secondary satellite European country.

A signal example of the new balance of relationships was afforded by the Pacific Pact of 1951 between the United States, Australia and New Zealand. The British Government publicly expressed its disappointment not to be included, but at the same time confessed its impotence. The British Foreign Secretary, Mr. Morrison, declared in parliament on April 9, 1951:

"Of course we are most certainly a Pacific Power, and it would not have been unwelcome to us if we had been included in the proposed pact. But the discussion did not so work out."

Similarly Lord Jowitt, as Lord Chancellor, visiting Australia after the conclusion of the Pact, stated in a broadcast at Sydney on August 19, 1951, that "he wished Britain had been a party to the Pacific Mutual Security Pact":

"I confess this, speaking for myself, lest it should appear that we are relinquishing our interest in your fate to the United States, and that they are in even closer and more intimate relationship with you than ourselves. . . .

"But Fate has decreed otherwise."

This melancholy complaint did not soften the heart of "Fate." With the ratification of the Pacific Pact in 1952, Australia and New Zealand passed officially into the strategic sphere of the United States. Subsequent renewed appeals by Mr. Churchill as Prime Minister met with a frigid rejection. A further significant step had been carried through in the American penetration of the British Empire. Nor did the inclusion of Britain in the South-east Asia Pact of 1954 remove the effect of the exclusion from the Pacific Pact.

In Britain the consciousness of this dependent and satellite position in relation to America, despite continuing rivalry, has been visible in all the utterances of the imperialist politicians,

however much they might occasionally kick against the pricks on some secondary concrete issue. In every international conference the role of the British representative became to say ditto to the American leader. An obsequious tone dominated official and Press utterance in relation to the United States. This found characteristic expression in the speech of the former President of the Federation of British Industries, Lord Barnby, addressing the House of Lords on April 22, 1947, to criticise the B.B.C. for having committed the *faux pas* of permitting Henry Wallace to broadcast:

“We were likely for some time to be dependent to a considerable extent on the financial consideration of the United States. Therefore a deferential and respectful attitude was desirable towards the United States at the present moment. We should be respectful to the U.S.A. We should try, where possible, to avoid causing unnecessary annoyance to her.”

Or more bluntly in the words of the *Economist* (August 23, 1947):

“For the present the Americans still retain the power to make the British Government jump through any hoop they choose.”

So has developed the special character of the new American Empire as it began to take shape in the present phase. The old-style British Empire was based on the direct territorial domination of one-quarter of the world. The new American Empire is based primarily on economic and financial domination of the entire capitalist world, together with the maintenance of a large number of military, naval and air bases in every continent and intensive armament preparations and a network of military alliances under American control.

The Economic Control Agency, the Financial Adviser, the Joint Strategic Co-ordinating Authority, the Bomber Base, replace the old-fashioned crude colonial methods of the traditional British Empire. The new colonial system of the American Empire is hidden behind a host of bodies with a forest of initials incomprehensible to the common man, who is only dimly aware that something queer seems to be happening to his country.

Thus American imperialism appears as a special type of imperialism with relatively few direct colonial possessions. The enfeebled European colonial powers are graciously allowed to keep their colonial empires, that is, to pay the costs and supply

the man-power for war against the peoples in Indonesia, Indo-China or Malaya, while the American monopolists draw the cream of the profits. On this basis American imperialism endeavours to present itself as the enlightened non-imperialist power, which seldom except for the disastrous attempt of direct military aggression in Korea soils its hands by using its own man-power, but prefers the politer methods of the threat of the atom bomb, a naval cruise or a training visit of a bomber squadron.

Lenin in his *Imperialism* has described the traditional position of the Portuguese Empire as a satellite of Britain:

“Portugal is an independent sovereign state, but in actual fact for more than two hundred years, ever since the War of the Spanish Succession (1700-14), it has been a British protectorate. Great Britain has protected Portugal and her colonies in order to fortify her own positions against her rivals, Spain and France. In return, she has received commercial advantages, better terms for exporting goods, and, above all, for exporting capital into Portugal and the Portuguese colonies, and also the right to use the ports and islands of Portugal, her telegraph cables, etc. Between large and small states, relations of this kind have always existed, but during the period of capitalist imperialism they become a general system; they form part of the process of ‘dividing up the world’; they become links in the operations of world finance capital.”

This analogy from an earlier type has its significance for the newer still further developed stage of the satellite relationship of the British Empire to American imperialism.

In the nineteenth century the most sagacious of the Victorian statesmen of still ascendant British capitalism, Gladstone, discerned the beginnings of the decline in the last quarter of the nineteenth century before the advance of American supremacy, and wrote of America in 1879:

“It is she alone who, at a coming time, can and probably will wrest from us our commercial supremacy. We have no title: I have no inclination to murmur at this prospect. If she acquires it, she will make the requisition by the right of the strongest and the best. We have no more title against her than Venice or Genoa or Holland has had against us.”

But in practice America cannot succeed to Britain’s nineteenth-century world leadership; for neither the conditions of the twentieth-century world nor of America permit it.

Britain's nineteenth-century free trade world supremacy represented at that time the most advanced and progressive stage of civilisation so far reached relative to the conservative, feudal, bureaucratic and despotic institutions still maintaining themselves over the greater part of the European continent in opposition to the rising liberal democratic challenge. The new American World Empire, on the contrary, gathers together all the most conservative forces all over the world in opposition to the advancing tide of the new higher stage of the socialist organisation of society.

Britain accepted the logic of its world economic supremacy, and, becoming the world's greatest creditor, became also the world's greatest importer, allowing its home industry, agriculture and productive equipment to fall into neglect—hence the present tears.

America, on the other hand, tries simultaneously to force up exports, maintain super-production at home and dam imports. The United States surplus of exports over imports, which amounted to \$265 million in 1937 and \$1,030 million in 1938, averaged \$5,017 during the years from 1946 to 1953, fluctuating from a height of \$9,547 million in 1947 to a temporary low point of \$1,219 million in 1950 (as a result of the stockpiling programme) and rising again to \$4,811 million in 1953.

From this follows apoplexy of the capitalist world, expressed in the dollar famine, which is only temporarily allayed by the accumulating American export of capital, grants, Marshall Plans, military aid, off-share purchases and similar devices. Each non-American capitalist country adopts desperate emergency measures to restrict imports, impose austerity, and enter into a cut-throat fight for exports in a shrinking world market, an increasing proportion of which is conquered by the superior equipment of American industry, while the austerity-Marshallised countries tie up their economies to dependence on American grants.

Thus the contradiction and even open conflict between the expansionist offensive of American imperialism and the other weaker imperialist powers develops and grows, at the same time as the contrast increases between the deepening crisis of the entire capitalist world and the economic and political advance of the non-capitalist world. The open conflict between the weaker imperialist powers and the expanding American

imperialism reached a high point with the Anglo-French war in the Middle East in 1956.

Such is the sick condition of the declining world of imperialism in the mid-twentieth century, which finds special expression in the Great American Contradiction, that is, the inequality of capitalist development. American capitalism has to sustain the sinking capitalist structure in every other country of the still surviving capitalist world, at the same time as its lusty competitive power continues to enfeeble still further and knock out the same structure which its diplomacy is striving to sustain.

This Great American Contradiction received recognition in the remark of the Professor of Economics at Harvard University, Professor Harris, when in a letter to the *New York Times* on July 5, 1949, he spoke of the "schizophrenia" of American policy which—

"... seeks to make Western Europe sufficiently robust to leave her invulnerable to the Communist threat, but perhaps also sufficiently anæmic so that she will not compete successfully with exports from this country."

In this connection the words of Mao Tse-tung are apposite:

"The American reactionary has a heavy burden. He must sustain the reactionaries of the entire world.

"And if he cannot sustain them, the house will fall down. It is a house with one pillar."

CHAPTER VIII

TACTICS OF A DECLINING EMPIRE

“Forty years ago I came in high hope and with great enthusiasm to help in the work for a united Empire. I go in gloom and sorrow. The Empire is now being liquidated and the British people don't care.”

LORD BEAVERBROOK, Press statement
on leaving to spend the winter in
the West Indies, October 5, 1954.

WHAT have been the methods of the rulers of British imperialism in meeting the new conditions?

Since the second world war the advance of the colonial freedom movement has diminished the area of imperialism at an increasingly rapid pace. But this decline of imperialist domination in the world is not yet the same thing as the end of imperialism or the colonial system.

1. End of Colonialism?

To-day it has become the familiar claim of all official spokesmen, equally of Conservative, Liberal and Labour Party leaders, that the “old imperialism” is dead. To attack imperialism, it is therefore held, is to flog a dead horse.

Previously the spokesmen of imperialism proclaimed its divine mission to rule the world. When Cecil Rhodes set down in his will in 1877 the aim to promote “the extension of British rule throughout the world,” or when the Conservative Cabinet Minister Sir William Joynson-Hicks during the years between the wars, proclaimed that “We conquered India by the sword, and by the sword we shall hold it,” this was the traditional language of imperialism before the advance of colonial revolt undermined its basis.

The new language of the spokesmen of imperialism, by which they seek to deny its existence, is the characteristic language of imperialism in decline.

Lord Inverchapel, as British Ambassador to the United

States, informed a Baltimore audience in February, 1947: "British Imperialism is as dead as Queen Anne."

There is some difference of opinion among the experts as to when the demise took place. General Smuts preferred to date it from the turn of the century:

"The old British Empire died at the end of the nineteenth century. To-day it is the widest system of organised freedom which has ever existed in human history."

(GENERAL SMUTS, *The Times*, January 11, 1943.)

It is evident that General Smuts was inclined to date the dawn of the new era from the time when he and his fellow Boer exploiters were drawn into the charmed circle to exercise their system of colour-bar repression of four-fifths of the South African population in the name of "organised freedom."

During the second world war, on January 13, 1940, *The Times* described the Empire as "this free association of nations, peoples and tribes, owing allegiance to the same sovereign." In fact at the time seven in eight of the population of the Empire were subject to open despotic rule directed from London.

Similarly on October 6, 1943, Mr. Herbert Morrison, in a speech to the Anglo-American Press Association, announced:

"Every community in the Empire capable of achieving self-government has had it."

This was at a time when India was still subject, and when seven-eighths of the Empire continued to be ruled from Whitehall.

During the period of the Labour Government, however, Ministers emphasised that the reign of imperialism continued until their own advent to power brought the dawn of the new era of freedom.

In proof of this contention it is customary to cite the transfer of power in India, Pakistan, Burma, Ceylon and Ghana, and the constitutional reforms, with the development of elected assemblies and ministers, in varying forms and stages in other colonies.

This claim presents a misleading picture of the real situation.

There is no doubt that over wide areas, as in India, Vietnam and other countries of southern Asia, the ruling imperialist

powers have been compelled to retreat and evacuate their military forces. But this has only taken place after the failure of decades of repressive measures to crush the national movement. It has only taken place after the physical maintenance of the old colonial rule became impossible (as in India, following the extension of the Indian popular upsurge to the Indian armed forces with the Naval Revolt, or in Vietnam after Dien Bien Phu). And even then, where this compulsory necessity of evacuation has been accepted, it has been accompanied by the most tenacious attempts to maintain some remaining hold, through the effects of partition, through the administrative machine, through the continuing contact with upper-class sections, and, above all, through the ownership of considerable economic assets and continuing financial links and penetration.

In other areas, the imperialists have conducted their political strategy through a variety of new forms. In some cases they have conferred a form of independence, heavily limited in practice by special treaties, economic privileges of the imperialist power, or continuing military occupation. In other cases they have promulgated manifold constitutional reforms designed to stem or retard the advance of the national liberation struggle by finding a basis of alliance with an upper stratum prepared to co-operate.

In other areas, again, where the basis for such co-operation of an upper stratum has been less favourable, and also alongside the constitutional changes, the imperialist rulers have conducted the most ruthless repression and some of the most savage wars in colonial history.

The familiar sophistry of the modern apologists of imperialism is to concentrate attention on the first two types of process, treated as the outcome of the benevolence or "change of heart" of the imperialists, and not of the strength of the national struggle, while ignoring completely the facts of repression or colonial wars.

A serious study of the tactics of imperialism in decline needs to see all sides of this complex process, in place of the vulgarised presentation in current imperialist propaganda.

The experience of India will be considered in the next chapter. Alongside this signal example of the successful advance of the national liberation movement, it will be necessary to examine

some of the variant forms and methods of imperialist techniques designed to counter or delay the advance of the national liberation movement, whether by political measures, or by repression and armed force.

2. *Old and New Colonialism*

Not in every case where the independence of a former colonial country is proclaimed by the ruling imperialist power does this mean that the real independence or effective independence from imperialism has been won. In some cases the concession to an advancing liberation movement which measures of repression or armed force have failed to subdue, has been accompanied by conditions which heavily limit the effect of the concession (as with partition in Ireland). In other cases (Jordan, Iraq) a purely diplomatic or legal constitutional form has been initially used to cover the reality of imperialist control, although even here the national liberation movement has been subsequently able, as in Jordan, to transform by active struggle this formal independence into effective independence.

Hence it is necessary to recognise that in the more recent period of imperialist policy a new technique has been evolved and elaborated and more and more widely used, which might be termed the "New Colonialism". The essence of this method has been to confer a legal independence on a former colonial country, while seeking in practice to maintain a continuing hold by special treaties, economic domination and economic "advisors," the occupation of military bases and alignment of the country in imperialist-controlled military blocs. The principle is not in itself new; in some respects it may be regarded as only the continuation of the old principle of concealed rule by which the increasing penetration of imperialism in the initial phases was developed under the cover of recognition of the nominal sovereignty of ruling princes with whom treaties were made. But it has received a further extension and elaboration in the modern period as a method of countering the advance of national liberation movements.

The essential character of this technique was defined by Lenin in 1920:

"It is necessary constantly to explain and expose among the broadest masses of the toilers of all countries, and particularly of

the backward countries, the deception systematically practised by the imperialists in creating, under the guise of politically independent states, states which are wholly dependent upon them economically, financially and militarily."

(LENIN, *Draft Theses on the National and Colonial Question*, June, 1920.)

It will be noted that the essence of the "deception" which Lenin is here concerned to expose consists in the fact that the nominal "political independence" of these states, which are "created" by imperialism, is rendered illusory by the real *economic, financial and military* dependence. This is a very important guiding line in estimating the true position of these states which are established, with formal political independence, by the decree or legislation of the ruling imperialist power.

At the same time it is necessary to recognise that with the profound changes in the international situation since the second world war (changes bringing new conditions from the time when Lenin wrote) and especially with the advancing strength of the socialist world and of anti-imperialist liberation, and the weakening of imperialism, new developments have arisen. Many of these states whose original independence was established as a diplomatic form by imperialism have in the recent period begun to move in directions opposed to the desires of imperialism, to resist inclusion in military blocs, to demand the ending of special treaties and privileges, to enter into economic co-operation and friendly relations with the countries of Socialism and People's Democracy, and thus to move towards real and effective independence.

In the period since the first world war, this technique of countering a national revolt received its first try-out and demonstration, as with so many features of the British colonial system, in Ireland. After the failure of the "Black and Tan" terror to crush the Irish revolt, the British Prime Minister, Lloyd George, changed his tactics, sought to find the means of promoting division within the Irish national leadership (Collins against De Valera), and carried through the settlement of December, 1921, with the compromising section. This settlement was imposed by ultimatum with the threat of "terrible war" in the event of rejection. The settlement enforced the partition of Ireland. It established the "Irish Free

State" of the twenty-six counties, with initial continued British naval occupation, and "Northern Ireland" of the six counties. The latter was closely tied to Britain and, with British military occupation, served as a garrison for Ireland. Thirty-six years later the partition of Ireland remained. Although by 1949 the "Irish Republic" had proclaimed itself outside the British Empire, partition was still upheld by British legislation, and British military occupation of Northern Ireland continued. As late as 1956 the British Premier, Sir Anthony Eden, reaffirmed the pledge to use British armed forces to maintain Northern Ireland as "an integral part of the United Kingdom," that is, to maintain by force the partition of Ireland. ✕

The next demonstration of this technique in the colonial area outside Europe took place in Egypt in 1922. Here, also, the national uprising of the Egyptian people against British rule in the period following the first world war had made the maintenance of the protectorate untenable, and gave rise to the new experiment. Egypt was proclaimed "independent" by a British statement of policy published on February 29, 1922. But this Declaration stated that certain subjects would remain at the absolute discretion of His Majesty's Government until such a time as a treaty would be negotiated between Britain and the Egyptian Government with regard to their regulation. These special subjects comprised: (1) Security of Empire communications in Egypt. (2) Defence of Egypt. (3) Protection of foreign interests and minorities in Egypt. (4) The Sudan. (5) Egypt's relations with foreign States.

These terms were rejected by the Egyptian national movement. Nevertheless Egypt was proclaimed independent; Fuad was installed as King and a suitable Prime Minister found. British martial law was maintained in Egypt until August, 1923. In this way Egypt became "independent."

Thirty years later, by the first half of 1952, negotiations were still at a deadlock between the British and Egyptian Governments with regard to the unsettled question of the final withdrawal of British troops from the Canal Zone and the future of the Sudan. In October, 1951, the Egyptian Government denounced the Anglo-Egyptian Condominium of the Sudan, proclaimed the unification of Egypt and the Sudan, and demanded the withdrawal of British troops from the Canal Zone. British military reinforcements were sent to the Canal

Zone, and armed hostilities followed in the beginning of 1952. It was not until 1954 that military evacuation of the Canal Zone was agreed under a new treaty, and even so under conditions reserving rights with regard to maintenance and future "re-activation" of the base.

Since the example of Egypt in 1922, this new imperialist technique was further elaborated and extended. In 1927 Iraq was proclaimed independent under King Feisal—with treaty provisions covering the maintenance of British bases. After the second world war examples multiplied. In 1946 Transjordan was proclaimed independent under King Abdullah, to prevent its former mandatory status being transferred to trusteeship under the United Nations, with special provision for British military control of its armed forces and an annual subsidy £2 million (later rising to £10 million) from Britain. In 1947 the United States took a leaf from the book of British imperialism and proclaimed the Philippines independent, subject to maintenance of American economic rights, American military bases and an American Military Mission with retention of American troops for these purposes. In 1952 Libya was proclaimed independent under the British nominee, King Idris, with special provision for continued British military occupation in the initial period, for British financial subsidies to the new government, for Libya to be included in the sterling bloc, and for a British chief financial and economic officer to be attached to the Ministry of Finance.

An examination of these examples would indicate that the use of the term "independence" is elastic, and that the label on the bottle is no guarantee of the contents. The examples cited cover a variety of forms, ranging from what would have formerly been frankly termed a protectorate or puppet state, as in the Middle Eastern examples, to more subtle forms of partial concession to the demand for independence, but under limiting conditions. In every case it is obviously necessary to look behind the diplomatic conventions and paper formulas in order to judge the real concrete conditions and relations of power.

Reality in all these cases revealed a different picture from the diplomatic fiction. Imperialism had by no means yet withdrawn from the colonial countries on which independence was thus conferred by imperialist fiat. The essence of the imperialist

colonial system lies, *first*, in the economic exploitation of the colonial country, its resources and man-power, in the interests of the big monopolies of the imperialist powers; *second*, in the strategic domination of the country and its absorption in the imperialist bloc on the world scale; and *third*, in the maintenance of a political system capable of fulfilling these aims in the interests of the imperialist power. The particular political form is subordinate to these essential purposes.

By all these tests the colonial countries instanced above, on which formal independence had been conferred, remained in the initial phase, with greater or less openness—crudely, as in the case of Jordan under the subsidised King Abdullah, or more subtly in the case of a more developed territory handed over to the administration of compromising bourgeois interests economically and strategically tied to imperialism—subject to imperialist domination and exploitation, even though at an advanced stage of decay of the old imperialist power. The vested interests of the great imperialist monopolies, dominating and strangling the life of the country, were maintained and protected and guaranteed by special treaty arrangements. Joint military arrangements were maintained, with varying degrees of direct occupation, control by military missions and upkeep of bases. Joint warfare or repression by imperialism and the local governments were carried out against the mass liberation struggle and against the working-class movement. Hence the national liberation struggle for effective independence from imperialism has continued in these countries after the recognition of their formal diplomatic status as sovereign independent states.

This technique of formal independence, covering the reality of continued imperialist domination, does not exclude further development, by the advance of the national liberation struggle, by the increased weakening of imperialism, and by the growth of contradictions between the imperialists and the local rulers originally installed in alliance with imperialism, as a result of which the advance has been carried further forward in the direction of effective independence. The example of Egypt and other Middle Eastern states has illustrated this. But even so, the full liberation from the grip of imperialist monopoly interests on the economy of the country has remained to be accomplished.

3. *Constitutions and Colonialism*

Throughout the subject colonial territories of the British Empire, with a population of over 80 millions, a wide variety of constitutions have been developed during the recent period within the conditions of the still continuing colonial rule and ultimate absolute power of the British Government and officials appointed by it.

These constitutions, which are promulgated, withdrawn, revised, amended or replaced by new constitutions, often in rapid succession, in accordance with the strength, stage and character of the national struggle, range over an extremely complex variety of types, from the most limited advisory participation of selected individuals in the Governor's Executive Council, or Legislative Councils with "official" majorities or nominated "representatives," to fully elected legislative Assemblies on the basis of universal suffrage in the advanced types, with the formation of "Ministries" headed by a "Chief Minister" or "Prime Minister." In all, however, the overriding power has rested with the Governor and with the key British officials who hold effective control over the administration of the law, the police and armed services.

Since these constitutions, especially in the case of the more advanced types, are often presented as equivalent to virtual "self-governing" institutions, or the office of "Prime Minister" within them as equivalent to the normal office of a Prime Minister in a sovereign state, it is necessary to examine more closely their actual character.

The term "constitution," drawn from the historical traditions of democratic revolutions, is not strictly applicable to these colonial patterns of administrative or representative institutions. For the essence of a constitution is that it is the expression of the sovereignty of the people, fought for against autocratic power and won by the struggle of the people, whose elected delegates meet in a "constituent assembly" or corresponding sovereign representative body to draw up their own political institutions in accordance with their own will and with no external force or interference. The second main characteristic of all traditional written constitutions is that they explicitly define the fundamental rights of citizens.

Neither of these characteristics applies to any of these colonial constitutions. They are not the expression of popular

sovereignty, but of an administrative decision laid down by a foreign ruling power. They lay down no fundamental rights of citizens, which remain completely at the mercy of the autocratic power of the foreign rulers; and indeed the constitutions, as will be seen later, are often accompanied by a very considerable measure of repression and restriction of elementary democratic rights.

In all cases the supreme power has remained with the British Governor and his officials, representing and responsible to the Colonial Office and the British Government in Whitehall. The Governor has overriding power to approve or veto legislation or measures passed by the Councils or Assemblies, or to enact ordinances independently and has reserved powers in special key spheres of administration and control, such as appointment to the higher posts in the State machinery, the maintenance of law and order, and control of the armed forces. In the overwhelming majority of cases (the first exception being the Gold Coast Constitution of 1954) the decisive official positions on the governor's Executive Council, represented by the three positions of Chief Secretary, Financial Secretary and Attorney General, are held by British officials. In all cases the reality of colonial dictatorship behind the façade of concessions is especially evidenced in the provisions for the control of the police and armed forces, the judiciary and upper bureaucracy, law and order, finance, and the protection of commercial interests, and in the safeguards and reserve powers held in the hands of the British-appointed Governor.

The "representative institutions" (Legislative Councils or Assemblies), where these exist, are not only in all cases limited in powers, but in the majority of cases limited in their representative character. According to a statement of the Colonial Secretary in Parliament on November 5, 1953, the extent of the franchise in British colonial territories showed the following picture, covering thirty-six British colonies in 1953:

In fourteen colonies with a population of 38,849,361, or 36 per cent. of the total population, there was no franchise of any kind, and consequently no elections to the legislature.

In twelve colonies with a population of 43,005,190, or 54 per cent. of the total population, the franchise was limited and restricted by various conditions, including ownership of property, race, sex, tax payments, residence or literacy.

In ten colonies only, with a population of 7,676,206, or 10 per cent. of the total population, was there universal suffrage and periodic elections.

Thus among nine-tenths of the population of the colonial territories there was in 1953 not yet universal suffrage for election to the restricted representative bodies where these existed. In over one-third there was no franchise and no elections.

Further, in a number of territories, where there is a resident European population, constituting a tiny minority of the total population, the franchise is so framed as to place representation on the Legislative Councils decisively in the hands of the tiny European minority of the population. Thus in the Federation of Rhodesia and Nyasaland, in the elections in 1953, out of the 6½ million Africans, constituting 96 per cent. of the population, there were only 445 voters, or less than 1 per cent. of the total electorate of 66,929. In Kenya, with a population of 5¾ millions, the Legislative Council elected in 1952 consisted of twenty-one elected members and thirty-three official or nominated members; the European 40,000 or 0·7 per cent. of the population elected fourteen of the twenty-one elected members; the Asian 160,000 or 2·8 per cent. elected seven; the African 5½ millions or 96 per cent. had no elected representatives at all.

The significance of these colonial constitutions actually lies, not in any replacement of the reality of colonial dictatorship by self-government, but in their reflection—even though often a distorted reflection—of the stage of the political situation and national struggle within the given colonial territory. Colonial constitutions are a by-product of the national liberation struggle.

In all the major examples the colonial constitutions have arisen as a sequel to the violent suppression of a mass uprising against the ruling colonial power. Thus the Gold Coast Constitution, prepared in 1949–50 and inaugurated in 1951, was the direct sequel of the Gold Coast “riots” of 1948, in which police baton charges and firing on the mass demonstration of the people led to twenty-nine killed and 237 injured. Similarly in Nigeria the Richards Constitution, prepared in 1946 and inaugurated in 1947, was the direct sequel of the powerful and successful General Strike of 1946, and the MacPherson Constitution, prepared in 1950 and inaugurated in 1951, followed the Enugu shooting and national upsurge of 1949. The Malaya

Constitution of 1955 followed seven years of armed warfare against the Malayan National Liberation Army and the admitted failure of military measures to crush the national revolt. Thus the successive constitutions represent the attempt to forestall the victory of the national revolt, and to draw in a new social stratum or a section of the national leadership, into co-operation with imperialism, without changing the seat of power.

From the standpoint of the national liberation movement, even the limited possibilities of these constitutions, in those oases where electoral institutions are established on a relatively wider basis, can be used and have been used, through the opportunities for the functioning of legal democratic parties (even though the main traditional parties of the people may have been declared illegal), the conduct of agitation and propaganda, even though within restrictions, the political debates within the elected bodies or the endeavour to promote legislative measures in the interests of the subject people, to further and develop the national struggle and the strengthening of the national movement in order to advance to the aim of national liberation.

But from the standpoint of imperialism, the "success" of a colonial constitution is measured by the extent to which its machinery is able to draw in a significant social stratum or upper leadership into co-operation with imperialism, and to divide or weaken the national movement and bolster up its threatened rule in this way. The examples of a Bustamante or a Grantley Adams, gladly co-operating with and extolling imperialism, while holding their offices on the basis of the most burdensome imperialist exploitation of the masses of the people, represent the model of the successful functioning of a colonial constitution from the standpoint of the imperialist rulers; and lavish honours and rewards are bestowed on such "representatives."

Where a progressive leadership of the national movement has been able to win a majority within the electoral machinery of these constitutions, and has faithfully sought to fulfil its electoral mandate and carry out reforms in the interests of the people, there the experience of British Guiana has shown that the constitution is speedily abrogated and open dictatorship on the basis of armed force proclaimed, until such time as new

political alignments can be devised to secure the co-operation of a more amenable leading section.

The epitaph on the colonial constitutions was expressed by *The Times* on October 23, 1953, in commenting on the British Guiana experience:

“The British Guiana Constitution, like other such constitutions, presupposes a full measure of agreement between the representatives of the Crown and the elected representatives of the Colony. When such agreement is lacking the constitution cannot function.”

4. *Experience of Nigeria and Ghana*

The political advance of Nigeria (population 33 millions) and Ghana (population 4½ millions) in West Africa has been in the forefront of attention in the modern period as the first examples of advance in Africa south of the Sahara from colonial subjection towards dominion status or independence. Following the successive election victories of the Convention People's Party, with a programme of independence, in the Gold Coast in 1951, 1954 and 1956, and the adoption of the Legislative Assembly resolution in 1956 for independence, the new Dominion of Ghana as a sovereign independent state within the Commonwealth was proclaimed in 1957. The situation in Nigeria is more complex; and the division of regions, as well as the division of political parties, complicates the prospect; but the eventual aim of a similar development in Nigeria is generally contemplated.

At the outset it is necessary to observe the significance of the distinction between the development in the British colonial territories in West Africa and in East, Central and Southern Africa. The difference of political methods adopted reveals that there has been no question of a universal principle of equal constitutional development to self-government operating in all colonial territories in the British Empire, but a difference corresponding to different colonial conditions giving rise to variant political methods for the maintenance of the interests of imperialism.

The most extreme type of open racial dictatorship and ruthless suppression of the majority of the people has been demonstrated in South Africa, where a permanently settled European minority of 2½ millions has imposed itself as a “ruling race” alone enjoying political rights on the subject population

of over 10 million non-Europeans. To maintain this racial domination, the South African "nationalist" Governments of Malan and Strydom have carried through an openly fascist type of legislation for racial domination or *apartheid* to hold down the Africans and other non-Europeans in a permanently inferior position by law, and for the "suppression of Communism" to cover attacks on trade union and democratic rights and extend the offensive also to progressive democrats among the Europeans.

In Central and Eastern African territories of the type of Southern Rhodesia and Kenya, where a British settler minority has relegated the Africans to restricted "reserves" in order to exploit their labour on the plantation system, a modified type of Malanism has been characteristic, with strict maintenance of the colour bar and exclusion of the African majority of the population from political rights.

The establishment of the Federation of Rhodesia and Nyasaland in 1953 signified the further entrenchment of this system of dictatorship by the white settler minority.

On the other hand, in West Africa, where the conditions are unfavourable to European settlement, and where the resistance of the people hindered the development of a plantation economy, the alternative method of economic exploitation was adopted through the stranglehold of the monopoly combines on the peasant producers, with only a small transient European population of administrators and trading company representatives. Here a different political system of machinery for maintaining colonial rule had to be devised. This was found in the method which was designated "indirect rule." "Indirect rule" was originally based on establishing the hereditary feudal chiefs as local salaried officials to function as the subordinate machinery of the imperialist ruling power. However, as economic development increasingly undermined the position of the feudal chiefs and gave rise to a new class of African traders and developing national bourgeoisie, the methods of "indirect rule" in West Africa had to be adapted. This was the more imperative, as the rapid advance and militant challenge of the national movement and working-class movement was endangering imperialist rule. Hence the scramble to produce one new constitution after another in Nigeria and the Gold Coast, with novel features in the extension of the franchise,

African elected majorities in the assemblies and African Ministers. These constitutions have reflected the attempt to find new allies, beyond the former basis of the local feudal chiefs, among the new African trading elements and some of the larger capitalist farmers associated in an intermediary capacity with the overseas monopoly combines in the machinery of exploitation of the West African peasantry and workers, against the revolt of the working class, poorer peasantry and urban petty bourgeoisie.

The successive colonial constitutions in Nigeria and the Gold Coast during the first decade after the war, although relatively more advanced than in the majority of other colonial countries, did not differ in the most important essentials from the general run of colonial constitutions, that is, in respect of the decisive powers in the hands of the British Governor, British control of the armed forces and protection of British imperialist interests of exploitation.

In Nigeria the amended Constitution of 1954 carried further forward the division of Nigeria into three artificially constituted Regions (North, East and West, with special arrangements for Lagos and for the Cameroons) under separate Regional Assemblies, Ministers and Governors, alongside a Federal Assembly, Ministry and Governor-General. The three ex-officio Ministers or British officials in the key posts of Chief Secretary, Financial Secretary, and Attorney-General remained. While direct elections were established in East and West Nigeria, the complicated system of indirect elections was continued in the North, thus maintaining effective control of representation in the hands of the Emirs (former feudal chiefs and now salaried officials of the British) and their political organisation, the Northern People's Congress. In the Federal Assembly ninety-two of the 184 seats were allocated to the North. Hence in the outcome of the elections of 1954, while the National Council of Nigeria and the Cameroons had won majorities in the East, on the basis of universal suffrage, and in the West on a wide tax-payers' suffrage, in the Federal Assembly the Northern People's Congress held 79 seats against 56 for the N.C.N.C., 27 for the Action Group, and 22 others. The complex balance and division of forces facilitated imperialist control. This unstable constitutional structure could only be a transitional stage, while the struggle for the popular

demand of full self-government continued to gather force.

In the Gold Coast the amended Constitution of 1953 provided for a single-chamber Legislative Assembly of 104 members, directly elected by universal suffrage, and a cabinet composed entirely of African representative Ministers (thus replacing the previous three ex-officio Ministers or British officials in key posts) appointed by the Governor on the recommendation of the Prime Minister. But the Governor retained his reserve powers in relation to external affairs, defence and the police. It was further laid down that in respect of the Departments previously run by the ex-officio Ministers, the Governor should exercise "special responsibilities" with the aid of Advisory Committees for external affairs, the army, navy and air force, defence, internal security and the police; while the African Minister of Finance was to be "advised" by the Permanent Secretary of the Ministry of Finance. In the election of 1956 the Convention People's Party (originally founded in 1949 as a militant alternative to the older United Gold Coast Convention, and carrying forward the prestige of past mass struggles and the imprisonment of its leaders) led by Dr. Kwame Nkrumah, won an absolute majority of 71 of the 104 seats, though a narrower majority of 57 per cent. of the votes cast, and only 29 per cent. or less than one-third, of the registered electorate. The regional opposition parties won the majority of seats in the regions they contested: in the Northern Territories the Northern People's Party won 15 seats against 11 for the C.P.P., and in Ashanti the National Liberation Movement won 12 seats against 8 for the C.P.P.

Following the election of 1956, the Gold Coast Legislative Assembly carried unanimously (the opposition parties boycotting the session) a resolution for independence. The British Government had previously given a pledge that if the Assembly arising from the election of 1956 carried such a resolution by a substantial majority, it would be accepted. In accordance with this pledge the Colonial Secretary announced in September, 1956, that, subject to parliamentary approval, the Gold Coast would be granted independence within the British Commonwealth in March, 1957, under the name of Ghana.

In estimating the significance of this process of advance towards political independence in West Africa it is necessary to bear in mind three governing considerations.

First, the victories won have corresponded to the strength of the insurgent national movement. It has already been indicated that the constitutional advance in the Gold Coast followed the replacement of the moderate Gold Coast Convention by the more radical Convention People's Party with its "direct action" programme, and the subsequent mass struggles, general strike, demonstrations described by the authorities as "riots," and police firing with many killed. Dr. Nkrumah came straight from prison to become Prime Minister under the new colonial constitution. Thus the path to political independence by no means corresponded to the conventional picture of a harmonious purely peaceful transition conferred as a favour from above, but was won by mass struggle and by the strength of the popular liberation movement. At the same time the C.P.P. showed the capacity to utilise the legal possibilities of the preceding constitutional concessions won, through universal suffrage and partial representative institutions, to carry forward the advance to political independence.

Second, the granting of dominion status followed on a period of experimental trial of the Ministries of the C.P.P. within the limitations of the preceding colonial constitutions. Only when the imperialist rulers were satisfied with the results of this trial, and had reached the conclusion that the new Ministers were prepared to co-operate with imperialism, protect imperialist economic interests and use police powers against militant working class agitation and literature, was the pledge given to carry forward the development to dominion status.

Third, and most important, the political changes achieved did not yet change the essence of imperialist economic exploitation of West Africa. Behind the façade of African Ministers imperialist domination and exploitation was maintained and intensified. The African Ministers co-operated in general with the British Governors, while the foreign monopolies drew gigantic profits from the cocoa, palm kernels, palm oil, tin, gold, diamonds, timber and other raw materials drawn from the West African colonies, and from the domination of their markets. The United Africa Company, subsidiary of Unilevers, continued to hold in its monopolist grip the economy of West Africa, buying on behalf of the Marketing Boards more than two-fifths of the main export crops, and shipping and transporting some two-fifths of the imports. Alongside

the United Africa Company, the other specialised foreign monopolies drew their rich profits. Ashanti Gold Fields, the principal gold combine in the Gold Coast, declared a dividend of 50 per cent. in 1952. De Beers, the principal diamond combine operating in the Gold Coast, declared a dividend of 200 per cent. in 1952.

The increasing and accelerating importance of the West African colonies in imperialist economy was shown in the growth of their total trade (exports and imports) from £8 million in 1896 to £56 million in 1938, £136 million in 1947, and £422 million in 1952, or a seventy-fold increase in money values over half a century.

The rapid intensification of imperialist exploitation in West Africa, especially in the most recent period of constitutional reforms, was shown in the steep rise in the surplus of exports over imports. In Nigeria the export surplus rose from £10 million in 1900-20 to £46 million in 1920-40, and to £150 million in 1940-52. This was equivalent to an increase in the annual export surplus from £500,000 in the first two decades, to £2,300,000 in the next two decades, and £11.5 million during the next twelve years. In 1952 the export surplus was £16 million and in 1953 £17 million, or a thirty-four-fold increase in the drain of wealth from the colony over half a century.

In the Gold Coast the excess of exports drawn from the population of $4\frac{1}{2}$ millions in 1953 was £17 million, equivalent to close on £4 a head, or more than six times the rate per head for Nigeria. While £25.4 million exports were sent to the dollar area only £4.6 million imports were drawn from it so that the Gold Coast was used as a net dollar earner of over £20 million to the sterling area.

The steep rise in the colonial sterling balances of West Africa has been one of the sharpest indications of the intensification of imperialist exploitation alongside the constitutional reforms. Between 1949 and 1954 the colonial sterling balances of West Africa, representing the equivalent of goods taken from West Africa without current payment, and thus in effect forced loans from West Africa to Britain, rose from £200 to £488 million, or the startling increase of £288 million in five years, equivalent to an annual increase of £57.6 million.

On this system of sharply increasing the drain from the

colonies to provide capital for Britain (the exact opposite of the professed principle of "development" by grants and aid from Britain to the colonies) a contributor to the pro-imperialist periodical *West Africa* commented:

"The operations of the Marketing Boards have involved West Africa in lending large sums of money to Britain (or probably more correctly to Britain and other sterling area countries). . . .

"It is an anomaly that West Africa should be investing so large a sum as £330 million in Britain. It is usually considered that the flow of capital should be from the richer to the poorer countries. The West African economies are not of the type which should be lending abroad. Investment in Britain is not the most advantageous form for them to undertake, unless widely held views on the need to provide capital for the development of underdeveloped countries are completely mistaken."

(ARTHUR HAZLEWOOD, *West Africa*, January 24, 1953.)

An especially important role in this intensified exploitation of West Africa during the period of constitutional reforms has been provided by the marketing boards instituted since the second world war. Through the operation of the marketing boards the exploitation of the peasantry has been raised to extreme heights. While cocoa prices were low between the wars, the West African cocoa farmers had to bear the brunt. When cocoa prices rose during the period after the second world war, the Cocoa Marketing Boards of Nigeria and the Gold Coast were instituted to skim the cream, alongside the very high Government export duties, and leave only a tiny portion of the world price for immediate return to the cocoa farmers, who had however to meet the steep increase of world prices in all the commodities they bought.

Thus in Nigeria in 1953-4, according to a statement of the Prime Minister of the Western Region on June 1, 1954, the average price of cocoa was £400 per ton, and the world price reached £520 per ton, but the cocoa farmers received only £170 per ton.

In the Gold Coast the same process was no less marked. Whereas before the war the cocoa farmer received £25 per ton, as against a world price of £32, after the institution of the Cocoa Marketing Board, the cocoa farmer received during 1946-52 an average of £74 per ton against a world price of £208, and in 1953-4 a fixed price of £134 against a world price of £350-£400 (rising even to over £500 at the beginning

of 1954). The difference swelled the gigantic stabilisation fund of the Marketing Board and the "development" expenditure of the Government, on the basis of the heavy export tax imposed. A further drastic step in this process of fleecing the cocoa farmers was the decision announced in August, 1954, that, in addition to the £64 15s. per ton export duty on cocoa, the Government would in future appropriate all the balance between £260 a ton and the prevailing price on the world market.

This heavy burden on the peasantry was supposedly for the purpose of Gold Coast "development." But this "development" took on the typical character of colonial development in the interests of imperialist monopolies, to facilitate the further extraction of raw materials of the country for the requirements of imperialism. Thus the widely publicised Volta River Project was directed to the extraction of aluminium and bauxite in the interests of powerful British and American monopolists (the British Aluminium Company, and the Aluminium Company of Canada with United States connections). The scheme comprised three projects: a power station to cost £54 million; an aluminium smelter to cost £64 million; and a new port, rail and road development, housing, schools, etc., to cost £26 million, of which £11 million was to be for the new port. All the public works (non-profit making, such as the port, railway, roads, houses, schools, etc.), were to be paid for by the Gold Coast Government, which was also to cover the cost of the power programme "as far as its resources permitted."

On the other hand, the aluminium smelter and bauxite mining, which would draw the profits made possible by the power development and facilities chargeable to the Gold Coast Government, were to be managed by "private enterprise," with the aluminium companies providing the main capital and the dominant control, while the Gold Coast Government was to be allowed to provide 10 per cent. of the equity capital.

Thus the Volta River Project has represented a typical example of modern imperialist colonial "development" to increase and speed up the maximum extraction of raw material wealth from the colony for the profit of overseas investors, while placing the heaviest possible portion of the cost on the local colonial government, that is on the backs of the local colonial workers and peasantry.

Such were the methods of the sharply intensified imperialist

exploitation in the Gold Coast which took place under the protective cover of the Nkrumah Ministry since 1951.

The satisfaction of the representatives of the big imperialist monopolies with the record of the Nkrumah Ministry was expressed by General Sir Edward Spears, Chairman of the Ashanti Gold Fields Corporation, when he declared at the Annual Meeting of his company in 1953:

“African Ministers are acquiring a great sense of responsibility as they realise the problems of government. Moreover, most of them are fully aware that they cannot dispense with British help if the Gold Coast is to develop and prosper.”

He referred with warm “appreciation” to the declaration of the Minister of Commerce and Industry, Mr. Gbedemah, who had stated:

“The Gold Coast Government has no intention of nationalising the Gold Mines. We shall be doing ourselves a lot of harm if we give the impression that we are the sort of people that pounce on the businesses that have been built up by private capital.”

When the Nkrumah Ministry proceeded to suspend leading members of their party for suspected sympathies with the World Federation of Trade Unions, to ban the import of left-wing literature, and impose a ban against Communists in the public services, the delight of the imperialists was enthusiastically expressed. “Dr. Nkrumah has done good service,” was the verdict of *The Times*, on October 22, 1953. The *Daily Telegraph* on March 31, 1954, summed up:

“The C.P.P. leaders are lambs to the bureaucracy, lions to the mob. . . . The situation is not ideal but it is tolerable. The better established mining and trade concerns look ahead with a sort of wry confidence.”

The situation in West Africa is still in many respects unstable, in view of the intensified exploitation of the people and the rising mass discontent. Undoubtedly a significant measure of political advance has been achieved and is being further carried forward by the popular struggle. Imperialism has endeavoured to adapt itself to this situation, and to maintain as far as possible and even extend its economic interests and exploitation in the new conditions. The full liberation of West

Africa from all forms of imperialist domination and exploitation has still to be achieved.

5. *Colonial Repression*

Alongside the method of constitutional concessions and reforms, the method of direct colonial repression, penal ordinances, arbitrary arrests, police attacks on demonstrations and strikes, banning of organisations and prohibition of literature, is freely used in all colonial territories.

Suppressive laws are a normal process of administration in all British colonial territories. Extending over decades these repressive laws are too numerous to mention, but their general purport is:

(a) to suppress or restrict freedom of speech and assembly, the press and progressive literature.

(b) to forbid or limit the right to strike, hamper the formation of independent trade unions, co-operatives, and political parties, and to imprison and deport trade union and political leaders.

Ample evidence of this is provided in the Penal Code Amendment (Tanganyika, 1948) which empowered the British Governor to forbid the import of publications, and to detain, open, and to search all packets suspected of containing prohibited publications. Similarly, the Criminal Procedure Code (Article 32) gave power to "any private person to arrest any person who in his view commits a cognisable offence, or whom he reasonably suspects of having committed a felony." It also stated that "persons found committing any offence involving injury to property may be arrested without a warrant by the owner of the property or his servants or persons authorised by him." In a territory where 17,885 Europeans rule over 8,000,000 Africans this repressive law gives legal sanction to Europeans to accuse and arrest any Africans whom they dislike.

The Uganda Order in Council, 1902 (Article 25), makes any criticism of British policy a "seditious" offence, and anyone found guilty can be deported or exiled without trial. Under the Police Ordinance (Section 34a) no public meeting of more than 250 people can be held without a permit from the British Governor. Under the Penal Code (Section 160a) as amended in 1951, it is illegal for Africans to subscribe money to any

African movement, and the penalty is a fine of £200 or six months in prison. In January, 1954, the United Kingdom Government used these repressive laws to banish the Kabaka of Buganda, to declare a "state of emergency," and to take severe measures against the Uganda National Congress. The banishment was only revoked after acceptance by a delegation of constitutional changes which had been demanded by the British Government in order to bring the Buganda more closely under the centralised administrative machinery of Uganda.

In Bechuanaland proclamations are made under the 1891 Order in Council, and in 1934 there was a proclamation (No. 74) on Native Administration and another (No. 75) on Native Tribunals in which legal sanction was given to native laws of succession decided by the Kgotla (assembly) of the Bamangwato people. When the Kgotla in 1949 accepted Seretse Khama as their chief, the United Kingdom Government violated their agreement by refusing to confirm this decision and banishing Seretse Khama from his native land for marrying a white woman. Later in March, 1952, the United Kingdom Government decided to banish Seretse Khama for life. In this arbitrary proceeding the Malanite influence was visible through the action of the authorities (both the Labour Government and the Conservative Government) in thus banishing the hereditary chief for the crime of marrying an English woman. This action was professedly taken out of consideration for the feelings of the tribe and for fear of disturbances, although in fact the democratic tribal assembly or kgotla (more civilised and tolerant than their rulers, and rising superior to colour prejudice) had declared full acceptance of the marriage, and it was the British Government's action which provoked profound unrest and violent repressive action by the authorities.

In all the territories of the West Indies there are repressive laws forbidding the publication or importation of undesirable literature, and the British Governor is the sole judge of what is deemed to be "seditious." Anyone found guilty of printing, importing, or even receiving such publications and not reporting it is liable to a fine of 4,800 dollars and/or two years in prison. Similar laws are in force to prevent trade union and political leaders travelling within the different territories of the Caribbean.

In the Gold Coast the importation of progressive newspapers and other literature was forbidden, and persons suspected of "Communist" views were refused entry. The Gold Coast Government in 1954, invited an official delegation from the Lagos Town Council (Nigeria). Though there is no Communist Party in Nigeria, one of the Lagos Town Councillors on the delegation (Nduka Eze) was refused admission on the ground of being a suspected Communist, with the result that the entire delegation refused to visit the Gold Coast. The Gold Coast Government also adopted regulations to deprive suspected Communists of their passports, and to prevent them from travelling abroad.

Similarly, the Federal Government of Nigeria has adopted regulations against the importation of progressive literature, forbids passports to Communist "suspects," and forbids the entry of British subjects. Similar steps have been taken to prevent the employment of suspected Communists in the civil service and in the schools. In the absence of a Communist Party either in Nigeria or the Gold Coast this means that any person whose views are critical of the United Kingdom Government or the administration in these two countries is deemed to be a "Communist."

In Cyprus, even before the conditions of military dictatorship and virtual war against the people which opened in 1954, the Criminal Code defined as "sedition" anything which brings into "hatred and contempt . . . the Government of the Colony as by law established; or to bring about a change in the sovereignty of the Colony . . . or to promote feelings of ill-will and hostility between different communities or classes of the population of the Colony." Cyprus had no elected Government, but simply a British Governor and an Executive Council appointed by him. So any criticism of the Governor was interpreted as "hatred and contempt of the Government in the Colony." Commenting on the new repressive laws in Cyprus in 1951, *The Times* explained (January 26, 1951):

"It is not necessary to prove any particular act against the person concerned, and the president can make an order if, from the circumstances of the case and the known character of the person, he comes to the conclusion that such an order should be made."

All the repressive laws and actions of the British rulers,

while heavily restrictive in their effect, have failed to prevent the growth of the movement of the colonial peoples for liberation and national independence. Where repressive laws have proved insufficient, the method has been adopted of declaring a "state of emergency" in order to proceed to measures equivalent in practice to martial law and a state of war. This has been demonstrated during the period since the second world war in the colonial wars in Malaya, Kenya and Cyprus.

6. Interplay of Constitutions and Repression: British Guiana

The twin methods of constitutional reform and of repression are not separate, but are in practice applied in close association. The most striking demonstration of this interplay of constitutions and repression has been provided by the experience in British Guiana with the despatch of troops and warships in order to annul the newly created Constitution and depose the elected colonial ministry in 1953.

In British Guiana the People's Progressive Party, which was firmly based in the popular movement, both industrial and political, and in the support of the majority of the people, obtained in the elections in April, 1953, on the basis of universal suffrage, with 70 per cent. of the electorate voting, an absolute majority of the votes and eighteen out of the twenty-four elected seats. This electoral victory gave them the right to six of the nine ministerial positions on the Governor's Executive Council. The opportunities thus opened to them were heavily limited. The three key positions on the Governor's Executive, controlling defence, police, law and order and finance, were in the hands of British officials. A State Council or upper house was dominated by nominees of the Governor. The Governor had overriding powers to certify or veto legislation or other measures irrespective of the wishes of the ministers and the elected representatives of the people.

The election programme of the P.P.P. proposed the most moderate democratic, economic and social reforms; civil rights; trade union rights; social insurance; workmen's compensation; security of tenure and loans for farmers; educational reform; low rental housing schemes; reduction of the burden of indirect taxation and increase of direct taxation. The Ministers in office endeavoured to carry out that programme. They remained strictly within the constitution. Every

correspondent of every newspaper testified to the complete calm and quiet in Guiana.

In October, 1953, the British Government despatched warships and troops to British Guiana. The democratically elected ministers were removed from office; the constitution was suspended; and a régime of open police dictatorship was established. Subsequently many of the leaders of the P.P.P. were arrested and imprisoned. Not a single act of violence or disorder or even a constitutional breach or crisis could be alleged to justify this armed aggression. The warships and troops were despatched, not to deal with any situation of violence or disorder, but to overawe the people in order to carry through the arbitrary removal of the democratically elected ministers.

The allegations of a "Communist plot" to justify this action were presented in so flimsy a form, without a shred of concrete evidence, as to arouse the contemptuous comment even of the leading organs of the press in Britain. Thus *The Times* of October 31, 1953, found that "the 'Communist plot' . . . is not exposed in the White Paper with the clarity and completeness that many in this country expected." The *Manchester Guardian* of the same date concluded that "the charge of Communism, so much bandied about in the early days of the crisis in Guiana, now seems rather a red herring."

But the significance of this arbitrary armed action in British Guiana to replace even the most limited beginnings of representative institutions by a police state was far reaching. It not only constituted a shattering exposure of the real character of the colonial "constitutions," but also laid bare the basic outlook of imperialism on the whole question of democracy. The Colonial Secretary, Mr. Lyttelton, declared in Parliament on October 22, 1953:

"Her Majesty's Government are not prepared to tolerate the setting up of Communist states in the British Commonwealth."

It is obvious that this doctrine of the right to overthrow democratically elected ministers by armed force in any country in the British Empire, that is, including in the Dominions or in Britain, carries far-reaching implications.

It is further significant that the Labour Party dominant

leadership united with the Conservative Government in denouncing the leaders of the P.P.P. When these leaders came to Britain to plead for support from the democratic movement, the Labour Party Executive imposed a ban against the local organisations of the Labour Party sponsoring meetings at which they could put their case. The ban proved a boomerang; demonstrations were held all over the country, and there could be no question of the overwhelming sympathy shown throughout the labour movement and among the people.

Alongside Malaya, Kenya and Cyprus, the example of British Guiana has brought into sharp relief the advance of the colonial crisis and the deepening of the conflict between imperialism and the democratic advance of the peoples.

7. Colonial Wars: Malaya

The period since the second world war has seen three major colonial wars of British imperialism against the national liberation movement: in Malaya since 1948, in Kenya since 1952, and in Cyprus since 1954.

Malaya is a relatively small territory of 51,000 square miles with a population of 6 millions. But it occupies a key position in the network of British imperialist interests. British capital investments in Malaya have been estimated at about £100 million, mainly in the rubber and tin plantations. Huge dividends have been won, reaching to 100, 200, and even 400 per cent. Real wages, on the other hand, have fallen below even the low pre-war level, and in 1953 were officially estimated at 79 per cent. of 1939.

The boom in rubber and tin prices, which reached fantastic heights during the Korean war, brought not only rich profits for British capitalists; it brought dollar reserves to balance Britain's dollar deficit. In 1950 Malayan exports to the United States amounted to £122 million, or more than the total United Kingdom dollar deficit on current account in the same year, amounting to £105 million. In 1951 Malayan dollar earnings shot up to \$466 million, or £166 million—from an impoverished population of under 6 millions. During the six years 1946–51 Malayan dollar earnings totalled \$1,713 million, roughly equivalent—at the successive rates of exchange—to £460 million, or £75 a head for every Malayan man, woman and child (Commonwealth Trade in 1951, Memorandum of

the Commonwealth Economic Committee, 1951). Hence the desperate determination of the British imperialists to hold on at all costs to Malaya in order to bolster up their bankrupt dollar-dependent economy at home. "On no account can we relax in Malaya," declared the Conservative Prime Minister Sir Anthony Eden in 1955; "it is our principal dollar earner" (speech at Rugby, May 12, 1955).¹ The fall in rubber and tin prices after the Korean war boom revealed the unstable basis of this economic structure.

The Malayan workers' and peasants' struggle and the Malayan national movement has developed in the conditions of the fight for elementary living needs and rights against imperialist exploitation, broadening out into the fight for freedom from imperialist rule. The Malayan Communist Party was founded in 1931, and in 1935 drew up its programme for a Democratic Republic of Malaya to be attained by a broad anti-imperialist national front. In 1937 great mass struggles, reaching to close on half a million on strike, demonstrated the popular character of the movement.

The existence of a Malayan nation was until the most recent period tenaciously denied by British official spokesmen. This approach is typical of the contemptuous attitude of imperialism to a developing nation and national struggle for freedom and could be abundantly paralleled from the corresponding official attitude to the earlier stages of the Indian national movement.

In the case of Malaya this anti-national approach is based on the familiar racial outlook which seeks to fulfil the tactics of "divide and rule" by playing on the differences between the three communities which compose the people of Malaya—Chinese, Malay and Indian. The device is also utilised to attempt to deceive opinion outside Malaya by the suggestion that the national movement and partisan struggle is confined to "the Chinese" and only represents "a handful of Chinese extremists"—with the implications, for those unaware of the facts, that the liberation movement is confined to one community, and that the Chinese Malaysians are an alien minority as opposed to the real population of Malaya or Malays. All

¹ A similar point of view was expressed by the Labour M.P., Woodrow Wyatt, when he declared in a speech at Donnington on March 21, 1952, as reported in the press: "What would happen to our balance of payments if we had to take our troops out of Malaya?" This is a characteristic expression of Labour imperialism.

this is a monstrous distortion. The national movement comprises all three communities; the Chinese Malaysians are the most numerous of the three communities in Malaya; and many of the Chinese Malaysians are much longer resident in Malaya, often for generations, than many of the Malays, a number of whom are recent immigrants from Indonesia.

The latest available census returns showed the following figures of the three main communities composing the people of Malaya (including Singapore):

		<i>Per cent.</i>
Chinese	2,673,694	45·1
Malays	2,551,458	43·1
Indians	603,105	10·2
Others	95,282	1·6
	<u>5,923,539</u>	

Statesman's Yearbook, 1951: Malaya, 1947, Census; Singapore, mid-1950 estimate.)

The national liberation movement unites the representatives of all three communities. Since the Chinese are the majority community, it is not surprising that they should be in a majority in the national movement. Further, it should be borne in mind that the Chinese are mainly workers, and the Malays are mainly peasants; and since the working class is the vanguard and main fighting force of the national movement, equally against Japanese domination and against British domination, with the peasants in general acting as suppliers of food and other assistance, it is not surprising that the bulk of the guerrillas should be Chinese. But the suppression of popular organisations was directed equally against the Malay Nationalist Party, the Malay youth organisation and other Malay associations. The official reports of British Intelligence officers brought back by Malcolm MacDonald in May, 1949, had to admit that 25 per cent. of the guerrillas were Malays. The first person executed for the possession of arms was a Malay—who had fought with the R.A.F. And it is worth noting that leaflets dropped by British planes, carrying gruesome photographs of the murdered bodies of Liew Yau and other Malayan leaders and threatening a similar fate to any daring to resist British rule, were printed in the Malay language.

In the war against Japanese domination from the end of

1941 to the summer of 1945 the Malayan People's Anti-Japanese Army, organised by the Malayan Communist Party, united the resistance of the entire population against the Japanese invaders and built up the unity of the national front. Ten thousand Malayan patriots gave their lives in the fight against the Japanese occupation.

In August, 1945, following the collapse of Japan, the Malayan People's Anti-Japanese Army completed the liberation of Malaya before British troops had arrived. People's Committees were set up in the cities, towns and villages. A people's democratic order was in being, and administration was organised.

On September 5, British armed forces arrived, and the same process began as with the arrival of General Hodges and the American troops in South Korea to overthrow the people's democratic order after liberation. The Malayan People's Anti-Japanese Army was first subjected to attacks by the British forces of occupation, and then disbanded by the British Military Command. The People's Committees were similarly attacked by force and "dissolved" by order of the British Military Administration. Draconic regulations followed to smash the democratic organisations of the people—the Sedition Ordinance, the Banishment Enactment, the Printing and Publishing Enactment. The Malayan people had built up a wide network of democratic organisations: the Pan-Malayan Federation of Trade Unions, with 400,000 members, affiliated to the World Federation of Trade Unions, a Women's Federation and Youth League, political parties, organisations for the defence of civil liberties, all united in a common national front. All these came under attack, with arrests, deportations, raids and prosecutions, bans on demonstrations, police violence and firing, and scores shot dead.

Rejecting the demand for democracy, the British Government introduced a dictatorial "constitution" which came into force in February, 1948. This Malayan Federal Constitution established, alongside the autocratic High Commissioner, a consultative "Legislative Council" of seventy-five members—with not one single elected representative. In Singapore partial elections were provided for less than a third of the Council members. Opposing this anti-democratic "constitution," the Malayan people's organisations called for a boycott of the

Singapore elections. This boycott was so successful that only 10 per cent. of the registrable electors registered and only 6.3 per cent. voted; over 93 per cent. supported the people's boycott.

In the trade union field the Government equally failed to break the support of the workers for their organisations. Sending out special "trade union advisers," the Government sought to split the unions and undermine the united Pan-Malayan Federation of Trade Unions. They sought to organise unions on racial lines, separately for Malays, Chinese and Indians, without success. They sought to organise "non-political" trade unions, while introducing crippling legislation against the genuine trade unions. All these attempts failed; and in the end the representatives of the Government had to admit that they had only been able to organise 9 per cent. of the total number of organised workers in their spurious trade unions, whereas the Pan-Malayan Federation of Trade Unions had been able to organise 91 per cent.

This demonstration, of universal popular support for the united national front, led by the Malayan Communist Party, and the complete failure of all the attempts to undermine that support or paralyse the popular organisations by the reactionary decrees and measures during 1945-8, led the Government in the summer of 1948 to introduce a new régime of terror in order to suppress the popular movement by armed force. In June, 1948, the Emergency Regulations were introduced; the Pan-Malayan Federation of Trade Unions was declared dissolved; the trade unions, working-class and democratic organisations were successively suppressed, their leaders arrested, driven into the jungle or shot. By September 15, 1948, the Government stated in the House of Commons that up to that time 7,000 persons had been detained in concentration camps without charge, and 183 trade union leaders imprisoned. Faced with this brutal military repression of their democratic movement, which was ushered in by the Emergency Regulations of June, 1948, the Malayan people were compelled in July, 1948, to take up arms to fight for their freedom, as they had fought already against the Japanese occupation. The responsibility for the war rests wholly with the British imperialist rulers.

At the outset of the war in 1948 the British governors and military commanders, equipped with all the most modern

machinery of death and destruction, with armoured cars, artillery, tanks and bombing planes, counted with confidence on speedily destroying the ill-equipped Malayan People's Liberation Army and crushing the national movement in blood. They were soon to be undeceived as they encountered the deathless heroism and determination of a people fighting for their freedom, and as the war dragged on from year to year.

In November, 1948, the Commissioner-General for South-east Asia, Malcolm MacDonald, declared:

"The present trouble will be cleared up in a matter of months."

Two years later, by September, 1950, he was declaring:

"Only a fool would say that the situation is getting better."

At the outset the war against the Malayan people was described as a "police action" (a curious kind of police action with bombing planes and tanks) against "bandits" and "terrorists." Two years later, Sir George Maxwell, former Chief Secretary of the Government of the Federated Malay States, was publicly protesting against this false description:

"High officials in Malaya are doing a public disservice by referring to bandits, whereas those who are causing the trouble are essentially guerrillas with an assigned task in organised guerrilla warfare.

"The men now openly fighting against the Government forces are the successors of the men who formed the Malayan Anti-Japanese Army, who did excellent work during the Japanese occupation."

(SIR GEORGE MAXWELL, *Daily Telegraph*, May 22, 1950.)

Similarly *The Times* editorial of May 25, 1950, admitted:

"The rebellion must be recognised for what it is—a state of actual war."

This did not prevent Labour Government Ministers from continuing to endeavour to deceive public opinion at home by using the familiar Hitlerite and Japanese fascist language camouflaging a war as an "emergency" and national patriotic fighters as "Communist terrorists."

The Australian Minister of Defence, on a visit to London in 1950, complained that it was "fantastic" to be asked to believe the official picture that "between 50,000 and 70,000 British

troops" were incapable of mastering the alleged total of "between 5,000 and 7,000 Communist guerrillas," and that the only explanation could be that "the populace" was helping the guerrillas—in other words, that the war was a war of national liberation.

In January, 1949, the Malayan Communist Party published its Programme of Struggle for a Malayan People's Democratic Republic. The Programme included the following aims for which the Liberation Army was fighting:

A Malayan People's Democratic Republic based on full independence, racial equality and people's democracy.

Land to be distributed among the peasants and agricultural co-operatives formed.

Imperialist capital to be confiscated and taken over by the state, but small Malayan capitalists to be encouraged to assist production.

Oppressive contract labour and apprenticeship systems to be abolished, and workers' wages, safety and security of employment to be protected by law; women workers to receive equal pay and treatment with men.

Education to be free and compulsory, illiteracy wiped out, and social welfare developed.

Such were the aims of the "bandits."

The official cost of the war was stated in Parliament in June, 1955 to have reached £135 million by the end of 1954. This figure did not however give the real total cost, since it excluded the normal cost of the armed forces operating. The annual cost of the British armed forces operating in Malaya has been estimated at £68 million a year (*Observer*, November 21, 1954), to which would have to be added £30 million a year for the cost charged to the budgets of the Malaya Federation and Singapore as expenditure in connection with the emergency making a total of £98 million a year or £686 million for the seven years 1948 to 1955.¹

The size of the British armed forces engaged in this war against a nation of 6 million reached startling proportions.

¹ By 1956 the cost had risen. According to the *Straits Times* of August 16, 1956, "operational duty in the Federation has added something in the region of \$700 million to the cost of normal maintenance" of the British troops in Malaya. This would give an operational cost of £82 million (700 million Malayan dollars) additional to normal maintenance costs, or a total of over £100 million. To this would have to be added the officially recorded costs for the war and internal security charged to Malaya (Federation, £24 million, and Singapore, £16 million), amounting to £40 million, or a total of £140 million as the annual cost by 1956.

By 1950 Mr. Bevin declared that "We have 50,000 troops in Malaya" apart from the full-time armed police, recorded in 1951 as reaching 66,000. The Australian Minister of Defence stated in 1950 that the full-time armed forces engaged were 130,000. Mr. Churchill in Parliament on December 6, 1951, stated that the total would be "more than 100,000 men" apart from "many part-time auxiliary police." Including the auxiliary police, the Malayan Communist Party reported in 1954 that the total of armed forces engaged under British command was 460,000, the equivalent of one armed soldier or police for every fifteen of the population. The *Manchester Guardian* on May 25, 1955, estimated the total as "300,000 troops and auxiliaries."

It is obvious that a war of this dimension, by 1956 in its ninth year, could be no minor action against a "handful of terrorists," but a full-scale war against a nation. And indeed the continuous official complaints of lack of co-operation of the civilian population afforded sufficient evidence of this.

The more the military operations and methods of "frightfulness" failed to quell the spirit of the people, the more barbarous were the measures that were successively introduced. All methods of repression and terror were exercised against the civilian population. By the beginning of 1954 the Malayan Communist Party reported that since June, 1948 over 50,000 Malayan civilians (excluding combatant casualties) had been imprisoned, hanged, shot or deported, in addition to the 650,000 in the concentration camps behind barbed wire. During the single year 1951 alone no less than 4,500 air attacks were made, including more than 1,000 bombing attacks. The typical Nazi methods against the resistance movements in Occupied Europe, the methods of terror regulations against assistance to the guerrillas, of wholesale arrests and torture, of collective punishments inflicted on whole communities, and of razing villages to the ground, were all repeated by the Labour Government in Malaya, and subsequently reinforced by the Conservative Government.

In 1946, when the guerrillas were still being acclaimed as heroes, the British Empire Medal had been awarded to the head man of the town in Pulai for the bravery of his town in the war. The official citation said: "Despite continued and violent enemy reprisals, he and the people of his town showed

great courage and loyalty during the Japanese occupation by aiding and supporting British officers who lived in the jungle.”

In August, 1948, Pulai was raided by British planes. The entire town was destroyed and obliterated, and a thousand men, women and children fled into that same jungle where previously they had protected and fed British officers.

In January, 1951, the entire village of Jendaram was razed to the ground, so that not a trace remained, as a punishment for giving aid to the rebels, and so joined the ranks of Lidice in the long and bitter record of the human struggle against tyranny and oppression.

More and more drastic terror regulations were introduced to smash the aid of the civilian population to the Liberation Army. The death penalty for collecting donations or supplies for the Liberation Army was found to be not enough.

“An amendment to the emergency regulations published to-day strengthens the rule made last month under which persons who collect subscriptions or receive supplies on behalf of bandits shall on conviction be punished with death.

“It is designed to meet cases where, although a person is found in possession of supplies intended for the use of terrorists, it is not possible to produce any person from whom they were demanded. *In future such a person will be sentenced to death unless he can prove that he had not been a collector of subscriptions or a receiver of supplies for bandits.*”

(*The Times*, July 13, 1950—italics added.)

By June, 1951, even more rigorous regulations were introduced to control the movement of the smallest article of foodstuffs or medical supplies in order to deprive the Liberation Army:

“In certain areas no food, even midday snacks, may be eaten in the fields or taken from houses, and shopkeepers must not sell food to any customer without an identity card. A detailed record of sales must also be kept.”

(*The Times*, June 16, 1951.)

The barbarous method of placing prices on the heads of all resistance fighters or Communists was another favoured practice of the British Government, initiated by the Labour Government and carried further forward by the Conservative Government:

"Big new rewards for the capture dead or alive of Communists of all degrees of importance were announced to-day. They ranged from £7,000 for the Secretary-General to £233 for ordinary party members."

(*Daily Telegraph*, December 16, 1950.)

These sums, enormous enough even on British levels, and therefore representing wealth beyond the dreams of avarice for a poor colonial, did not avail. The figures were raised:

"The Federation Government announced to-day a new scale of rewards. . . . For the Secretary-General of the Communist Party the Government offers \$80,000 (Malayan), or \$20,000 more than hitherto offered for information leading to his capture or killing. The reward for ordinary party members or fighting members is increased by \$500 to \$2,500."

(*The Times*, June 5, 1951.)

Even these figures were found ineffective. In April, 1952, they were raised yet higher:

"The highest reward offered is \$250,000 (Malayan) for Chin Peng,¹ Secretary-General of the Central Executive Council of the Malayan Communist Party, if he is brought in alive. . . . For Chin Peng dead the reward is \$125,000. . . .

"After that for Chin Peng they range from \$200,000 for a member of the central politbureau brought in alive or \$100,000 dead, to \$75,000 for the State and regional committee members alive, or \$35,000 dead. The schedule of rewards for district committee secretaries down to ordinary party members is unchanged from last year at rates between \$18,000 and \$2,500."

(*The Times*, May 1, 1952.)

The sum of \$250,000 placed on a patriot's head is equivalent to £30,000. The lower figures range from £25,000 down to £3,000 for the betrayal of an ordinary party member or resistance fighter. The fact that these gigantic sums did not achieve their purpose is eloquent testimony to the solidarity and patriotism of the Malayan people.

Dyak head-hunters were imported by the British Government from Borneo to operate in Malaya—nominally as

¹ "Chin Peng was one of the most trusted guerrilla leaders in Malaya during the war, when he acted as liaison officer between the resistance movement headquarters in his native Perak and the outside world. He personally helped many British officers who parachuted into the jungle or who landed from submarines on the lonely Malayan coast. He was awarded the O.B.E. for his activities, and he came to London in 1945 with the Malayan contingent to the victory parade to receive it." (*Evening News*, October 16, 1951.)

“trackers.” When the *Daily Worker*, in April, 1952, published a photograph of a Royal Marine Commando holding in his hand the severed head of a Malayan patriot, the universal indignation of civilised opinion led the capitalist press to declare that the photograph was “a Communist fake”; but the Secretary for War on May 7, 1952, was compelled to admit in the House of Commons the authenticity of the photograph and that 264 Dyak head-hunters were being employed in Malaya. A flood of such photographs reached the *Daily Worker*.

The existing concentration camps, which were officially stated on March 2, 1951, to contain 11,530 prisoners, were found to be insufficient. The Briggs Plan organised the transplantation of whole populations of villages supporting the liberation movement to so-called “re-settlement” camps—huge encampments surrounded by barbed wire and armed guards. By 1945 some 650,000 Malayan peasants and workers and their families had thus been torn from their homes and placed behind barbed wire. When it was found that communication was still being maintained by those transported with the liberation movement, steps were taken to increase the numbers of armed guards and electrify the barbed wire surrounding the camps. The 650,000 placed behind barbed wire is equivalent to one in eight of the entire population of the Malayan Federation.

All these and other methods of barbarism were not able to break the resistance of the Malayan people, any more than the similar “Black and Tan” methods of British imperialism in Ireland a generation ago.

A succession of four Commanders-in-Chief and three High Commissioners following one another during six years revealed the ceaselessly renewed efforts and failure of imperialism to master the situation. Each new appointment and each new plan of campaign was proclaimed at the outset with a blast of publicity as bound to bring an end of the “emergency.” Each in turn ended with a succession of fiascos and the gloomy recognition that the end was not in sight. General Sir Geoffrey Bourne, the latest of the series, appointed as director of operations in the autumn of 1954, announced on September 14, 1954, that the term “emergency” was “incorrect,” that it was “really a rebellion sustained by sections of the people,” and that he could only hope for success “provided that the people of the

Federation stopped supplying money and food" to the People's Liberation Army.

By 1955, after seven years of war, it was universally admitted that military methods, despite the huge scale of operations, had failed to achieve their objective. "No end is in sight," complained the *Economist* on January 15, 1955, while the *Daily Telegraph* on June 3, 1955 reported that the situation was "as bad as ever, if not worse."

Consequent on the failure of military operations and of terror to crush the resistance of the people, limited constitutional reforms were introduced, and inaugurated in 1955 in the Federation of Malaya (a Legislative Council with fifty-two elected members out of a total of ninety-two, on the basis of an electorate of 1,128,000 registered voters, nearly ninety per cent. Malay) and in Singapore (twenty-five elected members out of twenty-eight). Despite heavy restrictions on the extent of the electorate, the banning of the established democratic parties which had been declared illegal since 1948, and the obstacles to democratic functioning in consequence of the emergency regulations, the results of the elections both in Singapore and in the Federation revealed the overwhelming demand of the people for the aim of self-government and independence, and for the ending of the emergency regulations.

In May, 1955, the Malayan People's Liberation Army officially proposed negotiations to the British Government to end the war. "The sole aim of our struggle is, as it has always been, to achieve a peaceful, democratic and independent Malaya. It is, as has always been, our aim to achieve this goal by peaceful means." The British Government rejected the offer in June. But the situation began to compel recognition in increasingly wide circles, that as in Veitnam, so in Malaya a solution could only be reached by negotiation, first for a cease-fire and an armistice, and then for a political settlement which would give full democratic opportunity to the Malayan people to determine their own future. Although the initial negotiations between the Malayan Ministry of Tengku Abdul Rahman, acting in co-operation with the British military authorities, and the Liberation Army representatives, headed by Chin Peng, at the end of 1955 broke down, it became increasingly clear to all that the universal demand of the Malayan people (including the people of Singapore) for independence could not

be long resisted and that a negotiated settlement would have to be reached.

In 1956 an agreement was reached between the British Government and Abdul Rahman for the proclamation of the independence of the Federation of Malaya by August, 1957, but with the continuing occupation and operation of British armed forces under British command in Malaya. The Singapore Constitutional Conference did not succeed in reaching agreement.

In January, 1957, Abdul Rahman stated that, in spite of over 300,000 armed men in action against the national liberation forces (24 Commonwealth and Federation battalions, 47,000 police and 30,000 Home Guards), he saw no prospect, in the absence of more effective popular support, of ending the war.

This situation emphasised the necessity for a negotiated settlement which should end the emergency, restore democratic rights and ensure effective independence.

8. Colonial Wars: Kenya

To the war in Malaya since 1948 there was added since 1952 the no less savage war offensive and terror let loose against the Kenya people by the imperialist rulers, and the heroic liberation struggle of the Kenya people in the face of this offensive.

Kenya has long been the classic colony of the most open and brutal system of imperialist armed conquest, plunder and enslavement of the people. Before the arrival of the British invaders in 1886 the high level of cultivation and prosperity of the population was attested to by Lord Lugard who wrote in 1890:

“The cultivation in Kikuyuland is prodigiously extensive—indeed the whole country may be said to be under tillage. . . . They have, moreover, a very well cultivated system of irrigation.”

(MARGERY PERHAM, *Race and Politics in Kenya*, pp. 42-3.)

The British conquest was followed by seizure of the land and alienation of the most fertile land to British settler landowners or land companies, while the African population were crowded into reserves insufficient for their sustenance. In this way 16,700 square miles of the best land was allocated for the

Europeans, numbering 40,000 in 1952 (equivalent to under three per square mile). In fact there were only some 3,000 European settler landowners, with the equivalent of over five square miles each, while over one million Kikuyu, the most numerous grouping of the African population, were crowded on 2,000 square miles, or over 500 per square mile. While the Africans were starving from land hunger, the Colonial Secretary had to admit in Parliament in July, 1952, that only one-seventh of the land reserved for Europeans was cultivated.

This forcible dispossession of the Kenya people from their land, and crowding into reserves insufficient for sustenance, together with the engine of taxation by the imposition of the poll tax on all Africans, provided a plentiful supply of cheap labour for the European conquerors, in addition to the forced labour of sixty days where it was imposed on them. The majority of African able-bodied males, unable to make a living on their land or pay the poll tax had to leave their farms for at least a period of the year and hire themselves out for starvation wages. "Wages paid in cash, kind or housing," wrote the Governor, Sir Philip Mitchell, in a despatch to the Colonial Secretary in 1951, "would on a strict examination be found to be less than what is necessary to maintain the worker as well as his dependents on a reasonable standard of living." Many became "squatters" on the European farms serving as agricultural labourers for a wage of a few shillings a month; in the House of Commons in December, 1952, Mr. Leslie Hale, M.P., held up a written contract made the previous July by which an African on the farm of Mr. Blundell, the leader of the European settlers in the Legislative Council, was bound to work for three years, at a cash wage, without provision of food or housing, of 3s. a week.

Gigantic profits were made on this basis from the exploitation of the Kenya Africans. Thus the East African Lands and Development Company, which received 310,000 acres from the Crown in 1920, and sold it off in farm areas, paid dividends of 100 per cent. in each of the four years 1947-50. Dwa Plantations, with over 20,000 acres, distributed a 300 per cent. bonus in 1950. On the other hand the Africans were deprived of the most elementary social provision. Education expenditure in Government schools amounted to £100 a year for each European child and £2 for the small minority of African

children receiving any schooling. The Africans, representing 95 per cent. of the population, received less than half the total personal income in 1949.

The political system corresponded to this unconcealed subjection of the African population. In the Legislative Council associated with the Governor-General and his nominated executive, the 5½ million Africans, or 95 per cent., had no elected representatives (instead, eight nominated "representatives"); the 160,000 Asians six elected representatives, and the 40,000 Europeans fourteen elected representatives alongside twenty-six official Europeans. Complete disfranchisement of 96 per cent. of the population was thus the expression of British "democracy" in Kenya.

Against these conditions of enslavement and ruin the Kenya African people have never ceased to struggle; but their attempts at peaceful, legal organisation or agitation have been met with savage repression. The East Africa Association was suppressed in 1922. During the 'thirties the Kikuyu Central Association was suppressed. After the second world war there was a rapid advance of working-class and democratic activity and organisation. Through a series of stormy strikes and in the face of Government repression the trade union movement developed and reached the formation of the East African Trade Union Congress by 1949. The Kenya African Union, formed in 1944, became the recognised democratic expression of the African population, with more than 100,000 members, and by the beginning of 1952 had collected 400,000 signatures to a petition on the land question. This petition made the modest appeal to the British House of Commons, not even that the stolen land should be returned, but that Africans should be "allowed to occupy and farm the large unused areas which are in the territories reserved to Europeans" and that "immigration of further settlers should be stopped." The Kikuyu Independent Schools Association provided education for 62,000 African children, free from Government and missionary control.

The Government struck first against the working class and the trade union movement. Following the 1947 general strike in Mombasa, the president of the African Workers Federation was banished to a village in the desert region of North Kenya. From 1948 to 1950 new legislation and ordinances were promulgated to shackle independent trade unionism, freeze wages,

establish emergency powers against strikes and impose deportation against working-class leaders. In 1950 the president and secretary of the East African Trades Union Congress were arrested, and the general strike in Nairobi which followed was met with police, troops, armoured cars and R.A.F. planes to break it.

In 1952 the Government offensive was turned against the political movement, represented by the Kenya African Union, since the mass support won by the land petition, and the great mass demonstrations, reaching over 30,000 aroused alarm. In August, 1952, the European Electors Union presented a memorandum to the Government demanding repressive action and the "neutralisation or liquidation" of the African leaders. In October the Government proclaimed a state of emergency, arrested the leaders of the Kenya African Union, and subsequently banned the organisation, closed the Independent African Schools and established a régime of terror against the African population. ✕

The Government sought to cover up its action against the Kenya African people by declaring that the emergency measures were necessary against the crimes of violence of a secret society, the Mau Mau, for which the Kenya African Union was declared to be a cover. In face of the denial of their most elementary democratic rights, and the enslavement of the population by the occupying power, all historical precedent, as in the experience of Nazi-occupied Europe or early trade unionism in Britain, would justify the formation of secret organisations, and arouse no cause of surprise at individual acts of violence in face of a régime of violence and terror. But in fact the official figures of crime in Kenya showed a decrease in the number of crimes against persons from 1,086 in 1951 to 904 in 1952—thus completely exploding the Government's pretext for its offensive.

The real terror—on a scale without parallel since Nazism—was exercised by the occupying power against the entire African population. Twelve British and African battalions, an R.A.F. squadron, 12,000 police and 20,000 Kikuyu Home Guards (drawn from criminal elements) were brought into action. By April 28, 1954, the British Government reported in the House of Commons that 191,587 Africans had been arrested before the "operation Anvil" in Nairobi, of whom

77,794 had been detained; and on June 5, 1954, the Colonial Secretary reported that as a result of Operation Anvil, 22,563 were being detained. This would make a total of considerably over 200,000 arrested, equivalent to 2 million in terms of the population in Britain. At the conclusion of two years of military operations, in October, 1954, the British Government reported 6,608 African guerrilla fighters killed and 11,524 captured; 686 African civilians hanged and 48,022 in detention; making a total of 7,294 Africans killed by the British forces, and close on 60,000 in the detention camps. In June, 1955, the Kenya Government stated in presenting the proposal for building more prisons, that there were at that time 49,000 detainees and 83,000 captives of all categories. The Government White Paper admitted that there was "nothing in the military situation to suggest an early end of the emergency," and that "the revolt still has the tacit support of the African population in some areas." As the numbers in the detention camps rose, plans were prepared to transport a number to an uninhabited island, while the majority were hired out as cheap convict labour to European farmers or on Government projects.

Mass arrests of men, women and children, daily killings, concentration camps, public gallows, collective punishments, seizure of stock, destruction of villages and heavy bombing of defenceless people became the order of the day. Africans were rounded up in the towns and on the farms; when they fled to the reserves they were raided in the reserves, and their means of livelihood confiscated or destroyed; when they fled into the mountains and the forests heavy Lincoln bombers were brought into action against them. The official communiques recorded week by week a sickening record of mass slaughter. One hundred Africans killed by British forces "in one of the most successful weeks since the emergency began" (October 18, 1953); 102 Africans killed last week, with casualties of the British forces one European and one African (November 24, 1953); 305 Africans killed last month, and forty-nine wounded or captured (October 6, 1954). The contrast between the high figure of those killed and the proportionately low figure of those wounded or captured demonstrated the operation of the "shoot to kill" orders; the British Commander, General Erskine, stated on August 2, 1953, that "in prohibited areas security forces regard everyone they see as an enemy and shoot

them." Prizes of 5s. a head were awarded for every African killed. Killing Africans became a sport like the hunting of elephant or big game:

"We soon chalked up our first kill. . . . As 'D' Company claimed a Mau Mau on the same day the Commanding Officer's prize of £5 for the 'first kill' had to be shared. . . . 'C' Company were also lucky. In one area, the lack of Mau Mau was to a certain extent compensated for by the abundance of elephant, rhinoceros, baboons and all types of buck. . . ."

(*Journal of the Devonshire Regiment*, November, 1953.)

In face of this unexampled campaign of terror and slaughter against an entire population, the indomitable unity and spirit of resistance of the Kenya African people continued unbroken, and constitutes one of the most imperishable records in the long history of the national struggle of any people in the world. By March 31, 1953, the Colonial Secretary declared that "it is more like war than an emergency"; by August 8, 1953, the *Manchester Guardian* found the resistance, despite heavy casualties, "better armed, more ably directed, and more effective in tactics than at any time since the state of emergency"; and by October, 1954, *The Times* described the situation in Kenya as "a state of war, and not far off 'total war'." The universal sympathy of even the most moderate opinion with any experience of national struggle was expressed by the *Irish Press* on March 24, 1953, which recalled the experience of Ireland:

"We only get one side of the story and that, as we in Ireland know so well, is told in a way that destroys the African case. . . . The papers are constantly reporting the killing of Africans while 'resisting arrest', 'failing to halt', or 'attempting to escape'. These are terms which Irish people remember as synonymous with sheer murder by British forces and police of unarmed Irishmen and women. The recurrence of such expressions in reports from Kenya has a sinister ring in Irish ears. . . . Whatever happens it has become evident that the mass of the people are against the present régime."

Nevertheless, it is to the shame of the dominant leadership in the Labour Party that when Mr. Lyttelton announced in the House of Commons the institution of the "emergency" terror in Kenya, not a single opposition voice was raised in criticism; and the Labour Party Executive memorandum on Colonial Policy, introduced at the Annual Conference in September,

1954, so far from denouncing this criminal war against a people's struggle for elementary rights, declared that "In Kenya the Labour Party supports lawful action to defeat Mau Mau."

In March, 1955, the Kenya Land and Freedom Army and the Kenya Parliament offered negotiations to the British authorities in order to reach a cease-fire and a political settlement. "There is no other peace or settlement of Kenya troubles except WIYATHI, UHURU, FREEDOM of self-government to the Kenya Africans." The British authorities turned down this offer, adhering to their demand for surrender. Nevertheless, the experience of the war, and the failure of the military operations and terror to break the spirit of the people, led to the increasing recognition in wide circles that the only solution in Kenya as in Malaya must lie through the lifting of the emergency regulations and the establishment of rights of democratic organisations, in order to open the way for the Kenya people to achieve their just aims of national freedom and the restoration of their land.

CHAPTER IX

INDIA IN THE NEW WORLD

"The Indian people are one of the great Asian nationalities with a long history and a vast population; the country's fate in the past and her path in the future are similar to those of China in many respects.

"Like free China, a free India will one day emerge in the world as a member of the Socialist and people's democratic family; that day will end the imperialist reactionary era in the history of mankind."

MAO TSE-TUNG in 1949.

THE victory of Indian national independence after the second world war has opened a new era in world politics. The 450 millions comprised in the present states of India and Pakistan constitute over one-sixth of the human race. For two centuries in the past the subject millions of India had been the main base of the British Empire. Within one decade of winning national freedom India has leaped to the forefront in world politics through its progressive role for peace and freedom alongside the socialist countries and the newly independent countries or still colonial countries struggling against imperialism. Accompanying this progressive international role a far-reaching process of internal development and reconstruction has opened. Great changes are taking place in India in the present era, and there is no doubt that still greater changes are in prospect.

Heavy problems still lie before the peoples of India and Pakistan. Pakistan in the recent period has been drawn into the American military orbit. The economic liberation of India from the as yet considerable grip of imperialist monopoly interests on the economy of the country has still to be accomplished. The inheritance of the old colonial economy, with the overpressure on agriculture, backwardness of technique and the oppressed and poverty-stricken conditions of the masses of the people, has still to be overcome. Nevertheless the advance of the Indian people is opening the way to a new future.

1. *End of British Rule in India*

In 1947 British colonial rule in India ended, and British armed forces were withdrawn. Governmental responsibility was transferred to the leadership of the National Congress in India and of the Moslem League in the newly-created State of Pakistan.

This transference is commonly presented in British official and semi-official expression, including in Labour imperialist propaganda, as a voluntary and magnanimous "gift" of independence to India. The generations of struggle of the Indian people for national independence, during which heavy repression was exercised against the national movement (including the imprisonment of 60,000 Indian patriots by the second Labour Government) are lightly passed over and ignored in order to concentrate attention on the final outcome of the national struggle.

The historical conditions of the transfer, however, do not bear out this picture.

A fuller examination of the evidence would abundantly show that the retreat of imperialism in India, Pakistan, Ceylon and Burma was not so "voluntary" as is sometimes suggested. In the view of competent and well-informed British observers on the subject, the political measures adopted in this region were compelled by the depth of the crisis and the popular upsurge following the war reaching to the armed forces, and were regarded as the only means to avert or postpone a revolution:

"India in the opinion of many was on the verge of a revolution before the British Cabinet Mission arrived. The Cabinet Mission has at least postponed if not eliminated the danger."

(P. J. GRIFFITHS, leader of the European Group in the Indian Central Legislative Assembly, speech to the East India Association in London, June 24, 1946.)

In his *Mission with Mountbatten* (1951) Alan Campbell-Johnson reproduces the verdict of Lord Ismay, who was Mountbatten's Chief of Staff in India, when he sought to justify the settlement against critics:

"India in March, 1947, was a ship on fire in mid-ocean with ammunition in the hold. By then it was a question of putting out the fire before it reached the ammunition. There was, in fact, no option before us but to do what we did."

Even the then Editor of the *Daily Mail* admitted that if the Government had wanted to stay in India "it would have needed an occupation force of 500,000 men"—and no such force was available or could have been made available in view of Britain's other military commitments.

Similarly, in the case of Burma, *The Times* Rangoon correspondent recorded on March 28, 1947:

"The mood of the British officials I have talked to is one of resignation. They have been unanimous in declaring that British policy in Burma has been the only one that our resources permit, and that the Anglo-Burmese Agreement was the only alternative to a widespread rebellion with which we could not have coped."

Sir Stafford Cripps, in the Parliamentary debate on March 5, 1947, stated on behalf of the British Government in justification of the policy pursued:

"What, then, were the alternatives which faced us? These alternatives were fundamentally two, though both, of course, might be subject to minor variations. First, we could attempt to strengthen British control in India on the basis of an expanded personnel in the Secretary of State's service and a considerable reinforcement of British troops, both of which would have been required, so that we should be in a position to maintain for as long as might be necessary our administrative responsibility while awaiting an agreement amongst the Indian communities. Such a policy would entail a definite decision that we should remain in India for at least fifteen to twenty years, because for any substantially shorter period we should not be able to reorganise the Services on a stable and sound basis.

". . . The second alternative was we could accept the fact that the first alternative was not possible. . . . One thing that was, I think, quite obviously impossible was to decide to continue our responsibility indefinitely and, indeed, against our wishes—into a period when we had not the power to carry it out."

Thus of the "fundamentally two alternatives" envisaged by the Government, (1) to maintain British direct power in India by "a considerable reinforcement of troops" or (2) to make the political transfer on the lines of the 1947 settlement, the first was judged by the Government to be "impossible . . . we had not the power to carry it out." The simple reader might be excused for concluding that the "two alternatives" were only one. Behind all the complicated parliamentary phraseology the supposed "two alternatives" boil down into one—in other words, *there was no choice*.

In the same way, the *Manchester Guardian* commented in an editorial on October 11, 1947:

"Public opinion has preened itself on British virtue in withdrawing voluntarily from India: but posterity may dwell rather on the hustle with which the withdrawal was carried out. . . . It may be hard to disentangle whether the British action was based on high principle or on a less glorious desire to retreat to shelter before the storm broke."

The political settlement of 1947 was thus no magnanimous voluntary gift of freedom by imperialism, but a retreat extorted and dictated by conditions of crisis which had outstripped the power of the rulers to control it by superior force, and which rendered it impossible for the ruling power to continue to maintain its rule in the old fashion.

This retreat, however, was accompanied by considerable political manoeuvring to salvage the maximum extent possible of imperialist interests in India and Southern Asia in the new conditions. The settlement of 1947, negotiated by Lord Mountbatten with the leadership of the National Congress and the Moslem League, followed by the corresponding settlements in Ceylon and Burma, bore a two-sided character. On the one hand it expressed the retreat of Britain from endeavouring to continue the old colonial rule. On the other hand it represented a compromise between imperialism and the dominant upper-class leadership of the national movement and landlord and big capitalist interests in India, against the menace of a victorious popular revolution, such as would have swept aside, not only the basis of imperialism, but also the old feudal and monopolist interests that had been associated with imperialism. Just as the naval revolt at the beginning of 1946, which had revealed the collapse of the foundations of British rule in India and led to the decision to despatch the Cripps Mission, announced the day after the outbreak of the naval revolt, had been equally opposed by the imperialist rulers and by the leadership of the National Congress and the Moslem League, so the Mountbatten Settlement represented also a certain compromise alliance against the mass movement.

Part of the price of this compromise was the partition of India into the two states of India and Pakistan, with extremely artificial frontiers of demarcation, leading to mass shifts of population, bloodshed, communal slaughter, and wholesale

flight of refugees. Just as the retreat from Ireland in 1921, after all attempts to crush the national revolt had failed, was accompanied by partition, whose consequences still bedevil the relations of the two parts of Ireland and hamper progressive Irish development, so the retreat from India in 1947 was accompanied by partition. The resulting tension and issues of conflict between the two states weakened both, and facilitated subsequent imperialist attempts at intervention.

The British rulers, with their long experience of political manoeuvre, undoubtedly hoped through the Mountbatten Settlement to draw the new governments in India, Pakistan, Ceylon and Burma into close association in practice with imperialism, despite the change in political sovereignty, and to carry forward a new type of political and military partnership which would continue to protect essential imperialist interests, and which would be the counterpart of the already close association of the biggest monopoly interests in three countries with monopoly interests in Britain. In the initial phases the continuing economic, trading, political and military ties with Britain were still very close. India, Pakistan, Ceylon and Burma continued to be a very profitable base of exploitation by British capital. Strategic control, dispositions and training continued to be very closely integrated with the British military authorities.

Even in the case of Burma, whose independence outside the Empire was proclaimed by the Treaty of 1947, similar close links were maintained in practice. The Treaty of 1947 between Britain and Burma, which established the new state and was ratified by the British Parliament in December, 1947, saddled the new state with a crushing debt burden equivalent to £120 million, protected the rights of the British monopolies dominating Burmese economy, and provided for a British Military Mission to Burma with British training and equipment for a Burmese Army, and British strategic rights to use Burmese ports and airfields as imperial bases. Not without reason the Labour M.P., Woodrow Wyatt, could claim in his speech in the House of Commons on November 5, 1947:

“Although the Treaty takes Burma out of the Commonwealth, in fact it leaves her practically in the Commonwealth. It leaves her so closely allied with the Commonwealth that it is true to say that we are in a very special relationship with Burma, one that

we are not in with any other foreign Power. The agreement to accept military missions only from this country and not from any other country than this virtually does imply a military alliance. So also do the provisions that provide that Burma will afford all facilities necessary in Burma for the British whenever we wish to bring help to any part of the British Commonwealth. The solidarity of the Defence Agreement . . . has ensured that there is, in fact, no gap whatever in Commonwealth Defence. J. J."

2. *Initial Phase of the New Régime*

What was the character of the new régimes established by the settlements of 1947? The compromise with imperialism which found expression in these settlements could of necessity only be temporary and unstable. In the initial years the reactionary anti-popular character of the compromise was most strongly evident. Succeeding years, however, brought out increasingly the internal and external contradictions which began to lead to new developments of far-reaching significance, especially in India.

The characteristic feature of the new Governments at the outset was continuity with the old imperialist régime. The entire administrative machinery of imperialism was taken over and carried forward: the same bureaucracy, judiciary and police of the old imperialist agents and servitors; the same methods of repression, police firing on unarmed crowds, lathi-charges, prohibition of meetings, suppression of newspapers, detentions without charge, persecution of trade unions and peasant organisations and crowding of the jails with thousands of left-wing political prisoners. The vast assets, investment holdings and financial interests of imperialism in India were zealously protected, and the even flow of imperialist exploitation continued. Military control remained in practice in the hands of the imperialist High Command. In the initial stages even the British Governor-General was retained in the same position as the head of the Union, British Governors were maintained for the key Provinces in both Dominions, and British Commanders-in-Chief, military advisers and superior officers for both armies.

Repression of the popular movement, and especially of the working class and peasant movement, was at the outset heavy. In 1948 an offensive was let loose against the Communist Party and the All-India Trades Union Congress, the peasants' and students' organisations and the left-wing Press. In West

Bengal and subsequently also in Madras, the Communist Party was banned; in other provinces conditions of semi-illegality were imposed. Arrests and detentions or warrants for arrest reached to practically all prominent working class leaders. Police violence in the jails as well as outside firing on unarmed demonstrators, resulted in many deaths. Repressive laws taken over from imperialism were intensified by new special legislation. By 1949 it was reported by the All-India Trades Union Congress that no less than 25,000 workers' and peasants' leaders were in jail, the overwhelming majority without charge or trial. According to the official figures published by the new Indian Government, during the first three years of its rule, between August 15, 1947, and August 1, 1950, its police or armed forces opened fire on the people no less than 1,982 times, killed 3,784 persons and wounded nearly 10,000, jailed 50,000 and shot down 82 prisoners inside jails.

No less significant was the course of economic policy. The original programme of the Indian National Congress had provided for nationalisation of all key resources and industries. Such large-scale nationalisation was recognised as essential, not only for progressive reconstruction, but for eliminating the dominant hold of foreign capital in Indian economy. But after the formation of the Dominion Governments this programme was placed in cold storage.

On February 17, 1948, Prime Minister Nehru declared:

“There will not be any sudden change in the economic structure. As far as possible, there will be no nationalisation of existing industries.”

On April 6, 1948, the Government's Resolution on Economic Policy, substantiating this prediction was published. The Resolution laid down that Government ownership would be confined to munitions, atomic energy and the railways (where it already existed); that in respect of coal, iron, steel and other leading industries “the Government have decided to let existing undertakings in these fields develop for a period of ten years”; that there would be state control of electricity; and that “the rest of the industrial field will normally be open to private enterprise.” Nationalisation was thus abandoned in favour of the existing big monopolies, including the imperialist big monopolies.

The Explanatory Memorandum published with this Resolution on Economic Policy declared:

"The Resolution contemplates full freedom for foreign capital and enterprise in Indian industry while at the same time assuring that it should be regulated in the national interest. This part of the Resolution reveals the Indian Government's recognition of the need for foreign aid both in management and technical training and investment, and of the wisdom of welcoming foreign capital and skill to supplement Indian enterprise."

Not without reason the *Economist* wrote already at the time of the Mountbatten Settlement, in the issue of June 7, 1947:

"Something may remain even of the formal ties if Dominion status is not renounced: and in any case the essential strategic and economic ties between Britain and India will remain, even if it is under different political forms."

The continued association of India in practice with imperialism was further shown during the initial stage in the sphere of military, strategic and foreign policy—even though increasing contradictions soon arose.

The military structure and strategic planning of the Dominions of India, Pakistan and Ceylon, continued under British control and guidance. Even the Commanders-in-Chief remained British in the initial period, together with hundreds of British officers functioning in the Indian and Pakistan Armies. This control was especially close in the case of the Indian Navy and Air Force. Military and naval training, staffing and equipment were linked up with Britain, and the operation of air bases with the R.A.F. In Ceylon the naval base of Trincomalee continued to be developed as a main Empire base. Gurkhas continued to be recruited in British recruiting depots on Indian soil for use in the war against the Malayan people.

In foreign policy the alignment of Indian big business with imperialism found open advocacy in the leading organ of Indian financial interests, the *Eastern Economist* on December 31, 1948:

"In practice—whatever political quibbling may say—our foreign policy has now been given a definite orientation. It is towards a foreign policy which will keep us primarily on friendly terms with the Commonwealth. . . . Association with the Commonwealth which is more friendly to the U.S.A. than to the U.S.S.R. implies that we are in effect leaning towards the U.S.A. The logical consequence of this political fact should be clear. *We cannot in the United Nations or elsewhere take a line except*

on a minor issue which is contrary to that taken by the Commonwealth and the U.S.A."

A new stage was reached with the London Declaration of the Dominion Premiers' Conference in April, 1949. By this Declaration India won recognition as an independent Republic (formally proclaimed in January, 1950) within the British Commonwealth, recognising the Crown as "the Head of the Commonwealth" but not as reigning over India. The official communiqué laid down:

"The Government of India has declared and affirmed India's desire to continue her full membership of the Commonwealth of Nations and her acceptance of the King as the symbol of the free association of the independent member nations and as such for Head of the Commonwealth."

The London Declaration was welcomed by the imperialists as continuing to link India in practice with the British Empire. The hopes of the Anglo-American imperialists received further expression during Nehru's visit to the United States in the autumn of 1949. The *New York Times* wrote in October, 1949:

"Washington's hopes for a democratic rallying-point in Asia have been pinned on India, the second biggest Asiatic nation, and on the man who determines India's policy—Prime Minister Jawaharlal Nehru."

And again in August, 1950:

"He (Nehru) is in a sense the counter-weight on the democratic side to Mao Tse Tung. To have Pandit Nehru as ally in the struggle for Asiatic support is worth many divisions."

The association with Anglo-American imperialism reached an extreme point in the summer of 1950, with the Indian Government's support of the American illegal resolution at the United Nations justifying the American armed aggression against Korea. But from this point the intensity of popular feeling in India against association with Western imperialist invasion and devastation of Asiatic countries, and the new balance of forces in Asia, following the victory and strength of the Chinese People's Republic, gave rise to a significant new alignment in Indian foreign policy.

3. Anglo-American Imperialism in India

The extent of the interests of British finance-capital—and

to a lesser, but increasing degree, of United States finance-capital—in India is still considerable.

Within the framework of the new constitution and of the change of political power, British finance-capital remained entrenched in Indian economy. British capitalists still held the main ownership or control of Indian coalmines, tea and rubber plantations, oil deposits and refineries, and of many engineering concerns. British capital played the decisive role in the control of Indian foreign trade and banking. British managing agencies drew into their sphere a large proportion of nominally Indian-owned enterprises. Through the system of joint combines and corporations, formally Indian, but with decisive control in the hands of foreign capital, the British and American monopolies subordinated the Indian monopolies as junior partners.

In June, 1948, the total book value of all long-term foreign capital in India was estimated by the Federal Reserve Bank of India to amount to Rs. 6,131 million, or £460 million, of which Rs. 4,806 million, or £360 million, equivalent to 78 per cent., was held by the United Kingdom. Foreign holdings of government securities totalled Rs. 2,926 million, of which the United Kingdom held Rs. 2,505 million. Business investments totalled Rs. 3,204 million book value, of which the United Kingdom had Rs. 2,301 million; the market value of the foreign business investment totalled Rs. 5,190 million, or £384 million, of which the United Kingdom held Rs. 3,756 million or £282 million.¹

Thus Britain in 1948 continued to hold 85 per cent. of the foreign holdings of Indian Government securities, or £188 million, and 72 per cent. of foreign business investment in India, with a market value of £282 million or a combined value of £470 million. This represented one-quarter of the total of British overseas capital in 1948 (£1,960 million), and more than two-fifths of all British capital invested in the Empire (£1,111 million). Decidedly the importance of India to British capitalism had not diminished with the change of régime.

But the decisive controlling power of this investment was

¹ A subsequent calculation by the Reserve Bank of India in 1955 (*Survey of Indian Foreign Liabilities and Assets*) showed some variations on the above figures previously given for 1948, but not affecting substantially the general conclusion.

even more striking. Of the total £384 million of private foreign (predominantly British) long-term capital business investment in India, no less than 84 per cent. represented investment with ownership and control of the enterprises concerned. The Federal Reserve Bank Report presented an analysis of the proportion of foreign and Indian capital in 1,062 companies with a paid-up capital of half a million rupees or over, of which ninety-three were foreign companies incorporated abroad, 306 foreign-controlled Indian companies, and 663 Indian-controlled companies. The resulting picture is instructive.

Table 27
PROPORTION OF FOREIGN CAPITAL IN INDIAN LARGER
COMPANIES IN 1948

	<i>Proportion of foreign capital to total capital (per cent.)</i>
1. Petroleum	97
2. Rubber manufactures	93
3. Light railways	90
4. Matches	90
5. Jute	89
6. Tea	86
7. Mining other than coal	73
8. Coal	62
9. Rubber plantations	54
10. Financing	46
11. Electric	43
12. Coffee	37
13. Engineering	33
14. Food	32
15. Paper	28
16. Sugar	24
17. Cotton textiles	21
18. Cement	5

It will be seen that foreign capital held the majority position (over 50 per cent.) in the first nine, a sufficiently strong position to exercise the dominant role through greater concentration (over 25 per cent.) in the next six, leaving only the traditional Indian stronghold of cotton textiles, together with sugar and cement, for an effectively major role of Indian capital.

By the end of 1953 the total long-term foreign capital investment in India was estimated by the Reserve Bank of India

(*Survey of Foreign Liabilities and Assets*, published in 1955) at Rs. 10,237 millions, or £768 million, consisting of government securities totalling Rs. 5,825 million or £437 million, and business investment Rs. 4,412 million or £331 million. The market value of the private foreign business investment was estimated at Rs. 5,261 million or £395 million, of which the United Kingdom held Rs. 4,382 million or £329 million, equivalent to 83 per cent., and the United States Rs. 398 million or £30 million, equivalent to 7½ per cent.

Thus between 1948 and 1953 British long-term business investment in India had increased from a market value of £384 million to £394 million, and from 72 per cent. of all foreign long-term business investment in India to 83 per cent.

What is the extent of tribute still drawn from India by foreign imperialist interests? The following estimate has been attempted by an Indian economist:

“The Census of Foreign Liabilities and Assets indicates that the interest, dividends and profits accruing to foreigners are about Rs. 400 million per year. Various explanations on ‘Balance of Payments’ given by the Reserve Bank show that since ‘the bulk of our imports would be normally carried by or insured with foreign companies,’ our payments to them might well be on an average Rs. 500 to 600 million annually. Similarly with our exports, the figure runs into hundreds of millions.

“According to a statement laid before Parliament last week by the Finance Minister, we have to pay pensions to 16,905 persons in the United Kingdom, and the total of such payments made during the years 1948-49 to 1950-51 comes to about Rs. 286.2 million, that is, more than Rs. 95 million per year.

“Lastly, there are large payments on account of banking commissions to just a few foreign banks in India which continue to monopolise almost the entire foreign trade of the country. No authoritative facts are at the moment available on this, but in view of all earlier estimates and the present-day increase in the volume and value of trade, the figure may safely be placed anywhere between Rs. 250 and 300 million.”

(*Crossroads*, Bombay, September 14, 1951).

This estimate, on the basis of the figures given alone (omitting the “hundreds of millions” on Indian exports), would make a total of Rs. 1,245 to 1,395 million, roughly equivalent to £90 to £105 million annual tribute from India to imperialism after the victory of political independence.

United States capital has begun to take increasingly active

steps for the penetration of India in the recent period, although the amount of United States capital so far invested, while coming second to the British total, has been still relatively limited (£30 million of private business investment in 1953, or one-eleventh of the British total). It should be borne in mind, however, that United States capital investment is often concealed behind nominal French, Belgian or also Indian ownership, so that the official return falls short of revealing the true position.

At the same time the United States has been very actively engaged in displacing Britain in the conquest of the Indian market, as the following figures indicate:

Table 28
INDIAN IMPORTS, 1948-9 AND 1950-1
(million rupees)

	<i>1948-9</i>	<i>1950-1</i>
From the United Kingdom	1,530	1,227
From the United States	1,087	1,558
Total imports	5,429	5,655
U.K. per cent. of total	28.2	21.7
U.S. per cent. of total	20.0	27.6

Thus the United Kingdom, which still held first place in the Indian market in 1948-9 (and in 1949-50), lost it to the United States in 1950-1.

Further, United States finance-capital and government policy, while concentrating in the first place on the capture of the Indian market, and showing considerable caution initially in the export of capital, have been engaged during this period in extensive measures to prepare the ground for a future large-scale financial penetration of India. This has been demonstrated in the very active role of United States diplomacy and publicity in India, and dispatch of numerous technical missions. In expounding the Point Four Programme, it is noticeable that both Mr. Acheson and President Truman emphasised India as the first field they instanced for its operation.

A new stage in the penetration of Anglo-American finance-capital in India was reached at the end of 1951 with the agreements drawn up between the Indian Government and the leading American and British oil trusts for the establishment of giant oil refineries in India.

The agreement reached with the Vacuum Oil Company of New York was signed in November, 1951, and provided that the company would float an Indian subsidiary with a rupee capital equivalent to \$35 million (over £12 million) for the construction of an oil refinery with an annual capacity of 1 million tons. Twenty-five per cent. of the capital would be offered to Indian investors in the form of cumulative preference shares with no voting rights, while all ordinary shares would be held by the parent company in New York.

“Participation in the ordinary capital, and therefore in profits distributed as ordinary dividends, is to be completely withheld from the nationals of this country.”

(*Hindustan Times*, December 4, 1951.)

“Indians will have no voice in its control and management.”

(*Commerce*, December 8, 1951.)

The Government of India gave an undertaking not to nationalise the company for twenty-five years, and to provide full facilities for repatriation of annual profits; guaranteed tariff protection for ten years; and exempted the company from certain of the provisions of the Industries Development and Regulation Act.

The agreement signed with the British-owned Burma-Shell oil combine in December, 1951, covered similar terms for the flotation of a company with a capital of Rs. 220 million (over £16 million), of which Rs. 20 million, or one-eleventh, would be available to Indian investors as cumulative preference shares without voting rights, for the construction of an oil refinery with an annual capacity of 1½ million tons.

A third agreement with another American oil company brought the total capital involved to over £40 million for the establishment of companies under complete control of the Anglo-American monopolies and for their profit.

A further step in this programme of large-scale penetration of American finance-capital into India was reached in the beginning of 1952 with the announcement of an agreement signed between the Indian and United States Governments for the establishment of an Indo-American Technical Co-operation Fund. Already in December, 1950, India had signed a Point Four Agreement with the United States. In 1951 India had received a \$190 million food loan from the United States E.C.A.

Agency. The new agreement signed in the beginning of 1952 provided for an immediate advance of \$50 million up to June, 1952, for the formation of an Indo-American Technical Co-operation Fund, and further advances over a period of five years, totalling \$250 million. The money was to be used, not for advancing the industrialisation of the country, but for projects "which are aimed primarily at raising the efficiency of agriculture" (*Hindustan Times*, January 6, 1952). The Fund was to be administered jointly by an American Director of Technical Co-operation and an official of the Finance Ministry of the Indian Government. The Director, it was stipulated, would be an American official appointed by the United States Government, and working under the general supervision of the American Ambassador in India. This American Director and his staff, it was further stipulated, would enjoy "all the privileges and immunities, including immunity from suit in the courts of India, which are enjoyed by the Government of the U.S.A." in India.

Nevertheless, in the subsequent period, with the shift in foreign policy examined later, increasing trends of resistance to this one-sided dependence on Anglo-American capital made themselves manifest. Closer economic relations were established with China and the Soviet Union. An important indication of the new phase was reached with the Indian-Soviet agreement signed in February, 1955, for the establishment, with Soviet Aid and technical equipment, of a steel works, representing a capital of £33 millions, to produce one million tons of steel. The terms and the times of completion were extremely favourable, and won acceptance by the Government of India in the face of competitive moves for a project from British sources. Subsequently an agreement was announced with a combination of British firms for the erection of a steelworks, and also with the West German firm of Krupps. When in 1956 the World Bank at first refused to advance finance to aid the Second Five-Year Plan, the Soviet Union came forward with a loan of £45 million, and the World Bank then announced a revision of its views and a readiness to advance some finance. Thus the new trends of Indian policy helped to strengthen Indian economic independence.

Alongside the role of Anglo-American economic and financial interests in India during this period should be noted the role of Anglo-American diplomatic and strategic intervention

in India and Pakistan during the first phase after 1947, especially in relation to Kashmir. Partition had entailed consequences, not only of economic and administrative disorganisation for India and Pakistan, but also of chronic tension between the Governments of India and Pakistan. Such a situation provided a happy hunting ground for imperialist intervention. The prolonged dispute of the Governments of India and Pakistan over the future of Kashmir, involving even military operations for a period (alongside the parallel British military command of the armed forces of both states during this earlier period), provided fertile opportunities for both British and United States imperialists to take a hand in the dispute, the latter especially utilising the machinery of the United Nations for the dispatch of a series of conciliators, negotiators, boundary commissions and military experts. The special interest in Kashmir reflected, not only its intrinsic importance and considerable economic potentialities, but also its strategic significance on the borders of the Soviet Union.

✓ The chronic military tension between the two states, as well as the requirements of internal repression, led to the maintenance of armed forces and military expenditure on a scale which placed a crippling burden on both states, representing half the budget, in addition to heavy police expenditure. This burden, added to the effects of the reactionary social and economic structure, heavily hampered constructive economic development.

Nevertheless, here also the shift in foreign policy brought the beginning of important changes. In 1953 the attempt of United States diplomacy to involve the Kashmir Premier in an intrigue to separate Kashmir from India was met by active opposition from India and from the majority of the Kashmir National Conference Committee, the replacement of the Kashmir Premier and the full incorporation of Kashmir in the Indian Union. The Indian Government enforced the withdrawal of the American Admiral Nimitz, who had operated since 1949 as "United Nations Plebiscite Administrator", and in 1954 enforced the withdrawal of the large team of American military and civilian "observers" from Kashmir.

4. India and Peace

The outstanding feature of India's development during the

most recent period has been the increasingly important world role which India under Premier Nehru has been fulfilling in the cause of peace. India has played a foremost part, alongside China, in voicing and uniting the opposition of the nations of Asia to the aggressive war plans of American imperialism, and in striving for the aims of peace, inseparably bound up with the cause of national freedom. Through the Afro-Asian Conference in 1955 this endeavour has extended to draw in the peoples of Asia, the Middle East and Africa for those aims.

This historic advance of India's world role is itself an expression of the mighty transformation taking place in Asia and in the balance of forces in Asia. The decisive turning point in opening this new era was the victory of the Chinese Peoples' Revolution. The proclamation of the Chinese People's Republic, following the final expulsion of the American-armed and subsidised counter-revolutionary forces from the mainland, took place in the autumn of 1949. China was already the largest nation in Asia and in the world. The new People's China now stood out as the leading representative of victorious liberation among the colonial or dependent countries of Asia, as a people rapidly advancing from the previous bonds of feudalism and imperialist exploitation along the path of social and economic progress, and as a foremost world power with whose unbreakable strength and unity the imperialist world had to reckon.

The Indian Government was quickly responsive to take into account this new situation in Asia. Whereas previously its policy, while independent, had been more closely associated in practice with the imperialist camp, the Indian Government now sought also to promote close relations with the Chinese People's Republic, with early recognition and an exchange of ambassadors. These new tendencies were powerfully reinforced by the pressure of popular feeling within India, which was universally inspired by ardent enthusiasm for the victory of the Chinese People's Revolution and hatred for the bloodthirsty and marauding role of Western imperialism in Asia.

The American invasion of Korea brought the new situation to a head. The Indian official delegate's vote at Lake Success had been originally cast for the ill-omened and illegal "United Nations" resolution which authorised the invasion of Korea

by the American War Bloc, without waiting to hear the evidence and with refusal to hear the representatives of the Korean People's Republic. The Indian Government had given its partial and half-hearted assistance to this Western imperialist invasion of an Asian country by dispatching an ambulance corps to assist the invaders.

But this complicity in a crime evoked intense indignation among all circles of Indian opinion, which was aroused to enthusiasm by the heroic struggle of the Korean people against the barbarous onslaught of the massed armies, navies and air forces of Western imperialism.

Already on July 13, 1950, within a fortnight of the American offensive on Korea, Premier Nehru addressed a message to Premier Stalin to explain the Indian Government's desire for a peaceful settlement of the Korean conflict:

"The aim of India is to localise the conflict and assist the speedy peaceful settlement through the elimination of the present impasse in the Security Council so that the representative of the People's Government of China could take his place in the Council, the U.S.S.R. could return to it, and, within the framework of the Council or outside the Council through unofficial contact, the U.S.S.R., the United States of America and China, with the assistance and with the co-operation of other peaceful states could find a basis for the cessation of the conflict and for a final solution of the Korean problem."

Premier Stalin replied:

"I welcome your peaceable initiative. I fully share your point of view as regards the expediency of the peaceful regulation of the Korean question through the Security Council with the obligatory participation of the representatives of the five great powers, including the People's Government of China."

When the Chinese Government gave warning that China could not stand idly by in the event of the Western invading forces advancing beyond the Thirty-eighth Parallel to subjugate all Korea, the Indian Government correctly understood the seriousness of this warning—which was discounted by General MacArthur and dismissed as a fantasy by the American authorities—and abstained in the vote on the critical United Nations resolution of October, 1950, which was pushed through by the United States in order to cover the further aggression.

From this point the system of Indian abstentions—and in some cases, even of opposition votes—in the United Nations in relation to critical resolutions pushed through by the United States in pursuit of its war policy became frequent and marked. There developed what became known as the “Arab-Asian bloc,” which expressed a measure of disassociation from the aggressive policies of the imperialist war camp, and which was accused of “neutralism” by the spokesmen of the imperialist powers.

This initial shift in foreign policy did not mean that the Indian Government broke with its existing links with the camp of imperialism, or passed over at once to a full and consistent policy of opposition to the war plans and aggression of imperialism. Practical co-operation continued, as in the supply of arms and finance, jointly with the British, to the Nu Government for war on the Burmese people; the transport facilities to the French Government for war on Vietnam; and the provision of facilities on Indian soil for recruitment of Gurkhas for war on the Malayan people (though here the exposure by the Communist Party compelled the Indian Government in 1952 to take steps to end the recruitment on Indian soil, though not yet the transit through Indian territory). Practical economic and financial co-operation with imperialism was drawn even closer, as in the agreements reached in 1951 for the establishment of Anglo-American monopoly combines in India with virtual extra-territorial rights, and the constitution of the Indo-American Technical Aid Fund in 1952. The significance of the series of abstentions or occasional opposition votes in the United Nations was played down by Indian diplomatic representatives abroad to a positive alternative policy. As the Indian Ambassador to the United States, Mrs. Pandit, declared in New York on September 19, 1951:

“We deplore the word ‘neutralism’ as applied to us in our situation. In recent sessions of the United Nations General Assembly, we have voted as you did thirty-eight times out of fifty-one, abstaining eleven times, and differed from you only twice.”

Nevertheless, the signs of change were unmistakable, and began to develop more and more in the direction of a positive, alternative policy for peace, especially with the South-east Asia crisis of 1954. If the official foreign policy was still only a partial reflection of the full anti-imperialist feeling of the people, even

the initial cautious gestures of abstention in the United Nations votes created a growing embarrassment for the imperialist war plans by revealing that the majority of the world's population was opposed to the United States and its Atlantic war bloc. The indications were sufficient to show to the imperialists that India could no longer be counted upon as a partner for the purpose of the war strategy, and that this political development might rapidly lead to a decisive change of alignment from association with the camp of imperialism.

With the South-east Asia crisis of 1954, the development was carried a further stage forward. The United States-Pakistan military alliance in the beginning of 1954 deeply angered Indian opinion at this open attempt to draw the Indian sub-continent into the American war plans. Over the question of the war in Vietnam in the spring of 1954, the issue became sharp. While the United States was pressing for combined military action in Vietnam and an immediate military South-east Asia Pact, and met with resistance from the British Government in April, 1954, India took the lead in organising the Conference of the five Colombo powers (India, Pakistan, Ceylon, Burma and Indonesia), in order to reach a common stand in favour of non-intervention, and peace on the basis of national independence of the people of Vietnam. Although the Governments of Pakistan and Ceylon revealed at this conference their closeness in orientation to the United States, an agreed declaration was reached along these lines. Indian diplomacy was able to play an active role at Geneva in promoting the cause of peace; and the meeting of the Chinese Premier Chou En-lai and Premier Nehru in New Delhi in June, 1954, following on the Indo-Chinese agreement on Tibet, constituted a development in the international political situation, which was widely recognised as paralleling in its significance the simultaneous meeting of President Eisenhower and Premier Churchill in Washington. The joint Chou-Nehru declaration published on June 28, 1954, proclaimed:

(1) Talks between the Prime Ministers aimed at furthering the efforts being made at Geneva and elsewhere for peaceful settlement.

(2) Their main purpose was to arrive at a clearer understanding of each other's point of view, to help in the maintenance of peace both in co-operation with each other and with other countries.

(3) The existence of different social and political systems in Asia and the world were recognised, but if the five principles were accepted there could be peaceful co-existence and friendly relations.

(4) Confidence was expressed that friendship between India and China would help the cause of peace in Asia.

(5) It was agreed that the two countries should maintain close contacts to further full understanding between them.

The five principles, or *Panch Shila*, inserted in the preamble to the Tibet Agreement, laid down:

- (a) mutual respect for each other's territorial integrity and sovereignty;
- (b) non-aggression;
- (c) non-interference in each other's internal affairs;
- (d) equality and mutual benefit;
- (e) peaceful co-existence.

This joint declaration of the Indian and Chinese Governments constituted an historic new stage in the development of Asia.

The new moves for peace were carried further forward by the visit of Premier Nehru to China in the autumn of 1954, and to the Soviet Union in the summer of 1955, followed by the visit of Premier Bulganin and First Secretary Khrushchev to India at the end of 1955.

5. *India and the Afro-Asian Conference at Bandung*

A significant new step to extend the area of co-operation for peace was undertaken by the decision of the five Colombo Powers in their meeting at Bogor at the end of 1954 to invite twenty-five other governments of Asia, including the Chinese People's Republic, and of Africa, for an Afro-Asian Conference to be held at Bandung in April, 1955. The Bandung Conference assembled leaders of the governments of twenty-nine states of Asia and Africa (Afghanistan, Burma, Cambodia, Ceylon, China, Egypt, Ethiopia, the Gold Coast, India, Indonesia, Iraq, Japan, Jordan, Laos, the Lebanon, Liberia, Libya, Nepal, Pakistan, the Philippines, Persia, Saudi Arabia, the Sudan, Syria, Thailand, Turkey, the Democratic Republic of Vietnam, South Vietnam and Yemen). The population represented was in the neighbourhood of 1,500 millions. This wide extent of representation at this unique conference could thus challenge comparison with the extent of representation of the still

restricted United Nations. It was the more significant since here for the first time were assembled on so wide a scale representatives of nations which had all previously been, and in some cases still were, under imperialist domination. No less significant was the success of the Conference, despite many attempts inspired from imperialist quarters to promote disruption. The Bandung Conference reached unanimous decisions in support of the Five Principles of peace, extended in the Conference Declaration to Ten Points; for national freedom and against colonialism and racial discrimination; for the prohibition of nuclear and thermo-nuclear weapons; for economic and cultural co-operation of the nations of Asia and Africa; and on specific questions affecting West Asian, Palestine, Aden and the North African nations.

The Afro-Asian Conference in 1955, with the leading role of India and China, and meeting on behalf of the majority of the population of the world, in order to promote the aims of peace and national freedom, was a very powerful demonstration of the new balance of forces in the world, and of the pivotal role of India in speeding forward this new development of such consequence for the future of humanity.

The new progressive trends in Indian international policy, developing alongside the reactionary and aggressive imperialist tendencies of policy of the British Conservative Government during the same period, inevitably brought strains in the sphere of Commonwealth relations between India and Britain. India took a stand of public and emphatically expressed opposition to the South-east Asia Military Pact, in which Britain was aligned with the United States, and to the Baghdad Pact, in which Britain was aligned with Pakistan, Iraq and Iran. The London Conference of Commonwealth Premiers in 1955 revealed that this division remained unsolved.

This division reached extreme sharpness during the Suez crisis and over the Anglo-French-Israeli war on Egypt. At the London Conference on Suez in August, 1956, India opposed the imperialist 18-nation plan for re-establishing foreign control of the Suez Canal, and proposed an alternative plan for a peaceful settlement on the basis of respect for Egyptian national sovereignty and ownership and control of the Canal together with internationally agreed guarantees for the legitimate rights of users. Such a plan, which was acceptable to Egypt,

could have provided a peaceful settlement, with no interruption in the flow of oil. When Britain and France chose instead to enter on their reckless and ill-fated war on Egypt, India was forthright in denouncing this aggressive war and voting against Britain and France in the United Nations.

The consequent crisis in Commonwealth relations was revealed when the most famous Elder Statesman of India, C. R. Rajagopalachariar, who had been the first Governor-General after Mountbatten and presided over the foundation of the Republic, openly proposed that India should quit the Commonwealth. Such a demand had long been pressed by the left wing and undoubtedly had wide popular support.

“It is certain that withdrawal from the Commonwealth, if it had been announced in the early days of the Suez operation, would have been welcomed with almost unanimous enthusiasm”

(*The Times*, December 7, 1956.)

Premier Nehru, however, carried the Congress and parliament in rejection of the proposal. Before the Congress Committee he argued on November 9, 1956, that “the cause of peace would be better served by remaining in the Commonwealth for the moment, but that did not mean that the Commonwealth connection could not be severed.” He amplified this statement a few days later in a fuller explanation to the Indian parliament, rejecting a motion for withdrawal:

“Recent events had obliged them to think the question over afresh; but they had concluded they were free to leave at any time they chose, and that to do so now would achieve nothing. He believed that even if the Commonwealth had failed on this occasion to preserve the peace, on the whole it was a force for stability, ‘good for us, and good for England, too.’”

(*The Times*, November 21, 1956.)

6. *The Indian People on the March*

The new alignment of India in the international political situation was the counterpart of profound new developments taking place in the internal political and economic situation.

The experience of the recent period has shown with increasing clearness that the older forces in India are declining, and that the new forces of the people are coming to the forefront, even though there are still many contradictions and problems to be solved.

The Republic of India was proclaimed in 1950, with a democratic constitution based on universal suffrage. The first general election in 1952 was conducted with an electorate of 180 millions, of whom nearly 104 millions went to the polls to exercise their choice among 17,000 candidates and 75 parties.

During the first decade of independence the entire political structure of India was reorganised to end the artificial strait-jacket delimitations and divisions which had been imposed or maintained by Congress.

The Princes' States, which had been maintained by imperialism as a bulwark of its power and as a counterweight to the national liberation movement, were finally liquidated by 1956. This process, which was conducted step by step through a series of successive mergers and diminutions of the power of the Princes (who were still left with lavish revenues and some ceremonial functions) was not accomplished without considerable opposition and even threats of violence from reactionary quarters backed by associated interests in Britain. Sardar Vallabhai Patel, who on behalf of the Government carried through the transformation, openly declared to the Constituent Assembly in July, 1948:

"We were fully aware of the machinations of vested interests, both in India and the United Kingdom, to hand over as difficult a legacy to India as possible. Balkanisation of India was being actively promoted. Large-scale disturbances were being manufactured."

Nevertheless, all the attempts at opposition, including armed resistance by the Nizam's forces in Hyderabad, were overcome by the united strength of the Indian people.

The complex task of reorganising the States of India from the previous artificial demarcations established by imperialism to a linguistic basis was mainly completed—not without exceptions in the case of the former Bombay presidency turned into a bi-lingual Mahrathi-Gujerati State—by November, 1956. Thereby the Princes' States finally disappeared from the scene.

In the sphere of internal politics significant changes also developed. The Congress, which over the preceding decades had been the traditional mass organisation of the national movement, led by the national bourgeoisie, became, following the change of régime in 1947, the Government party, and continued the principal political organisation in India. While

its leading figures, with Nehru at the head, were constituted by those who had conducted the leadership of the national movement in the days of the struggle against imperialism, and had known the conditions of facing repression and imprisonment, the machine of the Congress became heavily weighted by major and minor representatives of the great vested interests, monopolists, big landlords, profiteers and speculators, who now flocked to the Congress as the governing party. This did not mean that the Congress lost its mass basis. In the initial years the Congress was still able to maintain a wide measure of its traditional mass support, though on a diminishing scale (as the results of the 1952 election indicated), as the representative of national aspirations and unity, the opponent of communalism and the initiator of courageous democratic reforms, no less than by invoking the memory of its past record in the national struggle and the universal popularity and magnetism of leadership of Jawaharlal Nehru. Disillusionment, however, set in during this period, especially as a result of worsening economic conditions; and discontent became increasingly manifest against the right-wing leadership and big business interests entrenched in the Congress machine. The Congress declined from a majority to a minority position in the support of the electorate; and some breakaways occurred. In the subsequent development the progressive international policy conducted by Premier Nehru, the measure of economic advance achieved since 1951, and the bold plans of economic reconstruction associated with the Second Five-Year Plan and the proclaimed aim of a "socialistic pattern of society" contributed to stemming the process of decline and disintegration, and holding the main body of mass support for the Congress, despite the existence of dissatisfaction with their conditions of life among the workers, the poorer peasantry and the lower middle class.

Extreme reaction sought to take advantage of the difficulties of the situation in order to build up communal organisations with a mass following. In the first phase following partition the communal situation became dangerous and required the united effort of all democratic supporters to combat. The climax was reached with the assassination of Gandhi by communal factionalists. After this communalism became increasingly discredited, and, despite lavish expenditure and powerful backing, won only limited support.

The movement of mass opinion, following the victory of independence, was to the left, and not to the right. Working-class and peasant struggles reached a high point of militancy in the years immediately following national independence. This was notably shown in the peasant revolt in Telengana in Southern India, where, over an area of 13,000 square miles (equivalent to one quarter of the area of England), with 2,000 villages and a population of 4 millions, the peasants seized and redistributed the landed estates of the big landlords, elected People's Administrative Committees, and maintained effective armed defence against the armed forces of the Nizam.

The publication in 1951 of the new Programme of the Communist Party of India constituted an important political landmark for the whole left advance, showing the path forward for the development of working-class and peasant unity and a broad people's democratic front to realise the aims of national independence and separation from the British Empire, the abolition of landlordism, democratic reform and social and economic advance, and the establishment of people's democracy in India.

The General Election in India at the end of 1951 and the beginning of 1952 revealed, on the basis of universal suffrage the shift in political alignment which was developing. The results showed that the Congress, in place of its previous 80 to 90 per cent. majority of the vote in the 1946 election, had fallen to a minority of the total vote, or 42 per cent., although still able to enjoy a majority of the seats. The Communist Party and its allies won 6 million votes, and, with thirty-seven seats in the Central Parliament and 236 seats in the State Assemblies, emerged as the principal opposition group and challenging alternative to the Congress. The Socialist Party, which refused unity with the left, won 10 million votes and twelve seats, and saved the Congress. Especially significant were the successes won by the Communists and their allies in Madras, Hyderabad, Cochin-Travancore, Bengal and Tripura. In Andhra, which had been the decisive base of peasant struggle in the preceding period, and which the Congress leadership had declared in the election to be a crucial test of the measure of popular support, the Communists won in the sixty-three seats contested 1,452,516 votes against 998,530 for the Congress.

These results indicated that the broad democratic front developing through the initiative and leadership of the Communist Party, had already won significant mass support in a number of regions.

Subsequently to the election of 1952 the Socialist Party merged with the Praja Party (a breakaway from the Congress) to form the Praja Socialist Party on the basis of a programme described as a synthesis of Gandhism and Marxism. Its Secretary, Jayaprakash Narain, devoted himself to the campaign known as Bhoodan, originated by Vinoba Bhave as the answer to the portent of the Telengaana peasants' revolt, and directed to the aim of solving the agrarian problem by persuading landlords to donate voluntarily some of their land to landless peasants.

The Fourth Congress of the Communist Party in April, 1956, sought to show the path of advance for all the democratic forces of the nation to fulfil "the task of building national unity for peace, for defence and strengthening of freedom, for national reconstruction, for defence of the vital interests of the masses and for the extension of democracy."

The election of 1957 brought further into view the new developments of the political situation. The Congress maintained its majority position in the Central Parliament and in all but two of the States. But the Communist Party doubled its vote to 12 millions, emerging once again as the second party, and won an absolute majority in Kerala, the new State based on the former Travancore-Cochin and Malabar. Significant advances were also won by the Communist-Socialist electoral alliance in West Bengal, including 18 of the 26 seats in Calcutta. In Bombay and the United Provinces Congress lost ground to Socialists and Communists. All these indications pointed the way forward to the prospect of further political development and leftward advance in India.

7. *Economic Reconstruction*

Not only in the political field and in the field of international policy, but also in the field of economic reconstruction, increasingly significant developments have taken place in India since the victory of national independence, and especially during the most recent period.

A heavy and burdensome inheritance of colonial economy,

backwardness and arrested development, foreign capitalist domination, landlordism and social contradictions, extreme poverty, illiteracy, ill-health and lack of social provisions, characterised the situation of the Indian nation on the morrow of independence after two centuries of British rule.

The profound economic contradictions within India and Pakistan, inherited from the period of imperialist rule, could not be solved by the change of administrative régime, so long as the essential features of colonial economy were maintained. On the contrary, the economic situation of India and Pakistan continued to show at first further deterioration during the initial years after 1947, and only the beginnings of economic advance in India under the first Five-Year Plan.

The continuity of the colonial character of the economy was demonstrated by the slow development of heavy industry and the concentration on the over-crowded agricultural and light processing industries. The percentage of the population dependent on agriculture, which had been 61.1 per cent. in 1891, rose from 65.5 per cent. in 1931 to 69.8 per cent. in 1951. The percentage of industrial workers in the total population, which had been 5.5 per cent. in 1911, fell from 5.1 per cent. in 1941 to 4.6 per cent. in 1951. The steel industry reached an output of only just over 1 million tons by the end of 1951 and 1.3 million tons by 1955.

The agrarian crisis continued. Legislation for the abolition of statutory landlordism of the Zemindari or Jagirdari type was eventually carried through in most states and struck a blow at feudal survivals. But heavy compensation terms and considerable loopholes for evasion limited its effectiveness. In practice the burden of landlordism was only changed in form and continued to weigh down the masses of the peasantry, alongside the burdens of the money-lender and the tax collector, with further impoverishment and widespread evictions. In the initial period the food grains yield per acre fell from 607 lb. in 1943-4 to 520 lb. in 1948-9, and 480 lb. by 1950-1.

Real incomes of the masses of the people fell as prices rose. The cost-of-living index in Bombay, on the basis of 1934 as 100, rose from 259 in 1946 to 363 in 1953 or 40 per cent.; while real wages failed to keep pace with the rising cost of living. "Real wages in India have not as yet reached the pre-war level" (United Nations Report on the World Social

Situation, 1952). On the basis of an exhaustive study of wages and prices in different parts of India, Professor Radhakamal Mukerjee, in his *The Indian Working Class* (Third Edition, Bombay, 1951) reached the conclusion:

“A larger proportion of the Indian working class is now in the poverty line than before the war. The bulk of the workers in India are below the poverty line.”

The national income per head, at constant prices of 1938-9 fell from Rs. 83 in 1931-2, to Rs. 77 in 1945-6, Rs. 75 in 1946-7 and Rs. 70 in 1948-9. (*Economic Survey of Asia and the Far East*, United Nations, 1950. The estimate refers to the Indian Provinces as before partition.)

The First Five-Year Development Plan, adopted in 1951, marked the beginning of a limited economic advance. The Plan allocated Rs. 23,560 million, or £1,767 million, for development. Its character was still adapted to the requirements of a colonial economy, only 6 per cent. of the total being allocated for large scale and medium industry as against 15 per cent. for agriculture, 28 per cent. for irrigation and power, and 24 per cent. for transport. It is significant that the Plan set the aim only to restore the pre-war levels of income by 1955. In fact, its target fell below even this aim. The Plan set the target to raise the national income from Rs. 90 billion in 1950-1 to Rs. 100 billion in 1955-6, or an increase of 11 per cent., equivalent, allowing for increase of population by $6\frac{1}{4}$ per cent., to an increase of national income per head, by 5 per cent. Since however the national income per head, according to the United Nations figures quoted above, had fallen by 16 per cent. between 1931-2 and 1948-9, the planned increase of 5 per cent. would not even bring the national income per head to the already starvation level of 1931-2.

In the event the fulfilment of the first Five-Year Plan showed an improvement on the original targets. National income over the five years was increased by 18 per cent., and national income per head by 11 per cent. Industrial production on the basis of the revised index (1951=100) rose by 22 per cent. between 1951 and 1955. Electric power production rose from 6.6 billion kwh. in 1950-1 to 11 billion in 1955-6. Food grains production rose by 20 per cent., and 16 million additional acres of land were brought under irrigation. Food con-

sumption per head, which had been stated to have been 1,398 calories per day in 1950-1 and 1,623 calories in 1953-4, rose to 2,200 by 1956. The index of consumers' expenditure increased by 9 per cent.

Despite the advance achieved by the first Five-Year Plan, the heavy problem of Indian economic development and the low living standards still continuing in 1956 were recognised by the official Planning Commission Report on the Second Five-Year Plan (1956):

"Living standards in India are among the lowest in the world. The average intake of food in India is below accepted nutritional standards; the consumption of cloth in 1955-6, at about 16 yards *per capita* is still around the pre-war level; housing is very deficient; and only a half of the children in the age group 6-11 and less than one-fifth of the children in the age group 11-14 attend school. About a half of the population of India has, on an average, Rs. 13 (19s. 6d.) per month to spend in consumer goods. The *per capita* consumption of energy in India is 1/73 of that in the U.S.A.; and that of steel is 1/122 of the level of the U.S.A."

The new trends in the international orientation of India and the advance of the democratic forces had their effect also in the internal situation and in the approach to economic problems. This was shown in the character of the second Five-Year Plan, which was finally published in February, 1956.

The second Five-Year Plan for 1956-61 envisaged a basic change in approach from the first. An increased emphasis was now placed on industrialisation (although in practice the provision for this had been considerably whittled down in the final outcome from the initial tentative "Plan Frame"). The role of the state sector was increased. The Plan envisaged a new net investment of Rs. 72 billion, or £5,400 million, of which Rs. 48 billion, or £3,600 million, were to come from the public sector. The proportion of public investment in large-scale and medium industry and mining was raised to 14.4 per cent., or £517 million, with the main emphasis on steel, the output of which was to be raised from 1.5 to 5.5 million tons. The aim was set to increase the total national product by 25 per cent. (agricultural output by 18 per cent., mining by 58 per cent., and factory output by 64 per cent.). On this basis the national income per head was to be raised

by 18 per cent. from Rs. 281 (£21 11s.) to Rs. 331 (£24 17s.).

Although the very considerable modification of the original plan brought about by the pressure of private monopoly interests, including a measure of retreat from the initial aims for industrialisation, diminution of the public sector for the benefit of the private sector, and increased reliance on methods of financing by foreign loans and deficit financing which could bring dangers of inflation and heavy burdens on the masses of the people, contributed to weaken the value of the plan as adopted in its final form, nevertheless the even hesitant beginning of a new orientation of economic planning for national reconstruction and industrialisation which it represented remained a positive and significant new development.

This economic programme of industrialisation, state intervention and extending state ownership, and raising of living standards, was accompanied by the official proclamation of a general aim described in socialist terms.

In December, 1954, the Indian Parliament adopted a resolution:

“The objective of our economic policy shall be a socialistic pattern of society; and towards this end the tempo of economic activity in general, and industrial development in particular, shall be stepped up to the maximum possible extent.”

The National Congress at its meeting at Avadi in January, 1955, adopted a resolution declaring its basic aim to be “establishment of a Socialistic pattern of society,” where (a) the principal means of production are under socialist ownership or control; (b) production is progressively speeded up; (c) there is equitable distribution of the national wealth; (d) there is progressively fuller employment with a view to reaching full employment within a period of ten years.

This official declaration of the aim of a “socialistic pattern of society” reflected the increasing influence of socialist ideas in India even though there were considerable differences on the interpretation of the aim. Some sought to emphasise the Gandhist conception of the role of handicraft and decentralisation of production. Other views were expressed by a leading spokesman of monopoly capital, G. D. Birla, who, in his address to the Federation of Indian Chambers of Commerce and Industry in 1955, declared that a socialistic pattern of society had

nothing in common with socialism as such but should be sought in Britain and the United States. Government policy, however, was directed to extend the sphere of state ownership in industry. A Government resolution on economic policy in April, 1956, replaced the previous resolution of 1948 and set out a very much wider list of industries which should be state owned, including iron and steel, heavy engineering and electrical plant, machine tool manufacture, atomic energy, transport and electricity, and mineral resources and exploitation.

The opposition of big monopoly interests to this programme was voiced by the powerful industrial magnate, J. R. D. Tata, chairman of the Tata Iron and Steel Company, when in his annual report in September, 1956, he denounced the idea of the "socialistic pattern of society" as an "unnatural combination of political democracy and economic autocracy."

The opposition of foreign monopoly interests was directly expressed by the adverse report of the World Bank, representing United States finance-capital, in August, 1956, which criticised the Second Five-Year Plan as "too ambitious" and as giving inadequate scope to private enterprise and to foreign capital ("tolerating rather than encouraging foreign enterprise").

This attack was formally answered by the Indian Government, when the Minister of Finance replied in October, 1956, that the—

"Indian Government are not convinced that the motive of private profit is the only one which can ensure the efficient operation of an industry; nor do we believe that private enterprise is inherently superior to state enterprise. Indeed, the short experience we have had with state enterprises leads us to believe that they can often be more efficient than private units."

The battle of class interests continues and is not yet ended for India, and is intertwined with the intensive efforts of Western financial interests to maintain and extend their role in Indian economy. But the general character of Government policy is directed towards a programme of energetic national reconstruction, independent of the control of foreign capital and with an increasing role of state ownership and control. There is no doubt that the main body of Indian democratic opinion is strongly inclined towards the ideas of socialism, while the partial measures of land reform already carried out,

with the elimination of the bigger landlords, have whetted the desires of the mass of the peasantry for the complete abolition of landlordism.

Great problems still lie before the Indian people, and it would be utopian to think that these problems can be solved without further economic and political struggles. But the signs are visible to all that the Indian people are on the march. The progressive forces of the Indian people have already achieved signal major advances in the spheres of international politics and in the beginning of reconstruction at home. We can be sure that they will carry forward that advance towards the aims of complete political, economic and social emancipation.

8. Pakistan in Crisis

The course of events in Pakistan showed a marked diversion from the experience of India during the initial years of sharpening new alignments and deepening crisis after the settlement of 1947.

In India the more advanced development had made possible a relatively stronger basis for the new government. In Pakistan, with its relatively more backward economic development and dominant role of a handful of powerful feudal families, reaction and repression were extreme from the outset. The divisions between West Pakistan, with a population of 33 millions, or a minority of the population of Pakistan, but the seat of the main ruling forces, and East Pakistan, with a population of 42 millions or 57 per cent. of the total, was further accentuated by the divisions within West Pakistan between the ruling elements in the Punjab and in other provinces. The Moslem League had no such deep roots in the masses of the people as the Congress in India. The régime bore from the outset a deeply corrupt character, with palace intrigues on top and sudden coups replacing the more stable political advancement in India. The explosive character of the situation was already shown by the large scale "conspiracy" trial launched in 1951, against leading left-wing representatives and military personalities, and ending, after a prolonged secret trial in heavy sentences. The Communist Party was banned.

In April, 1953, the Premier Nazimuddin was dismissed by the Governor-General Ghulam Mohammed, and replaced by

the then ambassador in Washington, Mohammed Ali. This coup had no relation to any electoral or parliamentary verdict. It marked the replacement of the previous dominant British influence by American domination in Pakistan. Lavish grants and loans followed from the United States Government to Pakistan, and the new Government proceeded to negotiate a military pact with the United States, by which the United States would supply arms and military instructors and assist Pakistan in the development of military air bases.

Premier Nehru issued a very sharp warning in January, 1954, on the significance of such a United States-Pakistan Military Pact. It would mean, he said, that "freedom recedes in Asia and the currents of history are reversed. . . . Pakistan becomes potentially a war area, and progressively her policies are controlled by others." The truth of this warning was rapidly demonstrated in the events of the following months.

In March, 1954, a general election on the basis of universal suffrage was held in East Pakistan—the first election since the formation of Pakistan. The Moslem League was routed, obtaining only eight of the 309 seats. Victory went to the United Front, a coalition of democratic parties which won 97 per cent. of the votes on the basis of a progressive democratic programme. On May 19 the United States-Pakistan Military Pact was finally signed. Within less than a fortnight of its signature, on May 30 the United Front ministry in East Pakistan was dismissed by the Governor-General, parliamentary rule suspended, and Governor's rule or dictatorship established, with General Mirza in control. Wholesale arrests followed of all democratic leaders.

By October, 1954, the crisis extended to the whole of Pakistan. The Governor-General proclaimed a State of Emergency and suspended the Constituent Assembly. While Mohammed Ali remained the titular Prime Minister, effective dictatorship was vested in the hands of General Mirza as Minister of the Interior (later Governor-General).

It is worthy of note that these successive arbitrary anti-democratic coups by the Governor-General, Ghulam Mohammed, an old Indian Civil Service official, were openly based on Section 92a of the 1935 Government of India Act, the Act passed by the Baldwin Conservative Government for a subject India, and proclaimed to be still valid in Pakistan seven years

after the supposed establishment of "freedom" in 1947. General Mirza made no concealment of his hostility to democracy. Pakistan, he declared, was "not yet ripe for the processes of democracy" and needed to be "run in the British way." "To an Englishman," *The Times* reported on December 2, 1954, "it is extremely like the administration of one of the bigger colonies."

The Turkey-Pakistan Pact signed in April, 1954, drew Pakistan closely into the chain of United States military alliance in the Middle East, while the adherence of Pakistan to the South-east Asia Pact later in the year aligned Pakistan with the chain of United States military allies in Eastern Asia. The linking with the series of imperialist-inspired military pacts in the Middle East was further carried forward by adherence to the Baghdad Pact of Britain, Iraq, Turkey and Iran in 1955.

These measures of subjection of Pakistan to the economic and political domination and military plans of Western, and especially American imperialism, by no means corresponded to the national feeling of the Pakistan people. "It is generally agreed," reported *The Times* correspondent from Dacca on December 6, 1954, "that if fresh elections are held the United Front party would win a second sweeping victory."

In the autumn of 1955, the pressure of popular dissatisfaction led to further political changes, with the establishment of a new Coalition Government based on the Moslem League and a section of the former United Front, the release of a number of political prisoners, and preparations for new elections.

The stormy events and successive sharp changes in Pakistan during these years have demonstrated the instability of the régime. While the rulers of Pakistan during this period turned the country into a satellite of the United States, there can be no doubt that the crisis will further develop. Whatever the ordeals and struggles through which they will have to pass, there can be no doubt that the people of Pakistan, no less than the people of India, will find their way forward to a progressive future along the path of liberation in common with the other nations of Asia.

CHAPTER X

EMPIRE AND LIBERATION IN THE MIDDLE EAST

Afghanistan, Transcaspia, Persia to me . . . are the pieces of a chessboard upon which is being played out a game for the domination of the world. . . . The future of Great Britain . . . will be decided not in Europe but in the continent whence our emigrant stock first came and to which as conquerors their descendants have returned.

LORD CURZON, *Persia and the Persian Question*, 1892, Vol. I, Introduction, p. xiv.

IN no region of the world are all the conflicts and contradictions of the present era so closely gathered into a single knot as in the Middle East.

Here equally is the most developed and concentrated base of imperialist colonial and semi-colonial exploitation around the key commodity of oil; the most acute battleground of imperialist rivalries, and especially of Anglo-American rivalry, complicated by the conflict of Israel and the Arab States, which itself has sprung from the conditions of imperialism, the central strategic ground of imperialist war plans to develop a military base against the Soviet Union; the most acute social contradictions between the old corrupt feudal rulers or military dictatorships and the poverty-stricken masses of the people; and above all a very high point of the liberation struggle against imperialism.

1. Background of Empire in the Middle East

The Middle East has been the latest region of the intensive development of modern imperialism. Just as the colonisation of southern and eastern Asia developed from the seventeenth to the nineteenth centuries, and of the African Continent, with the main scramble and partition, during the later decades of the nineteenth century, the extension of imperialist tentacles over the Middle East developed principally in the twentieth century, and especially since the first world war, following the final collapse and break-up of the old Turkish Empire.

The very term "Middle East" has only taken on its current connotation in the language of imperialist diplomacy during this recent period. Formerly the countries of Asia Minor bordering on the Mediterranean were known as the Levant, or, together with the Balkan provinces of the Turkish Empire, as the "Near East"; while the "Middle East" was regarded as extending over Persia, Transcaucasia, Afghanistan, Turkestan, Sinkiang and even Tibet. The shift of language has corresponded to the shift of concentration of imperialist interests. The "Middle East", in conventional current diplomatic usage, is treated as extending from the eastern Mediterranean up to the borders of Afghanistan.¹

This region has become the central ground of imperialist politics and conflicting interests in the twentieth century. Egypt, it is true, which from its historical associations as a province of the former Turkish Empire, and from the religious and cultural affiliations of its people, is normally included with the countries of the "Middle East" in the conventional current usage, had become a battleground of the Western powers from a much earlier date. Egypt was already the object of financial and economic penetration from the granting of the concession for the Suez Canal in the eighteen-fifties, completed in 1869; was subjected to the Anglo-French Dual Control from the 'seventies; and became in fact a British colony under British military occupation from Gladstone's bombardment of Alexandria in 1882. Cyprus was acquired by Britain in 1878, originally on the basis of an annual payment to Turkey, the cost of which was imposed on the Cypriot people. Iran was "opened up" since the oil concession to Britain in 1901 and the Anglo-Tsarist division into "spheres of influence" in 1907. Anglo-German rivalry for the domination of the Middle East (the "Berlin-Byzantium-Baghdad" project) was one of the main predisposing causes and issues of the first world war.

But it is since the first world war that the main Western

¹ The geographical language of imperialism, dating from the earliest colonising expeditions of the Western European Powers, and imposing itself on world geography and diplomatic usage, would constitute a study in itself and throw many sidelights on its development. The islands of the Caribbean remain still the "West Indies." The vast region of China, and the Western Pacific remains still the "Far East." No doubt a modern Chinese citizen, in revenge for the many weighty tomes on "the Far Eastern Problems" and contemplating the turbulent and marauding role of the Western Powers as the main originators of modern world wars, would be justified in writing a book on "the Far Western Problem."

imperialist conquest, military occupation, partition, political domination and intensified economic exploitation of the Middle East has taken place. During the first world war British imperialism stimulated and supported the revolt of the Arab peoples against the Turkish Empire in order to bring about the downfall of the Turkish Empire and take it over as its heritage. When, however, the national revolt of the Arab peoples was advancing to victory and was clearly directed, not to a change of masters, but to real independence, with the stimulus of the victory of the Russian Revolution in 1917, the British rulers enunciated the Balfour Declaration of 1917 to take Zionism under their wing as a counter-force to Arab national liberation, and thereby sow the seeds of Arab-Jewish conflict in the Middle East as one of the main instruments of imperialist domination.

All the imperialist powers sought to establish themselves in the Middle East. Sharp Anglo-French rivalry in the initial period gave place as French imperialism weakened, to Anglo-American rivalry. Nevertheless, during the decades up to the middle of the twentieth century Britain was the ruling Power in the Middle East. Disraeli's purchase of Suez Canal shares for the British Government in 1875, and Churchill's corresponding stroke in purchasing Anglo-Persian oil shares for the British Government in 1914, marked out the new roads of expansion, with Government and High Finance in open partnership.

After the first world war the architects and planners of British imperialist policy, anticipating the inevitable future weakening of Britain's hold on its historic empire base in India, envisaged ambitious dreams of "the new Middle Eastern Empire" as the future pivot and mainstay of the British Empire. They were far-sighted, but not far-sighted enough. They did not foresee the advancing challenge of American imperialism to dominate British influence in the Middle East, still less the speed of advance of popular revolt to bring clattering down their house of cards of "the new Middle Eastern Empire."

Oil has been the centre of imperialist interests in the Middle East. Two-thirds of the world's known resources of oil are estimated to lie in the Middle East, or more than four times the reserves in the United States. Between 1913 and 1939 the output of Anglo-Persian (subsequently Anglo-Iranian) oil rose from 248,000 to 10,329,000 tons, or forty times, and between

1939 and 1950 trebled again to 32,259,000 tons. Throughout the duration of the British concession in Iran the Anglo-Iranian Oil Company's investments came to about £22 million; but its profits on this capital added up to £700-800 million, of which £224 million went to the British Government (including £175 million in the form of income tax), and only £105 million to Iran in return for nearly 300 million tons of oil taken from the country.

Between 1938 and 1953 oil output in the Middle East multiplied seven-fold, with the United States displacing Britain in the dominant role:

Table 29
OIL OUTPUT IN THE MIDDLE EAST, 1938-53
(in million metric tons)

					<i>Total</i>	<i>United States</i>	<i>Britain</i>
1938	.	.	.	.	16	2	12
1953	.	.	.	.	122	72	39

Thus the American share multiplied thirty-six times, while the British share trebled.

The vast profits made by the Western powers from Middle Eastern oil have been estimated at over £2,000 million for the first decade after the war.

"There is a certain foundation for the assumption that between 1945-6 and 1954 Middle East oil operations have yielded the companies (five American, four British) a profit of £2,000 million."

(Manchester Guardian, March 17, 1955.)

The deepening poverty of the peoples from whose countries and labour these profits were made was testified at a meeting of the Economic Committee of the Baghdad Pact by the Pakistan Minister of Health and Education, Mr. Zahrudin:

"The proportion of undernourished persons in the region has during the past few years risen from 38 per cent. to 56 per cent., and the incidence of tuberculosis, which is increasing, more than four times that obtaining in European countries."

(The Times, December 4, 1956.)

The political method of imperialism in the Middle Eastern countries has been to maintain not direct colonial rule, but

indirect rule, under a cover of formal "independence." This has been done through subsidised or controlled rulers, kingships created by imperialism, and a corrupt reactionary feudal upper class sharing in the spoils. Treaties provided for the maintenance of bases, economic and military missions, and direct military occupation or maintenance of naval and air bases at a series of key points. These régimes have been in practice reactionary dictatorships, maintaining the most ferocious repression against their peoples, with denial of democratic rights, wholesale police persecution, arrests, imprisonment, concentration camps and executions.

Against these conditions of foreign domination and exploitation, reactionary rule and extreme social misery, all the peoples of the Middle East are in revolt. Already in the initial phase after the second world war Syria and Lebanon won their national independence; and during the 1950's Egypt successfully carried forward its fight for independence through the evacuation of the British armed forces from Egypt and eventually from the Canal Zone, even though with limitations imposed through the Anglo-Egyptian Treaty of 1954 with regard to the re-occupation of the Canal Zone. In the most recent period Egypt and Syria have played a leading part in resistance to the imperialist war plans in the Middle East. This resistance to imperialism has been joined by Jordan in the recent period, and has received support from Saudi Arabia.

All these contradictions came to a head with the Anglo-French-Israeli war on Egypt at the end of 1956 and the subsequent new moves for increasingly direct United States intervention.

2. Egypt's Fight for Liberation

Egypt, the largest of the Middle East countries, with a population of 22 millions in 1955, and the longest held under Western imperialist domination, has from the outset occupied the leading position in the national liberation struggle in the Middle East. The strategic importance of Egypt to imperialism was emphasised by the British Chief of the Imperial General Staff, Field Marshall Slim, in his conversations with the Egyptian Premier, Nahas Pasha, in the summer of 1950:

"Anyone who wants to hold the Middle East must hold

Egypt. . . . Egypt is the key to the Middle East. Who holds Egypt holds the Middle East."

(Egyptian Green Book of British-Egyptian Conversations, June 1950.)

The national revolt in Egypt has developed continuously over seventy years against the British military occupation and domination since 1882. The proclamation of the nominal "independence" of Egypt in 1922 (under British martial law) did not change the real situation of dependence and military occupation. The 1936 Anglo-Egyptian Treaty removed the British troops from Cairo and Alexandria only to concentrate them in the Canal Zone. British direct colonial rule of the Sudan in the name of the "Condominium" continued.

In 1951 the Egyptian Government of the Wafd denounced the 1936 Treaty and the Condominium. The British Government replied with a heavy concentration of military forces in the Canal Zone, and armed clashes followed, with numbers of killed and wounded.

The failure of all other methods to quell the popular revolt led to the adoption of the most violent methods of repression in 1952. Martial law was imposed and the Wafd Government was dismissed. After the failure of a series of reactionary Cabinets, on July 23, 1952, the military coup of General Neguib established a military dictatorship of a group of younger officers, which replaced the rule of King Farouk.

In February, 1953, the Neguib Government signed an agreement with Britain on the future of the Sudan, providing for a three-year transition period during which the Constitution enacted by the British Government in 1952 should operate, with an elected Sudanese Parliament and Ministry, but with the British Governor-General as the supreme constitutional authority and Commander-in-Chief of the armed forces, as well as holding special responsibility for Southern Sudan; at the end of this three-year period the Sudanese Parliament would have the right of choosing between the alternatives of independence or association with Egypt or Britain.

Sudan's advance to independence accelerated the timetable planned by the 1953 Anglo-Egyptian Agreement. Under strong, popular anti-imperialist pressure the Azhari Ministry insisted on the withdrawal of all British military officers and

civilian officials during 1955, with the exception of the Governor-General. At the end of 1955 powerful mass demonstrations for the withdrawal of the British Governor-General led to his hasty resignation without replacement. On January 1, 1956, Sudan proclaimed its independence.

The central question of the relations of the Western Powers and Egypt turned on the Suez Canal. In July, 1954, the Egyptian Government, now under Colonel Nasser as Premier, signed an agreement with Britain on the future of the Canal Zone, providing that British troops should be evacuated within twenty months; 4,000 British technicians in civilian clothes would remain to maintain the installations of the Canal Zone base for seven years; and Britain would have the right to reactivate the base if any of the Arab countries or Turkey should be attacked. Following on this agreement, which released 80,000 British troops, British strategy concentrated on the development of Cyprus as its largest Middle Eastern base.

These agreements between Britain and the Egyptian military dictatorship were welcomed by the British and American imperialists as a step towards the aim of aligning Egypt in close military association with the Western powers. The American imperialists did not conceal their satisfaction at the measure of strategic weakening of Britain's position, and their hopes of drawing Egypt into close economic, financial and military association with the United States in the Middle East. These calculations failed to take into account Egyptian national aspirations. The opposition of Egypt to the imperialist-sponsored military pacts linking Turkey, Iraq, Iran and Pakistan in 1955, and the participation of Premier Nasser in the Bandung Conference, indicated new trends of policy in ruling circles. The Western powers sought to exercise pressure on Egypt by making the supply of arms for defence (at the same time as Israel with military superiority was conducting a series of aggressive offensives against Egypt) conditional on Egypt accepting Western plans and joining the Baghdad Pact or similar alliance. The Egyptian Government under President Nasser was able to counter this pressure and maintain its independence by an agreement in the autumn of 1955 to import arms from Czechoslovakia. This was accompanied by increasingly close economic relations with the Soviet Union, the People's Democracies of Eastern Europe, India and China.

Such was the background of the Suez crisis which developed during 1956, and broke out into open war of Britain and France on Egypt for the forcible reoccupation of the Canal Zone.

3. *Iran's Battle Against the Oil Monopolies*

The exploitation of the rich oil resources of Iran, and the ruthless repression of the people under conditions of extreme poverty and servitude, has been the classic demonstration of imperialist semi-colonial technique in the twentieth century. A fuller examination of the complex web of imperialist intrigues and rivalries, the extraction of fantastic profits at the expense of the misery of the people, the utilisation of corrupt, feudal upper-class elements or military dictators as the cover for imperialist domination, and the long drawn struggle of the Iranian people for liberation will be found in L. S. Elwell-Sutton's authoritative study *Persian Oil* published in 1955.

The democratic revolution in Iran in 1906 was the first in Asia to respond to the inspiring stimulus of the Russian Revolution of 1905, and forced the despotic Shah to concede the establishment of the Majlis or first Asian Parliament. But the revolution was crushed through the Treaty of Britain and Czarism in 1907 and the partition of Iran into spheres of influence.

A new high point in the half-century of struggle of the Iranian people against the British oil monopolists was reached in 1951 with the law for nationalisation of the properties of the Anglo-Iranian Oil Corporation and its replacement by the National Iranian Oil Corporation. This attempt at nationalisation aroused acute anger and measures of retaliation from the British Labour Government as the representative of British imperialism. The Labour Government replied with the dispatch of warships to the Persian Gulf. It is characteristic that, immediately following this breakdown of negotiations, the official Labour organ came out with a bellicose and threatening editorial which recalled the palmiest days of the Kaiser or Joseph Chamberlain:

“Britain is not getting out of Abadan, the great island refinery, king-pin of the oil industry. Mr. Attlee has already made that clear in Parliament. And the Cabinet has seen to it that warships and other forces are ready to protect the British staff in charge of the refinery.

"The 5,770-ton cruiser *Euryalus* lies off Abadan. Alongside her are four destroyers and two sloops. More warships can be sent from Malta and Ceylon, if needed.

"The Royal Air Force, too, has important bases in Iraq, Egypt, the Persian Gulf and Transjordan."

(*Daily Herald*, August 23, 1951.)

This sabre-rattling language was by no means a sign of strength; and, in face of the refusal of the United States to back any British military action in Iran, Abadan had to be evacuated in October, 1951. There is no doubt that the Soviet-Iranian Treaty of 1921, which gave to the Soviet Union the right to move in troops to counter any armed invasion of Iran by other powers, such as might make Iran a base for armed action against the Soviet Union, served as a protection for the Iranian people to compel the Anglo-American imperialists to think twice before embarking on any adventure of military action in Iran.

Since direct military intervention had proved impossible, every form of pressure was brought into play, both by an economic boycott to bring the oil industry to a standstill, and by internal intrigues and formenting of counter-revolutionary plots to overthrow the Government of Moussadeq, who under strong popular pressure continued to resist the foreign oil interests. Finally recourse was had to the method of a military coup and the establishment of a military dictatorship. In August, 1953, with the support of the Shah, the Moussadeq Government was deposed, and a military dictatorship of General Zahedi was established.

In August, 1954, an agreement with foreign oil monopolies was reached, and signed the following month. By this agreement a foreign consortium was established, with Anglo-Iranian holding 40 per cent., American companies 40 per cent., Royal Dutch-Shell 14 per cent., and French companies 6 per cent., to operate the production and refining of Iranian oil, which remained nominally nationalised, but which in practice returned by this agreement into the hands of the foreign monopolies. The principal change represented by the 1954 agreement on the previous exploitation was that the former sole monopoly of the Anglo-Iranian Oil Company had now given place to a minority share (a narrow majority for the combined British interests of Anglo-Iranian and Royal Dutch-Shell), with acceptance of American entry into participation.

Following the agreement, Anglo-Iranian changed its name to the British Petroleum Company, and issued four bonus shares for each existing share, raising its capital to £120 million. The betrayal of Iran by the new oil agreement aroused intense popular opposition, as the extending range of arrests and repression by the military dictatorship revealed.

A reign of terror was let loose against the democratic forces in Iran, with wholesale executions. The savagery of this reign of terror revealed the instability of the régime which was maintained only by imperialist support.

4. *Liberation Movement in Cyprus, Jordan and Iraq*

With the weakening of Britain's former dominant position in Egypt and Iran, the main bases of British power in the Middle East became centred in Cyprus, Jordan and Iraq. But here also the liberation movement pressed forward.

Cyprus, with its population of half a million, four-fifths Greek, has been held by Britain since 1878 and was formally annexed in 1914. The poverty of the people under British rule was admitted by an official enquiry in 1938, which revealed that in relation to a very low minimum standard of subsistence, 25 per cent. of the people were below it, 50 per cent. subsist at that level, and only 25 per cent. above it.

The demand of the Cypriot people for self-determination and union with Greece had already been presented by a Cypriot delegation to London in 1929. In 1931 demonstrations in Cyprus in favour of union with Greece were greeted with repression and shot down by British troops. Cyprus was placed under complete dictatorial rule, and the previous elected assembly, with advisory powers, which had supported the demand for union with Greece, was forcibly disbanded. Since then British rule in Cyprus has been maintained on the principle of open dictatorship.

Following the Anglo-Iranian agreement of 1954, British strategy in the Middle East was re-orientated to concentrate on Cyprus as the main base. This led to a new sharpening in the conflict between the Cypriot people and the British rulers. The Greek Government placed on the agenda of the United Nations the question of the right of Cyprus to self-determination; but the pressure of imperialist influence on the Greek Government was exercised to prevent the issue being dealt

with by the United Nations. In Cyprus the most savage repression was let loose against the people. As the struggle of the Cypriot people developed, this repression was intensified, and was met with universal resistance from the people. Troops were despatched, and the situation took on a character of open warfare of the British rulers against the Cypriot people.

Jordan, formerly Transjordan, which had been held by the British since the end of the first world war under a British-imposed and subsidised Emir, was in 1946 proclaimed by Britain a "sovereign independent state" under King Abdullah. The British-Jordan Treaty of 1946 established effective British control through the British Military Mission and the British-officered Arab Legion, both the "sovereign independent government" and the Arab Legion being maintained by subsidies from Britain. Violent repression was maintained against the popular movement and the Communist Party.

The new currents in the Middle East, however, brought rapid changes also in Jordan. At the end of 1955 the mission of General Templer to draw Jordan into the Baghdad Pact aroused a storm of opposition. Despite all attempts at repression the strength of the national upsurge compelled the dismissal in March, 1956, of General Glubb, the British Commander of the Arab Legion, who had been the uncrowned ruler of Jordan for a quarter of a century. Jordan began to establish closer relations with Egypt, Syria and Arabia, and demanded the revision of the British-Jordan treaty. The election in October returned an anti-imperialist majority, and the new Government denounced the Anglo-Jordan Treaty in November, 1956.

In Iraq, where the actual British domination has been concealed since 1930 under the cover of reactionary governments of a formally independent state, the struggle of the people against this domination has reached stormy heights since the second world war. The revolutionary upsurge of 1948, which annulled the Portsmouth Treaty, was met with martial law lasting until the middle of 1949; and the new upsurge of 1952 was again met by martial law and methods of terror. In 1955 Iraq was drawn into the chain of imperialist military alliances in the Middle East by the Iraq-Turkey Pact, with the subsequent adhesion of Britain, Pakistan and Iran (Baghdad Pact); and in March, 1955, a new Military Treaty of Britain and

Iraq replaced the 1930 Treaty with formal British handing over of the air bases, but practical continued close association in their use and in training and equipping the Iraqi armed forces.

5. *Anglo-American Rivalry and War Plans in the Middle East*

The sharp conflicts of imperialism and liberation in Egypt, the Sudan, Iran, Iraq and Cyprus during these years were only high points of the crisis of imperialism developing in varying forms and stages in all the countries of the Middle East. This situation was complicated by the mutual rivalries of the imperialist powers, especially of the United States and Britain; the military plans of Western imperialism to endeavour to build up the Middle East as an anti-Soviet military base; and the conflict between Israel and the Arab States.

The rivalry and ceaseless manœuvring and counter-manœuvring of American and British interests in the Middle East accompanied the measure of co-operation and partnership in hostility to the national liberation movements and to the Soviet Union. We have already had occasion to note the decisive change in the control of Middle Eastern oil supplies. In 1938 Britain had controlled three-quarters of the Middle Eastern oil output as against one-eighth for the United States. By 1953 the United States share had risen to seven-tenths, against less than one-third for Britain. The Iranian oil settlement of 1954 brought American interests also into the previous British monopoly preserve of Iran. By 1954, a survey of foreign investments in the Middle East by H. V. Cooke, former American Consul in Turkey and a member of the Middle East Planning Staff of the Economic Co-operation Administration, recorded "the replacement of Great Britain by the United States as the leading investor, by a wide margin" (*Middle Eastern Affairs*, New York, April, 1954). The survey reported that during the decade from the beginning of 1944 to the end of 1953 United States foreign investments in the Middle East amounted to \$2,595 million as against \$1,228 million from all other countries so that the American share amounted to over two-thirds of the total.

At the same time the American diplomatic and strategic penetration advanced rapidly to displace the previous British dominance in the Middle East. Following the enunciation of

the Truman Doctrine, the United States took over from Britain the effective domination of Greece, and established its complete control over Turkey.

In 1948 British control in Palestine was ended by the establishment of the new state of Israel; and British policy received a resounding defeat in the complete fiasco of the subsequent war of the British-armed and equipped forces of the Arab League rulers against Israel, which received lavish finance and equipment from the United States. Israel extended its borders during the war beyond the limits laid down by the United Nations decision of 1947, by an additional 2,000 square miles, and 900,000 Arab refugees were driven out or fled, their land, livestock and goods being taken over by the Israeli conquerors. The United Nations decision for the establishment of two states in place of the former Palestine, a Jewish State and an Arab State, was never carried out; and in consequence a ceaseless source of friction continued, with a temporary cease-fire, but no ending of the state of war between Israel and the Arab States, and with frequent border clashes. The new state of Israel developed in practice in the American orbit, financed and maintained from the United States. Britain had to content itself with the lesser spoils of annexing the southern part of the former Palestine mandate to the British protectorate of Jordan.

British imperialism sustained yet a further resounding defeat in Iran in 1951, with the enforced withdrawal from Abadan and expulsion of the Anglo-Iranian Oil Company, after the previous bellicose British declarations of the determination never to withdraw from Abadan, and ostentatious concentration of military and naval forces, had ended in fiasco in face of the American refusal of the repeated entreaties for support for the projected military and naval measures. The British rulers were thrown into further difficulties by the deepening crisis in Egypt, which culminated in the Anglo-Egyptian Agreement of 1954 and evacuation of the 80,000 British troops from the Suez Canal Zone. The British attempt to establish an alternative military base in Cyprus encountered, not only the determined resistance of the Cypriot people, but also the hostility of the Greek Government under the protection of the United States.

The military aims of the Western imperialists in the Middle

East were originally directed during this period towards the establishment of a Middle Eastern Military Pact as the counterpart of the North Atlantic Treaty Organisation in Western Europe. The determined resistance of all the Arab peoples, with Egypt and Syria in the forefront, to this project compelled a change of tactics. The alternative method was adopted of establishing a chain of sectional military treaties. The United States extended its existing alliances with Turkey and with Saudi Arabia by the United States-Pakistan Military Pact, and the Turkey-Pakistan Pact in 1954. Britain built up a corresponding chain of alliances on the basis of Iraq, through the Baghdad Pact of Turkey and Iraq in the beginning of 1955, with the subsequent additional adhesion of Britain, Pakistan and Iran. This series of sectional military alliances, disrupting the Arab League, met with the active opposition of Egypt, which established its own military alliances with Syria and Saudi Arabia. At the same time, Israel, which had from the outset declared its readiness to participate in a Middle Eastern Pact, manifested its dissatisfaction with the courting of the Arab States by the Western Powers; and relations between Israel and the Arab States remained tense, with frequent frontier incidents. When the Western Powers sought to exercise pressure on Egypt by making supplies of arms dependent on acceptance of the Western imperialist military aims, this boycott was broken by Egypt's obtaining arms without political strings from Czechoslovakia and thus maintaining its independence.

6. National Liberation and Communism

It is in these complex and difficult conditions both in respect of the internal situation and of international relations that the popular movement in the Middle East has had to develop. The intensity of repression throughout this period has been a measure of the strength of the movement. Martial law has been the rule rather than the exception. In Iraq the leaders of the Communist Party were executed in 1948; in 1951 there were over 15,000 people in prison for political offences; and in 1945 and 1955, with the advent of Nuri el Said to power to put through the Baghdad Pact, the draconic anti-democratic measures were still further intensified. In Jordan the leaders of the Communist Party were sentenced in 1952 to long terms of imprisonment in the harsh conditions of the desert gaols from

six to ten years. In Egypt thousands were in prison and the concentration camps. The Communist Party has been banned in almost all the countries of the Middle East except in Israel, and varyingly in Syria and Lebanon. Trade unions have been proscribed and strikes declared illegal. Nevertheless Communist Parties have functioned illegally in a number of these countries, and Communist groups in others.

Great changes in the Middle East are preparing in the present period. The Middle East remains the storm centre of the conflicts of imperialist rivalries, of imperialism and socialism, and above all, of the struggle of national liberation against imperialist domination. Through all the terror and repression, the danger of war hanging over the region, and the ceaseless shifts and new events which make any survey at a given moment out of date before it is written, there is no doubt that the present historical period has placed the liberation of the Middle East next in the advance of the liberation struggle of the peoples of the world against imperialism.

7. Anglo-French-Israeli War on Egypt in 1956

The new situation in the Middle East and in world politics was demonstrated by the outcome of the Anglo-French-Israeli war on Egypt at the end of 1956.

The nominal occasion of this war was the Israeli invasion of Egypt and the Anglo-French intervention for the professed aim of "preventing the war spreading" by striking at the victim of aggression. This pretext deceived no one.

The visible immediate occasion of the war was the dispute arising over the Egyptian nationalisation of the Suez Canal Company in the summer of 1956. But even this was by no means the decisive issue involved in the war. The Suez Canal question was fully capable of a peaceful negotiated settlement; and such a negotiated settlement under the auspices of the United Nations was in fact under way when the blow was struck.

The conflict between the Western imperialist powers, especially Britain and France, and Egypt as the leader of Arab national liberation, was already reaching an acute phase before the nationalisation of the Suez Canal Company. This background has already been traced in a preceding section. The nationalisation decree was Egypt's reply to the action of the

Western powers in cancelling previously planned financial aid for the Aswan Dam. Britain, faced with its declining position in the Middle East, which had been sharply brought out by the loss of Jordan, and France, faced with its declining position in North Africa and the crippling war in Algeria, sought to use the occasion of the Suez dispute to initiate military mobilisation measures in order to force a "show down" with Egypt and restore their military supremacy in the Middle East and North Africa. The real issue, as Mr. Gaitskell correctly said in his speech on August 2, 1956, when he originally supported the military mobilisation measures, was "the struggle for the mastery of the Middle East."

Over a century earlier Lord Palmerston had declared of the Suez Canal project in 1851:

"It cannot be made, it shall not be made, it will not be made. But if it were made, there would be a war between France and England for the possession of Egypt."

The event turned out differently. The Suez Canal was constructed in the face of British initial opposition. Britain then moved in to establish control. Fashoda settled the Anglo-French conflict. Britain took over the domination of Egypt and the Suez Canal. Britain strenuously opposed international control as a violation of the sovereign rights of Egypt (that is, of Britain dominating Egypt). The International Convention of 1888, establishing the rights of free use by all nations in peace or in war, was only adopted after prolonged British resistance; and it was not until 1904 that the British Government finally ratified all its clauses. Britain in control of the Canal had no hesitation in violating the obligations of the International Convention in respect of free transit in wartime during the two world wars.

The nationalisation of the Suez Canal Company by Egypt was a fully legal action. Not only was the Suez Canal recognised by the Anglo-Egyptian 1954 Agreement as "an integral part of Egypt." The Suez Canal Company was defined by the 1866 Agreement with the Company as "an Egyptian company subject to the laws and customs of the country." Thus there was no question of nationalising an "international company," as was loosely alleged, but an Egyptian company. Nor was there any question of violating the International Convention of 1888, which provided for free rights of transit; since

Egypt made clear that these provisions would continue to be observed. Free transit continued without interruption under nationalisation, despite attempts at sabotage by the withdrawal of Western pilots, and it was only the Anglo-French military action that brought about its interruption. The only allegation of previous interference with free transit was the blocking of Israeli ships as a result of the state of war between Israel and Egypt; but even here Egypt was able to claim that Clause 10 of the International Convention made a specific exception to give Egypt rights to take action necessary for "the defence of Egypt"; and in any case this action had been taken years previously without challenge while Britain was still in occupation of the Canal Zone. If Britain and France had had any legal case in respect of the nationalisation decree, they could have taken it to the International Court. The fact that they did not attempt to do so demonstrated that they knew that they had no legal case, and could only attempt to change the situation by illegal force.

From the moment of the nationalisation of the Suez Canal Company on July 26, 1956, Britain and France proceeded immediately to prepare military measures. On August 3 the Queen's Proclamation was issued, announcing "imminent national danger" and "great emergency." Military, naval and air forces were concentrated. Reserves were called up. It is probable that the original intentions were for speedy war. According to the American press, when the U.S. Secretary of State Dulles flew to London for the Three Power Conference on August 1, the prospect was one of "war in 24 or 48 hours," and Dulles claimed that only his intervention postponed this.

But the Anglo-French calculations had not taken into account the new world situation. The days of gunboat diplomacy, when Britain and France could act as lords of the world and lay down the law to the "lesser breeds without the law," were over. The Anglo-French military preparations aroused universal world opposition, not only from the Arab nations, but from all countries, and also within Britain. India, the Soviet Union, China, all the Asian nations declared opposition. The United States, pursuing a similar strategy as during the Abadan crisis, to utilise the difficulties of Britain and France in order to weaken their position in the Middle East, and in the hope to strengthen its own, ostentatiously disassociated itself from

the "colonialist" powers, Britain and France, and deprecated military action.

Within Britain a storm of popular opposition arose against the bellicose policy of the Conservative Government over Suez. The Labour Party leadership, represented by Mr. Gaitskell and Mr. Morrison in the debate in parliament on August 2, had originally supported the Government's military measures, amid Tory cheers, compared President Nasser to Hitler and Mussolini, and announced that, if Britain and France, even without the United States, should make war on Egypt, the Labour Party would support the war:

"If the Government and France, possibly with the United States, came to the conclusion that the use of force would be justified, it would be the duty of all members and himself to say they would give support" (*Ministerial cheers*).

(Herbert Morrison in the House of Commons, August 2, 1956.)

"Impressive Unity in the Commons," was *The Times* headline on the debate. Similarly the *Daily Herald* and other organs came out initially with the full language of war ("No More Adolf Hitlers. . . . There is no room for appeasement," *Daily Herald*, July 28). But the volume of rank and file opposition soon compelled a somersault. The Trades Union Congress carried unanimously a resolution that "force should not be used until the question has been referred to the United Nations and with its consent." The Labour Party in parliament came out in opposition to the Government's policy, demanding reference to the United Nations; and the war found Britain deeply divided from top to bottom, to an extent unprecedented in any war since the Boer War, with the Labour Party officially condemning the war and voting against the Government.

In face of this world opposition a prolonged period of diplomatic manoeuvring and negotiation went forward, while the military preparations were in fact continued and intensified. Britain and France still hoped to secure United States backing for their action, and for this purpose accepted a series of delaying diplomatic moves proposed by the United States, but without any intention in fact, as their actions showed, of accepting any settlement save on their own terms. The Three Power Conference of the United States, Britain and France, was followed by the London Conference of 22 nations (the

invitations having been selected by Britain) in the middle of August. Agreement was not reached at the Conference; but a Western imperialist 18-nation plan was drawn up for the so-called "internationalisation," that is, foreign imperialist control, of the Canal; while an alternative Indian plan was put forward which respected Egyptian national sovereignty and management of the Canal, at the same time as providing for representation of the users and international guarantees for free transit. A delegation headed by the Australian Premier was sent to President Nasser to present the unacceptable 18-nation plan, but not to negotiate, and ended in the expected failure. Meanwhile everything was done to endeavour to sabotage Egypt's running of the Canal or to provoke action by Egypt. Egypt's sterling balances were frozen; Britain and France, while using the Canal, refused to pay dues to Egypt; Western pilots were incited to withdraw their services. A "Canal Users' Association" was set up at a further London Conference in September, with the intention, according to the British view, of forcing the issue by organising transit through the Canal without reference to the Egyptian authorities; but when it became clear that the United States would not support the use of force to fulfil this aim, the plan proved abortive.

Finally, under heavy pressure of opposition at home and abroad, Britain and France brought the issue, at a time when their military preparations were considerably advanced, before the United Nations Security Council during the last week of September, and were met with an Egyptian counter-complaint. The Security Council in October adopted unanimously a resolution embodying six general principles, to combine respect for Egyptian sovereignty with provision for freedom of transit and insulation from political interference (but not embodying the 18-nation plan, as Britain and France demanded), and authorised negotiations with Egypt on this basis. Negotiations with Egypt were proceeding on this basis with favourable prospects, and a further conference to reach a settlement was due to meet at Geneva at the end of October. But at this moment Britain and France, in association with Israel, entered on the alternative path of opening aggressive war on Egypt.

Israel opened war on Egypt by the invasion of the Sinai peninsula on October 29. Britain and France, utilising the

pretext of the Israeli offensive as a menace to the Suez Canal, issued on October 30 a twelve hours' ultimatum demanding that both sides should "withdraw" their forces to a distance ten miles from either side of the Canal (i.e. that Egypt should leave a clear field for the advancing Israeli forces) and that Egypt should accept Anglo-French military occupation of Port Said, Ismailia and Suez. On October 31 Britain and France opened hostilities with an aerial bombardment. On November 5 Anglo-French forces landed at Port Said, and after a battle for the possession of the town proceeded to advance along the Canal.

It was generally recognised that the Anglo-French-Israeli war on Egypt represented in practice a combined offensive. Evidence accumulated that there had been at the least foreknowledge by Britain and France of the impending Israeli offensive, and that this had been taken into account when the British and French Premiers at their meeting in Paris in mid-October had taken their strategic decisions for the war. The charge of "collusion" was generally accepted in international comment.

The aggression on Egypt aroused universal condemnation in all countries, including wide sections of opinion in Britain. Britain and France had unloosed war on Egypt in open defiance of the United Nations Charter, with no pretence of treaty obligations or self-defence, with a twelve hours' ultimatum to Egypt to yield territory to the aggressor and accept foreign military occupation, with no formal declaration of war, and with a murderous bombing offensive which heralded the concentration of the military, naval and air might of two major imperialist Powers against a small and relatively defenceless country, already the victim of aggression. "In all my experience of foreign affairs," declared Nehru, "I have come across no greater case of naked aggression." "Never since 1783," commented *The Observer*, "has Britain made herself so universally disliked."

The successive pretexts offered by Government spokesmen for the aggression were so flimsy and contradictory as to arouse derision even from Government supporters. It was not a war "to protect British nationals"; no British nationals were in danger. It was not a war to protect "freedom of the Suez Canal"; the Suez Canal was freely operating, it was the war

that blocked the Canal. It was not a war to "throw a protecting shield between Egypt and Israel"; for the Anglo-French forces were thrown, not between the contending armies, but in Egypt's rear to stab Egypt in the back and paralyse defence against the aggressor. All these pretexts could deceive no one.

Why, then, did Anglo-French imperialism, which had in general previously tailed behind the United States and even at times counselled moderation against American adventurism, now spring to the forefront as the most bellicose and reckless section of the Western imperialist camp, even in defiance of the United States? This corresponded to the position of the British and French Empires as the most heavily weakened and declining world empires, most desperate in face of the sweeping advance of anti-imperialist liberation, crippled in economic and financial resources and consequently unable to compete in this sphere with the United States, and therefore resorting to the final desperate gamble of military action to reassert their mastery. France had already lost out in South-east Asia and the Middle East, and was losing in Northern Africa, with half a million troops engaged in a brutal colonial war in Algeria. British troops were already engaged in Cyprus, Kenya and Malaya. In the Middle East the former British monopoly domination had had continuously to yield place to American penetration and to anti-imperialist advance. The savage Anglo-French aggression on Egypt was a characteristic last thrust of dying empires.

But the aggressive military calculations of the Anglo-French imperialists failed to take into account the new balance of world forces. Egypt did not crumple up and surrender before the assault of overwhelmingly superior military strength, but maintained stubborn resistance with the unanimous support of the entire people and of all the Arab peoples. The refusal of the United States to back the military action of Anglo-French imperialism revealed the weakness of the latter in isolation. The world peace forces, brought to the test, proved strong enough to be capable of bringing the military aggression to a rapid halt.

The United Nations Security Council met on October 30 to consider the Israeli aggression. A resolution condemning it received majority support; but the veto of Britain and France prevented a decision. An emergency session of the Assembly

was accordingly summoned. On November 2 the Assembly adopted by 64 to 5, with 6 abstentions, a resolution calling for an immediate cease-fire and withdrawal of all invading forces from Egypt. The only five opposing were the three aggressors, with Australia and New Zealand. If the 600 million of China are taken into account, the support for this resolution represented the overwhelming majority of the world's population. By way of contrast it may be noted that the subsequent resolution on Hungary, which has sometimes been presented as an expression of parallel weight, received only the votes of states representing a minority of the world's population.

Despite the United Nations resolution, Britain and France proceeded with their military offensive. On the morning of November 5 they landed at Port Said, and opened their land offensive to go forward to the occupation of the Canal.

On November 5 Premier Bulganin on behalf of the Soviet Union addressed a warning Note to Sir Anthony Eden against continuing further aggression in Egypt:

"In what situation would Britain find herself if she were attacked by stronger states, possessing all types of modern destructive weapons? . . . Were rocket weapons used against Britain and France, you would most probably call this a barbarous action. But how does the inhuman attack launched by the armed forces of Britain and France against a practically defenceless Egypt differ from this?

"With deep anxiety over the developments in the Near and Middle East, and guided by the interests of the maintenance of universal peace, we think that the Government of Britain should listen to the voice of reason and put an end to the war in Egypt. We call upon you, upon Parliament, upon the Labour Party, the trade unions, upon the whole of the British people: Put an end to the armed aggression; stop the bloodshed. The war in Egypt can spread to other countries and turn into a third world war.

"The Soviet Government has already addressed the United Nations and the President of the United States of America with the proposal to resort, jointly with other United Nations member-states, to the use of naval and air forces in order to end the war in Egypt and to curb aggression. We are fully determined to crush the aggressors by the use of force and to restore peace in the East."

This Soviet Note was dispatched on November 5.

On November 6 the British Government informed the Secretary-General of the United Nations that they were ordering

their forces to cease fire at midnight. The sudden cease-fire at the height of the operation aroused fury among all the most aggressive reactionary sections in Britain and France, who dubbed it a "second Munich." All informed political comment (*The Times*, *Manchester Guardian*, *New York Times*) agreed that the Soviet Note threatening action had been the decisive factor in compelling the change of plan and acceptance of the cease-fire. Arab opinion was unanimous in acclaiming this view. The Soviet Union by its prompt intervention had opened the way to peace in the Middle East.

For a short time after the cease-fire the British and French Governments endeavoured to resist withdrawal and put forward various pretexts to justify continued occupation until their demands had been fulfilled. But in the sharp controversies which followed, the view became evidently accepted by the majority of the British Cabinet that, in the existing relation of forces in the international situation, an unconditional withdrawal would have to follow the cease-fire. On November 19 Sir Anthony Eden, who had been the main protagonist of the reckless military adventure, withdrew, a sick man, and departed for recovery to Jamaica. On November 24 the United Nations Assembly reaffirmed by 63 votes to 5 the demand to Britain, France and Israel to "comply immediately" with the instruction to withdraw their forces from Egypt. On December 3 the British and French Governments announced the decision to withdraw. The withdrawal was completed before Christmas.

The conclusions to be drawn from this ignominious fiasco of the Anglo-French military aggression in the Middle East in 1956 are far-reaching in their consequences.

First, the fiasco demonstrated to the world the weakened position of British and French imperialism. Britain and France were revealed as second-class imperialist powers no longer capable of acting decisively in isolation or of imposing their will on the world against world opinion or against the wishes of stronger powers.

Second, the fiasco sharpened the internal crisis of British and French imperialism. Britain's already unstable economic and financial situation was struck a further blow by the consequences of the Suez adventure. British Toryism was heavily discredited.

Third, within the imperialist world the United States had relatively strengthened its position, and moved forward to an increasingly ambitious policy in the Middle East, as expressed in the "Eisenhower Doctrine," promulgated in January, 1957.

"The withdrawal implies the demolition of what remains of a special British position in the Eastern Mediterranean—ultimately, probably, in the whole Middle East."

(*The Economist*, December 6, 1956.)

Fourth, and most important, the defeat of the Anglo-French aggression and the victory of Egyptian resistance and the world peace forces enormously stimulated and strengthened the confidence of all the Middle Eastern peoples in their struggle for liberation from all forms of imperialist domination. The failure of the war on Egypt pointed the way forward to the final victory of national liberation in the Middle East which now draws more closely into view, and which will bring a new and happier future to this richly endowed, but long tormented, region of the world.

CHAPTER XI

AFRICA ADVANCES

“Ghana will not only be the centre for liberation of Africa from foreign domination but also the hope of the black man throughout the world. . . . We are working for a United States of Africa.”

PREMIER N. S. NKRUMAH, March 9, 1957

No region of the world has suffered more heavily from the aggression of the Western colonial powers than Africa. The slave raiding of African territory, with the deportation of millions and the complete disruption of ancient civilisations, marked the dawn of the capitalist era and provided the foundations for the early growth of capitalism. Slave trading by Britain to maintain the slave economy in the United States constituted the first partnership of Anglo-American civilisation at the expense of Africa. The reckless scramble of the Western powers for the partition of Africa in the last quarter of the nineteenth century ushered in the dawn of the imperialist era. And in the present phase of imperialist decline and downfall the Western powers have looked increasingly to Africa as the last stronghold and base where they still entertain hopes to build anew the permanence and prosperity of their system.

1. Drive to Empire Expansion

It is an illusion to imagine that, because British imperialism is weakening and in obvious decline, therefore its aggressive character and drive to expansion has come to an end.

At the end of the first world war British imperialism, though weakened, extended its colonial empire (“As God is my witness, we do not covet a single square yard of additional territory,” Premier Lloyd George assured the Trades Union Congress during the war, after signing the secret treaties for such extension) by 1,600,000 square miles, or eighteen times the area of Great Britain.

After the second world war the same attempt to extend the

area of colonial territory was seen in the tenacious grip maintained on the former Italian colonies in northern and north-east Africa, the proclamation of the British-supported Emir Idris as Emir of Cyrenaica under British control and occupation in 1949, and finally, in face of the United Nations pressure for Libyan independence, the recognition of a formally independent Libya under King Idris in 1952, but with British military bases and technical advisers, and incorporated in the sterling bloc.

Even more important, however, than the attempts to extend directly the area of colonial territory—which are necessarily limited, in an already divided world with a restricted and even diminishing total colonial area, to claims on former colonies of defeated Powers—have been the new projects to intensify the degree of exploitation in the existing colonial territories still directly ruled by Britain, and thus to find a solution for Britain's economic problems.

An examination of the entire policy of British imperialism since 1945, whether under a Labour or a Tory Government, would show that the main strategy of its programme to overcome Britain's economic deficit has been concentrated on the drive to increase greatly the output and returns from colonial raw materials such as rubber, tin, oil, copper, cocoa, etc., in order to multiply Britain's "invisible" earnings and thereby balance the home dollar deficit by a dollar surplus from the rest of the sterling area. This has been demonstrated, not only in the figures of the balance of payments during these years, but in the trebling of the sterling balances of the dependent colonial empire between 1945 and 1954.

Imperialism seeks to solve its economic difficulties by intensified colonial exploitation. During the period since the second world war this has been shown especially in three main directions. The first has been Malaya. The second has been Middle Eastern oil. The third has been the African colonial territories. Malaya has been made to yield rich returns; but the advance of the Malayan people's fight for independence has demonstrated that the basis for the continuance of this exploitation has become increasingly precarious. The profits from Middle Eastern oil have received a blow from the Iranian nationalisation law and American penetration; and here also the national upsurge in the Middle East has demonstrated the increasing

precariousness of the hold of imperialism in this region. Hence the concentration is all the greater on Africa.

During the recent period the giant imperialist monopolies, which have found their hold weakening in Asia, have turned increasingly to Africa to find sources of replacement of raw materials for those lost or threatened in Asia. For example, Anglo-Iranian and Royal-Dutch Shell have been prospecting for new oil fields in Africa. Malayan rubber firms have been developing rubber in Nigeria.

Already before the second world war, between 1870 and 1936, foreign capital invested in Africa amounted to £1,200 million, of which £1,000 million was British capital (*Investor's Chronicle*, Coronation Supplement, 1953). Since the second world war this penetration has been rapidly carried forward.

Thus Africa is becoming more and more manifestly looked to by all the imperialist planners and adventurers as the "last hope" for profitable colonial exploitation. But recent events are no less manifestly demonstrating that the continent of the "last hope" will before long prove the continent of the "lost hope" for the dreams of imperialism.

2. *African Eldorado*

The Report of the Marshall Plan Committee on "European Economic Co-operation," published in 1947, demonstrated that one of the main factors in the economic difficulties of the Western European imperialist countries lay in the decline of their overseas income from their colonial empires. It was shown in this Report (see the table reprinted from it on p. 110) that in 1938 one-quarter of the imports of the Western European Marshall countries were not paid for by exports of goods. In this pre-war structure the real dollar deficit of the Western European countries was covered by the export of colonial raw materials to the United States. The diminution of this source of overseas income undermined the basis of the economic structure of the Western European countries, and found reflection in the chronic deficit on the balance of payments and dollar deficit. The leak could be temporarily plugged by the stop-gap remedy of dollar subsidies. But it was obvious that this represented no long-term solution.

This situation could give rise to two alternative lines of

conclusion and policy. One line would be to endeavour to rebuild the economies of the Western European countries on a healthy non-imperialist basis, independent alike of dollar subsidies and parasitic colonial income. But such an approach was unthinkable to the imperialist rulers of Western Europe. For them the only possible immediate policy, on the basis of their assumptions, was to depend on dollar subsidies for the short-term solution, and thus to fall into increasing economic subjection to the United States monopolists, and meanwhile to endeavour to reach a long-term solution on the basis of intensified exploitation of the workers at home and above all on the basis of intensified colonial exploitation.

Hence the dreams of the imperialist rulers of Western Europe turned avidly to the hopes of raising the level of tributary income, in place of dollar subsidies, by intensified exploitation of the colonial countries. The obvious obstacle, however, to this "solution" lay in the increasingly precarious hold of the old colonial system in its traditional main centres in Asia and the Middle East. Accordingly the more ambitious long-term aims of the imperialist rulers of Western Europe turned increasingly to plans for the "opening up" and "development" of Africa as the grand solution to the problems of Western Europe.

The programme of "Western European Union," "United Europe," etc.—that is, of the attempted bloc of Western European imperialism under American control—was integrally bound up with the programme of intensified colonial exploitation. The idealistic vision of "Western European Union," its sponsors explained, must rest on a solid foundation of the intensified exploitation of Africa and other colonial territories. According to these curious geographers, Africa should be regarded as a "southern extension" of Western Europe, and such obviously Western European territories as Africa, Turkey, the Middle East, India and South-east Asia should be regarded as natural and indispensable bastions of "Western Christian civilisation."

The dream of solving the problems of Western European imperialism on the basis of grandiose schemes for the intensified exploitation of Africa has been common to all the modern spokesmen, economists and politicians of Western imperialism, and has united Conservatism and the dominant leadership of

the Labour Party in a single chorus with the remnants of Mosley-Fascism.

Sir Oswald Mosley, speaking in London on November 15, 1947, declared:

"If we link the Union of Europe with the development of Africa in a new system of two continents, we will build a civilisation which surpasses and a force which equals any power in the world."

The extreme right wing Conservative organ, *Review of World Affairs*, brought out a special Africa number in December 1947, holding out a megalomaniac vision of ultra-imperialism:

"A British Empire solution all by itself is no longer enough. The only solution which is now large enough and practical is one in which America, Britain, the British Commonwealth, the Scandinavian countries, Switzerland, Holland, Belgium, France, Italy, Portugal and Spain together embark upon three projects: viz., development of the African continent, the restoration of China and Western Germany.

"It is practical to start upon the development of Africa at once. . . . The whole Anglo-Saxon bloc must go into development: something which is going to develop entirely new sources of wealth, provide new markets and smash right through the whole idea of restriction and restraint. The solution is an African Development Company, with a minimum capital of £5,000 million.

"Beyond all the commercial and strategic attractions are political ones too. If Africa is not developed by the civilised Powers grouped in this way, it will fall victim to many political dangers. What a chance for Christian leadership!"

These visions were not confined to the fascists and ultra-Tories. They have been no less ardently expressed by Labour Government Ministers and the right-wing Labour leadership. The Labour Party Executive published in March, 1948, *The Labour Party's Plan for Western Europe*, in which it laid down:

"It is fully recognised that Western Europe cannot live by itself as an independent economic unit. . . . A real reduction in our dependence on American supplies depends above all on developing the vast resources of the African continent. But such development depends on close collaboration among the Powers with responsibility in Africa."

On behalf of the Labour Government, Mr. Bevin declared in the House of Commons on January 22, 1948:

"The organisation of Western Europe must be economically supported. That involves the closest possible collaboration with the Commonwealth, and with overseas territories, not only British but French, Belgian, Dutch and Portuguese. These overseas territories are large primary producers. . . . They have raw materials, food and resources which can be turned to very great common advantage. . . .

"If Western Europe is to achieve its balance of payments and get a world equilibrium, it is essential that these resources should be developed."

Similarly Sir Stafford Cripps affirmed to the Conference of British African Colonial Governors in November, 1947:

"Further development of African resources is of the same crucial importance to the rehabilitation and strengthening of Western Europe as the restoration of European productive power is to the future prosperity and progress of Africa."

And the President of the Board of Trade, Mr. Harold Wilson, declared in the House of Commons on July 6, 1948:

"I agree with the view expressed by a number of honourable Members on many occasions, that the development of so far undeveloped territories in Africa and elsewhere can do more than any other single thing to redress the world balance of payments. . . . Pressed on—as we are pressing on, with the colonial development, and as we hope to press it on more and more as resources become available—this programme can, in a measurable period of time—say, a decade or so—completely alter the balance of world payments."

No less definite was the declaration of the Minister of State, Mr. Hector McNeil, on October 20, 1948:

"I am convinced that it is only by investment in such areas as Africa that the terms of trade which have been running against us can be redressed to afford Europe and particularly Great Britain a real opportunity of development."

British imperialism is not alone in entertaining these ambitious projects for solving its economic problems on the backs of enslaved Africans. The other European colonial powers have prepared similar plans. At the same time the United States monopolists are more and more actively pressing forward their claims and interests in Africa.

United States imperialism has its own designs for the penetration of Africa and for utilising and dominating European colonial administration of and expansion in Africa. American

representatives have taken a leading part in advocating African development with American financial backing as an integral part of the design of the Western Bloc. This conception already found preliminary expression in President Truman's Fourth Point, and in the despatch of American Technical Missions to British colonial territories in Africa to explore the ground and examine the possibilities for future investment as well as in the actual beginnings of financial penetration. By 1955 American capital investment in Africa was estimated to have reached \$1,500 million (see p. 141).

Foster Dulles, later Secretary of State, who was the first prominent American spokesman to advocate the project of the Western European Bloc as a cardinal aim of American policy in Europe, from the outset linked this project with the conception of African exploitation as its indispensable base:

"Mr. Dulles has for some time been advocating United States financial and technical aid in developing the African continent. . . . Africa, he has said, could make Western Europe completely independent of Eastern European resources, and that should be the aim."

(Sunday Times, July 4, 1948.)

The strategic scheme for partitioning Europe and then carrying the mutilated western half on the backs of the Africans is here open.

The limitless extravagance of the dreams conjured up for the recovery of imperialism by these means was illustrated in the recent report of an American observer returned after a year in Britain:

"Britain is preparing to stage a mighty come-back through the development of a great new empire in Africa, says Professor Lowell Ragatz, of George Washington University, who recently spent a year in Britain. British leaders, he said, predicted that within a few years Africa will be industrialised almost to the same extent as the U.S., and her wealth will enable Britain to regain her position as one of the leading economic and political forces of the world. . . . Leaders in Britain, realising that the present volume of exports, on which her current prosperity depends, could not continue for more than a few years, were skimping on other things to pour manpower and capital into developing Africa.

"Britain has built and lost two great empires—in America and in India; but the prospects are that her third—in Africa—will be her greatest."

(News Chronicle, August 25, 1948.)

Such are the grandiose—and greedy—dreams entertained by the sales-promoters of imperialism in present-day Britain. But the outcome is likely to be very different from these dreams.

3. *Mirage in the Bush*

These pipe-dreams of a declining imperialist power are remote from reality. Already the fiasco of the notorious ground-nuts project, with its dissipation of £36,500,000, brought the first shock of disillusion; and this represented only the opening stage of the demonstration in hard practice of the decisive factors governing the problem.

The first key factor is the deepening physical and economic deterioration of natural and human resources in Africa arising from the operation of the colonial system. The colonial system in Africa has seized vast areas of land for European possession and plantation economy, or alternatively forced the people to dependence on monocultural primary production, producing a single crop for export, with no development of their countries for supplying their own needs, and leaving the people to exist on the scanty product of the remaining land and man-power at the most primitive technical level of production. This has produced the progressive impoverishment, starvation conditions and physical deterioration of the African peoples.

The outcome of decades of previous imperialist exploitation has resulted in exhaustion of the soil and extreme impoverishment of the people. Repeated medical reports, such as the survey recently made for the Colonial Office by Dr. C. Northcott on the efficiency of African labourers on the Kenya and Uganda railway, refer to "malignant malnutrition," due to starvation in childhood, which is "probably incurable." There is evidence of progressive deterioration, declining standards and declining population:

"Professor Carr-Saunders considers there is some evidence that Africans have declined in numbers during the eighteenth and nineteenth centuries. . . . For the majority it is at present impossible to say whether they are reproducing themselves or not."

(LORD HAILEY, *African Survey*, 1938, p.125.)

In Sierra Leone:

"In the seventeenth century the people were of fine physique, and lived on a mixed diet and apparently had sufficient animal

food. In the early and middle eighteenth century it would seem that they still had a satisfactory diet.

"The present dietary of the people is surveyed, and the evidence shows that it is ill-balanced with an undue proportion of carbohydrate, resulting in malnutrition and disease."

(*Review of Present Knowledge of Human Nutrition*,
Report of Senior Medical Officer, Sierra
Leone, Sessional Paper No. 5, Freetown, 1938.)

In Basutoland:

"According to residents of long standing, the physique and health of the Basuto to-day is not what it used to be. Malnutrition is seen in every village. . . . The progressive deterioration in native physique is becoming a subject of constant comment."

(*Summary of Information regarding Nutrition in the Colonial Empire*, Cmd. 6051.)

Governor Lamb, of Tanganyika, defending the practice of flogging as "a suitable method of punishment" before the United Nations Trusteeship Council in 1948, declared that "imprisonment was not understood, since *in prison the Africans would be better off than at home.*" Repeated surveys into "African Labour Efficiency" refer to the insuperable obstacles of malnutrition, low physique and lack of resistance to disease. At the same time provision for health or education is infinitesimal. While scores of millions of pounds are drawn off annually as tribute by the great monopoly combines, the sums spent on health or education amount to a minute figure.

Pests and diseases, despite all the much advertised efforts of well-meaning, but powerless, agricultural specialists, are taking an ever increasing toll of cattle and plantations in the colonies. Rinderpest, contagious abortion, trypanosomiasis cannot be fought by bacteriologists alone when the exhausted and eroded soil no longer offers the pastures required to keep the cattle in a good state of nourishment. The cocoa of West Africa is being relentlessly destroyed by swollen shoot, for which the cutting-out programme has not proved to be an effective remedy (trees are dying at the rate of 15 million a year). The clove plantations of Zanzibar are similarly threatened by the "Sudden Death" disease. No sooner is research hastily and inadequately organised in one sphere, than more of it is required in another. The truth is that the ruthless commercial exploitation of the high forests of West Africa, for example, has deprived the soil of its indispensable cover, replaced by tsetse-harboursing bush, so

that the reclamation of West African agriculture is out of the question without a re-forestation programme of gigantic dimensions. These things are beyond the power of imperialism, and can only be achieved when the energy of the people is released through their liberation from its deadening grip.

So far from being in a position to provide surplus food for export to Europe, the African peoples would in reality need food imports at present until such time as they can under free conditions build up balanced economies in their own countries.

The gravity of the food situation in Africa was admitted by the Governor of Kenya in 1946, and further emphasised in an article in *The Times* in 1948, quoting his statement:

“Two years ago, the Governor of Kenya said that ‘it is now evident that, taken as a whole, East Africa is barely able to support itself with food at the present time.’ The vast extent of territory seems to have led to a belief that food production could be almost unlimited. The opposite is true, and responsible doctors use the words ‘killing famines’ when they speak of the future.”

(“Medical Work in East Africa,” *The Times*, December 1, 1948.)

Similar testimony was given by the Assistant Under-Secretary of the Colonial Office in a lecture in January, 1952, when he warned against the illusions of looking to the colonial empire for a vast expansion of supplies of foodstuffs:

“There was some truth in the belief that the time might come when Africa could no longer feed herself. . . . Some people said that the population was increasing, that the soil was being wasted—leached, eroded, or exhausted by over-cultivation—and that most of the areas under bush were not fit for anything else, so that the time would come when Africa could no longer feed itself. Much of what they said was true.”

(C. G. EASTWOOD, Assistant Under-Secretary of the Colonial Office, *The Times*, January 11, 1952.)

It should be noted, as Mr. Eastwood admitted, that the problem is not one of any absolute over-population or impossibility to produce adequate food for the people's needs:

“If steps were taken to prevent erosion, improve soil fertility, and develop better farming techniques, he believed there would be great possibilities of increasing African food production.”

(*Ibid.*)

But it did not lie within the province of this colonial official to

discuss the social and political conditions necessary for such development. For it is precisely the colonial system which is the main obstacle to such development, and which directly causes the conditions of impoverishment, by continuously draining away the wealth produced by the African people without return, in place of allowing such wealth to be used for raising the technical level and living standards within the countries that produce it. Thereby it forces the people to the lowest subsistence levels and to ever more desperate exhaustion of their soil and resources with primitive technique in order to meet the rapacious demands of the monopoly combines.

The sponsors of the plans for large-scale African "development" as the solution of the problems of Western Europe might attempt to argue that the fulfilment of their plans for "developing" Africa with the aid of Western capital will be able to overcome these obstacles, and thus bring benefit equally to the Western European peoples and the African peoples. They might endeavour to point with pride to the lofty achievements of "Colonial Development and Welfare" or the "Colonial Development Corporation"—perhaps with a little less pride to the groundnuts scheme. Such is indeed the prospectus. The practice, however, falls considerably short of these conceptions. The real character of the loudly advertised achievements of "Colonial Development and Welfare" and the "Colonial Development Corporation" will be examined in detail in the next chapter. It will be found that they not only fail to touch the fringe of the problem, but in practice serve considerably different purposes. These methods are as capable of solving the gigantic problems of the African economic situation, whose deepening crisis lies rooted in the conditions of imperialism, as a fly is of giving birth to an elephant.

For it is here that arises the second decisive factor—and the second decisive contradiction in the path of these plans. This is the contradiction between these ambitious imaginations of loudly proclaimed "vast and costly development" schemes for intensified African exploitation and Britain's actual economic weakness.

The type of projects contemplated would require enormous capital expenditure, including that necessary for reclamation of the jungle and the bush, which under the most favourable conditions could not bring in any rapid return. Even the limited

and one-sided "development" plans proposed, to extract the maximum volume of raw materials and primary products with rapacious haste from the African continent, require for their effective fulfilment heavy capital expenditure, to clear and reclaim the ground, instal equipment and storage facilities, and extend communications, roads, railways, rolling stock and ports. All this means exporting and locking up a large volume of capital with no prospect of quick returns. This is the obvious reason why the big monopoly combines operating in Africa, which in practice devised the major schemes attempted, like the ground-nuts scheme, and controlled their operations, preferred not to risk their own capital, but kindly invited the Stracheys and other Simple Simons to come in as suckers on the ground floor and provide state capital for the costly initial stages.

But the essential character of the problem of the British and West European imperialist countries to-day is that they find themselves short of resources even for necessary capital expenditure at home, which has had to be heavily cut down, and facing a deficit in the balance of payments which leaves them with no genuine surplus for capital investment overseas. Britain and the Western European countries, faced with a deficit on the balance of payments and seeking a quick solution of the deficit by intensified colonial exploitation, find themselves in no position to provide capital exports on the scale required for the success of the plans.

Thus the imperialist Governments of Britain and Western Europe are involved in a vicious circle. They desperately want more dollars to balance their deficit. To get the dollars, they demand more fats and oils, more coffee and tin, rubber, hemp and sisal from the colonies. But to get these, they need to export capital to provide more roads, rails and equipment. And for this they need more dollars. In other words, *their brilliant plan to solve their deficit assumes that they first must have a surplus*. Their only solution is to hope that America will provide the dollars for long-term colonial investment. But if American capital provides the dollars, American capital will draw the profits, and the problem remains.

Nor have the facile assumptions of large-scale United States capital investment in Africa to make good the shortage of capital proved so easy of fulfilment. For the very fact that the initial large-scale capital expenditure required to prepare the

ground would be unlikely to bring any prospect of a profitable return in the immediate future makes it unattractive to the American investor. This was frankly stated in the United States Chamber of Commerce Report in 1949, dealing with "Investment Opportunities in British Africa". United States financial penetration in Africa has been increasingly active in the recent period; but so far it has concentrated mainly on extending its hold on profitable enterprises already established, i.e. on transferring the profits of existing exploitation from Britain to the United States, rather than engaging on long-term projects of doubtful return. An extension of these activities may certainly be anticipated; but this penetration by no means helps to solve the problems of the British capitalists.

4. Awakened Africa

So far we have considered only the technical and practical economic contradictions which stand in the path of the fulfilment of the dreams of the Western European imperialists to solve their problems on the basis of the intensified exploitation of Africa.

But the main and decisive factor for the future of Africa is the African peoples themselves. All the projects of imperialism are based on the assumption of the passive servitude of the African peoples, who have no say in them. But the accompaniment of the intensified exploitation of the African peoples is their rising revolt.

Africa, which has been the home of ancient civilisations in the past, has suffered most heavily for centuries from the brutality and barbarism of the Western European invaders, adventurers and conquerors. The ravages of the slave trade in the dawn of the capitalist era to fill the insatiable maw of the American slave market have been followed in the modern era by the ruthless depredations of the land-grabbers, the concession-hunters and the monopolist exploiters. But events to-day are demonstrating that Africa will not long remain the "backward continent." The African is rising to his feet.

Throughout Africa, from Morocco in the north to Capetown in the south, and from French Equatorial Africa, Sierra Leone, the Gold Coast and Nigeria in the west, to Kenya, Uganda and Tanganyika in the east, this period has seen the upsurge of popular indignation against colonial subjection and the

colour bar, and against alien appropriation of the resources of their countries; the development of trade unions and political parties, despite frequent banning and imprisonment of leaders; strikes and demonstrations against inhuman conditions and repressive legislation; and repeated clashes with the police and troops, resulting in numerous incidents of shooting and killing of strikers and demonstrators.

General strikes, both for economic and for political aims; peasant resistance and risings; the struggle against repressive laws and colour bar discrimination; and national movements for self-government and independence—all these and many more forms of popular struggle have developed.

In all parts of Africa the tide of popular awakening, struggle and organisation has swept forward, in the face of heavy repression, imprisonment of leaders, denial of elementary civil rights, and police violence and firing. In South Africa the reckless racial offensive of the Malanite *apartheid* laws has been met with united mass resistance by African, Coloured and Indian alike in a common movement. This has been paralleled in Bechuanaland by the united resistance of the Bamangwato to the banishment of Seretse and compelling his return, and in Uganda by the firm stand of the people of Buganda against the deposition of the Kabaka and for their claims for self-government. At the other extreme of the continent, in the Arab North, there have been the uprisings in Morocco, Algeria and Tunis, leading to the recognition of the independence of Morocco and Tunis in 1956, while the colonial war in Algeria pointed to the prospect of the rapid defeat of French imperialism in this final stronghold. In the Sudan the strength of the popular movement compelled the abandonment of the colonial régime and the recognition of independence in 1956. In Eastern and Central Africa the new currents have made themselves powerfully felt in the recent period. Kenya has added its imperishable contribution to the African liberation struggle, where the vigour of the mass movement, the strength and political consciousness of the Kenya African Union and the support for the proscribed Trades Union Congress led to the unloosing of open terror and "black-and-tan" war by the authorities, and the people continued their struggle, not only against the local police dictatorship, but against the invading expeditionary armies of imperialism sent to crush them.

In the Rhodesias and Nyasaland the universal mass opposition of the African population has been maintained against the imposition of the reactionary Federation. In the West, the speed of advance has been especially marked: equally in French West Africa, with the wide extension of the popular movement; in Nigeria, with the militant trade union and peasant struggles and initial expression of national revolt through the National Council of Nigeria and the Cameroons; and in the Gold Coast, with the electoral victories of the Convention People's Party, sweeping the polls on the slogan of "Self-Government Now," and compelling the recognition of Ghana as the first self-governing African Dominion in 1957.

All the variegated methods of imperialism to prolong its domination and maintain its grip over the peoples of Africa cannot finally defeat the rising movement of the African peoples for independence. The vitality of their struggle, their capacity for organisation, sacrifice and heroism, and their eagerness to learn from the example of the victorious colonial liberation movements, and especially from the manifold lessons of the Union of Soviet Socialist Republics and the Chinese People's Republic, is the guarantee of their future victory. The dreams of a new revival of imperialism on the basis of intensified African servitude and exploitation are built on sand.

In order to establish further the truth of this, it will be necessary to examine in greater detail the "Colonial Development and Welfare" programme which is to-day presented with such wide publicity as the grand advertising prospectus of the "new imperialism."

CHAPTER XII

PROJECTS OF COLONIAL DEVELOPMENT

“He blam’d and protested, but joined in the plan;
He shar’d in the plunder, but pitied the man.”

WILLIAM COWPER, *Pity for Poor Africans*

“COLONIAL Development and Welfare.” “Help the Backward Peoples.” “Develop the Under-developed Territories of the Earth.” “A World Plan to Combat Hunger and Poverty.”

The phrases run trippingly off the tongue of all modern politicians of imperialism. Colonial Development Corporations, Colombo Plans and Point Four projects are paraded to demonstrate the new vision.

It is indisputably true that countries with advanced technique and highly developed modern productive equipment can greatly assist the peoples in countries of backward technique to accelerate their economic development and advance to higher standards—*provided* that the relations of the colonial system, which are at the root of their poverty, are abolished; *provided* that the operations of the predatory monopoly combines, which extract the wealth from these countries, are stopped; and *provided* that the ruling Power ceases to uphold and maintain obsolete economic and social forms, land systems and feudal and princely strata for political reasons, which bar the road to economic development. On the basis of freedom and equal rights such aid from the more advanced to the less advanced can be of inestimable value. The Soviet Union has demonstrated this in relation to the former backward and oppressed subject nationalities of the old Tsarist Empire, with the consequent amazing and unparalleled advance to very high levels in one-third of a century. Since the second world war this has been further demonstrated through the operation of Soviet aid to the People’s Democracies of Eastern Europe and to the Chinese People’s Republic for rapid industrialisation and economic development. In the

most recent period similar aid has been given from the Soviet Union, the People's Democracies of Eastern Europe and China to newly independent countries which have won freedom from previous colonial or semi-colonial subjection.

But to speak of "developing the under-developed colonial and dependent countries," *without* abolishing the colonial system, *without* interrupting the plunder and bleeding of these countries by the exploiting overseas imperialist monopolies, and *without* overthrowing the obsolete social and economic reactionary forms whose existence is artificially prolonged and maintained by imperialism—this is, at best, a dangerously misleading self-delusion, comparable to the similar dreams of abolishing poverty without ending capitalist exploitation, and, in practice, the cheapest coinage of current imperialist cant and hypocrisy to cover the reality of intensified colonial exploitation in the name of "development."

This does not mean that international co-operation for assisting the development of under-developed countries even in existing conditions is impossible or undesirable until colonialism is finally abolished. But much that passes under this name is in reality directed to very different aims of economic, political, and strategic penetration. And even the best of such schemes can be no substitute for the central task of ending the conditions of imperialist exploitation.

To prove this, it is necessary to examine in more detail the kind of projects put forward and the practical experience of them.

1. Colonial Development and Welfare?

The Colonial Development and Welfare Acts of 1940, 1945, and 1950, and the Overseas Resources Development Act of 1948, establishing the Colonial Development Corporation and Overseas Food Corporation, have been widely presented as the proof of a "new vision" and "new era" under imperialism. They are offered to the public at home and to world opinion as acts of unexampled generosity of the British taxpayer towards the colonial peoples. Impoverished Britain is pouring out its resources to help the backward colonial peoples along the path of economic prosperity and social wellbeing.

The Labour Party programme, *Labour Believes in Britain*, published in the spring of 1949, lyrically proclaimed:

"Great Britain and the colonies have gone into partnership to liquidate ignorance, poverty and disease."

"Imperialism is dead, but the Empire has been given new life," announced *The Labour Speaker's Handbook*, 1948-9, and proceeded:

"In the colonies Labour Britain has given a tremendous impetus to social and economic progress. Under the Colonial Development and Welfare Scheme, £120 million is given to colonial governments to assist local planning. The Colonial Development Corporation with a capital of £110 million has been established to finance special projects of large-scale economic developments. Further still the Overseas Food Corporation is empowered to spend £55 million on great plans for increasing food production in the colonies. Even Beaverbrook has welcomed these schemes and admits that the Labour Government has done more for the Commonwealth than the Tories ever did with all their phrasemongering."

Similarly, the *Daily Herald* boasted:

"It has been left to a Labour Government to develop the economic and human potentialities of the Empire which successive Tory Governments ignored."

(*Daily Herald*, June 26, 1947.)

Lest it be imagined from this that there was any difference between official Conservative and official Labour policy in relation to these schemes, it is worth noting, not only that "Colonial Development and Welfare" was initiated by a Conservative Government and carried forward by the subsequent Labour Government, but that all the colonial development programmes of the Labour Government were supported and endorsed by the Conservative Party. This applies even to the notorious groundnuts scheme, on which the *Conservative Campaign Guide*, 1950, recorded that "the Conservative Party gave wholehearted support to the general principle of the scheme."

It will accordingly be useful to examine a little more closely the work of these Acts and the operation of the schemes for colonial development. The policy of "Colonial Development and Welfare," on the basis of which the Act of 1940 was drawn up, was first formulated by the Chamberlain Conservative Government in the White Paper of March, 1940.

Previously the Colonial Development Act of 1929 had allocated £1 million a year, and up to 1940 spent £8.8 million.

The 1940 Act provided £5 million a year for ten years; the 1945 Act increased this up to £12 million a year for the ten year period 1946 to 1955; the 1950 Act raised the total of £120 million to £140 million; in 1955, with £40 million unspent, £80 million of new money was allocated to reach £24 million a year for the five years to 1960. The Colonial Development Corporation was established by the Overseas Resources Development Act of 1948, with borrowing powers up to £55 million.

Before these vast figures of widely advertised generosity to the colonial peoples dazzle the innocent into taking them at their face value as a true picture of the economic relations of British capitalism and the colonies in the modern period, it will be advisable to make one or two comments.

In the first place, the figures announced as *allocated* by no means correspond to the amounts actually spent during the eleven years of operation of the Acts to date. This is shown in the latest returns of the operation of the Colonial Development and Welfare Acts, up to March, 1956:

Table 30

ACTUAL ISSUES FROM THE COLONIAL DEVELOPMENT AND WELFARE
VOTE DURING THE SIXTEEN YEARS ENDING MARCH 31, 1956

	£ 000		£ 000
1940-1	170	1948-9	6,445
1941-2	442	1949-50	12,986
1942-3	487	1950-1	13,559
1943-4	1,578	1951-2	14,634
1944-5	3,039	1952-3	14,483
1945-6	4,652	1953-4	14,071
1946-7	3,547	1954-5	15,937
1947-8	5,340	1955-6	16,694
Total 1940-1 to 1954-6, £128,333			

Thus over the period of sixteen years, from the inception of the scheme to 1956, the actual payments under the Colonial and Development Welfare Acts amounted to under £130 million. This had to be divided between some forty-six colonial territories with a population of 82 millions. A simple sum in arithmetic will show that this is equivalent to a total amount of 31s. 3d. per head for the entire period of fifteen years, or an annual average rate of 1s. 11½d. per head, or less than ½d. per week per head.

Even if the period of five years under Labour Government from 1946 to 1951 is isolated, in order to review only the accelerated expenditure since the 1945 Act, the total of £41,588,575 for the five years 1946-51 under the Labour Government, was equivalent to an annual rate of 2s. 0½*d.* per head of the population of the colonial territories, or *less than ½d. per week per head.*

These figures of actual expenditure look decidedly less impressive in contrast to the vast promises of economic development, abolition of poverty, extended health, education, social services and welfare—all for less than ½*d.* per week.

On the other hand it is necessary to see certain features in the account which require to be set against the figure of ½*d.* per week per head before a final balance is struck. The total sterling balances of the colonies, representing goods and services extracted from the colonies during the war and after, payment for which has been covered by "frozen" balances in London (thus equivalent to a type of forced loan) amounted to £1,446 million by the end of 1955. It will thus be seen that the total amount paid over under the Colonial Development and Welfare Acts during the sixteen years of their operation is only equivalent to *less than one-eleventh part* of the sterling balances owing to the colonies. If this one-eleventh part of the sterling balances had been released, the sum actually spent under the Acts would have accrued to the colonies without any of the humbug and pretence of free gifts and philanthropic grants.

It is further worth noting that these sterling balances have actually increased in the most recent period at the same time as the grants were being paid under the Development Acts. To this point it will be necessary to return, as it is of cardinal importance for the real process of intensified exploitation which has been hidden behind the mantle of "development and welfare." Thus the sterling balances of West Africa alone increased during the year 1948 by no less than £20 million or more than three times the total amount paid out to all colonies during the year 1948-9. This is indeed to take out a pound with one hand in order to return a few shillings with the other and call the procedure philanthropy.

The relentless logic of these figures compelled even the semi-official Chatham House organ to admit in 1952:

“Colonial sterling balances have more than doubled since the end of 1947; part of the increase in these balances is explained by an inflow of British capital, but there is little doubt that the colonies, as a whole, have been made lenders to the rest of the sterling area. This is an odd feature in a world where various types of lending to under-developed countries—such as the Colombo Plan—are supposed to be the order of the day.”

(“Investment in the Commonwealth,”
World Today, November, 1952.)

But even this does not measure the full real balance sheet of the profit and loss account between British capitalism and the colonies. In the familiar official presentation that “Britain does not make a penny out of the colonies” and that on the contrary “Britain hands out millions of pounds to help the colonies,” the real profit drawn by British capitalism from the colonial possessions which finds expression in the profits of the big imperialist trading and investment monopoly combines, operating principally in the products of the colonial and semi-colonial countries, is never brought into the balance sheet. In the year 1950 a single imperialist combine like Unilevers, dominating, through the United Africa Company, Nigeria and the Gold Coast, made a gross profit of £66 million; Royal Dutch-Shell made a gross profit of £190 million; Anglo-Iranian a gross profit of £115 million. Thus the spoils drawn by a single imperialist combine in a single year were more than the entire amount paid out under the Colonial Development and Welfare Acts to all the colonial territories in the world over the entire period of fifteen years.

This exposure of the flagrant deception perpetrated in the name of the so-called “free gifts” of the Colonial Development and Welfare Acts is more than the question of a simple arithmetical exposure of a balance sheet which is in fact fraudulent. It is necessary to examine what is meant by the term “development.” *What kind of “development”?* *In whose interests?*

2. *The Colonial Development Corporation*

The answer to the question “What kind of development?” is best obtained by examining the proceedings of the Colonial Development Corporation, established in 1948 alongside the Overseas Food Corporation. It is worth noting that the Overseas Food Corporation was originally placed, revealingly enough, under the British Food Ministry—thus indicating its

primary purpose, not of colonial development, but of meeting British emergency needs out of colonial resources—until its subsequent transfer to the Colonial Office.

Does the role and activity of the Colonial Development Corporation represent any basic change in the character of the colonial system?

The essence of the colonial system lies in the subjection of the economy of the colonial country to the requirements of the economy of the imperialist country.

This general relationship is normally expressed in the role of the colonial country as a source of cheap raw materials and primary products, as a market for the relatively costly industrial products of the imperialist country, and as a sphere of investment for the export of capital by the capitalist class of the ruling imperialist country in the search for colonial super-profits on the basis of direct exploitation of the resources and labour of the colonial country. At a later stage we shall have occasion to examine the complications which have developed in the previously smooth operation of this system during the period of the general crisis of capitalism and of British economic weakening and decline.

For this purpose imperialism establishes a dominant hold on the trade and external financial relations of the colonial country, and normally also on its currency and internal financial system. The natural resources available, minerals, etc., are as a rule appropriated (directly, or in the form of "concessions" and leonine "lease" agreements) by the monopolists of the ruling power and exploited for their profit, the resultant profit being drawn out of the country in place of serving the needs of development within the country. The land is either directly taken over, or the best parts taken over, with the colonial peoples segregated and over-crowded on the reserves or working on plantations; or the cultivating peasantry, remaining on the land, is drawn into the network of imperialist exploitation, providing cash crops for the capitalist market at the expense of the food needs of their own people. The labour power of the people is drawn, by means of economic pressure, taxation, special legislation or open coercion, to serve the interests of foreign exploiters.

It is evident that the first necessity for real economic development and advance in a colonial country is that the wealth and

resources of the country shall cease to be alienated to foreign owners and shall be restored to the people, and shall be used, not to provide profit for absentee exploiting companies, but to promote the needs of development within the country. In place of the dependent and tributary colonial economy, a balanced economic development is essential, carrying through industrialisation and combining industry and agriculture in such a way as to make possible a real advance in productive levels and living standards.

In practice such a programme requires an indispensable *political* pre-condition—the national independence of the former colonial country in order that a government may be established representing the interests of economic development of the country which will carry through such a programme.

On the other hand, what is the character of the operations of the Colonial Development Corporation or Overseas Food Corporation in relation to this colonial economy?

These Corporations exist nominally to carry out a limited measure of state-controlled export of capital under the supervision of the ruling imperialist state through formally autonomous corporations for special approved schemes regarded as ancillary to the main sphere of private export of capital. In reality, even the "export of capital" is fictitious, since it is more than outweighed by the parallel greater accumulation of sterling balances.

The then Colonial Secretary, Mr. Creech Jones, in introducing the plans for the Colonial Development Corporation in Parliament on June 25, 1947, explained three governing principles:

- (1) "it will operate on commercial principles";
- (2) "it is not intended to supplant private enterprise, but to supplement it";
- (3) "no doubt these enterprises will be mainly agricultural."

On behalf of the Conservative Party, Mr. Oliver Stanley, the former Colonial Secretary, in supporting the scheme during the same parliamentary debate, "welcomed in particular the Secretary of State's statement as to the important part to be played by private enterprise in colonial development."

Similarly Lord Trefgarne, the first Chairman of the Colonial Development Corporation, reporting on its activities at a Press conference on January 1, 1950, emphasised:

"We always prefer to go in with a private concern."

Asked how many of the schemes so far developed were in partnership with private enterprise, he replied that he would estimate at least one-third.

In accordance with these principles the governing personnel of the Colonial Development Corporation, Overseas Food Corporation and their subsidiary concerns, was from the outset entirely dominated by big business interests and direct representatives of the banks and leading monopoly combines. Thus the seven directors originally appointed for the Colonial Development Corporation included Sir Miles Thomas, previously Vice-Chairman of Morris Motors; H. N. Hume, Chairman of the Charterhouse Trust, Ltd.; R. E. Brook, a director of the Bank of England; and J. Rosa, a banker.

The schemes of colonial "development" initiated or sponsored by the Corporation have corresponded entirely to these principles of maintaining the character of colonial economy and serving the primary interests of private commercial colonial exploitation, and have been further restricted by the requirement that the schemes must be on a commercial revenue-yielding basis.

The *Annual Report of the Colonial Development Corporation for 1953* revealed that out of the total of fifty undertakings employed with an aggregate capital of £25.3 million, not one was for major industrial development. Fifty-six per cent. of the total capital employed was for agriculture, animal products, forestry and minerals. The amount provided for "factories" was 7.7 per cent. of the total, or £2.2 million.

The financial conditions for the schemes require payment of interest and repayment of capital. "The Corporation, of course, is liable to H.M. Government for the repayment of the capital advanced and for interest thereon when due" (1950 Report). The total deficiency for the year 1950, after covering all overheads was £1,320,249—thus representing a total generosity of under 4d. per head of the colonial population for one year of colonial "development," with the strict understanding that the 4d. must be ultimately recoverable.

The lament over the crippling burden of interest and redemption charges, including on lost capital spent on abandoned enterprises, sounded loudly in the doleful Report of the Corporation for 1951:

“Whatever the position—even if the money has all been wasted owing to the job having to be abandoned—the advances have to be repaid; and interest is charged on them till they are.”

Interest rates, it was pointed out, had risen from 3 per cent. when the initial capital was advanced in 1948 and 1949 to $4\frac{1}{4}$ per cent. by February, 1952, or “an increase of over 40 per cent. in the largest overhead.”

“Earnings must average $6\frac{3}{4}$ per cent. after payment of colonial tax to meet interest; or more with overheads; more still if advances are to be duly repaid. . . .

“Even this is not the end of the story; losses have to be written off—£4½ million of them at the end of 1951; or rather, since there is no writing off, that sum has to be carried *sine die* like a millstone round the neck; interest be paid on it; itself be repaid somehow or other.

“The result must be to deflect Corporation from its primary purpose of opening up new fields of development until times—and rates—change, unless the case which the Corporation has presented to Government on these fundamental financial difficulties leads to some measure of relief.”

(Annual Report of the Colonial Development Corporation for 1951, pp. 6-7.)

The unhappy plea of the Corporation met with a stony reception from the Government. Lord Munster, Under-Secretary for Colonial Affairs, stated in the House of Lords on May 28, 1952, that “no real purpose could be served by writing off capital losses now.” The maximum relief would be to waive interest charges on dead capital. Meanwhile, with the eye of a speculative moneylender watching the writhing of his client, he offered a new line of medium-term advances for ten years at $3\frac{3}{4}$ per cent. For the rest, he counselled “caution . . . keep speculative projects down to the minimum . . . let bygones be bygones.”

By the end of 1955 the total amount of loans extended to the colonies by the Corporation was under £55 million. The great bulk of these went to British overseas firms. The proportion of Corporation loans for the various projects for “factories” was only 7 per cent., compared with Agriculture and Forestry, 32 per cent.; Power, 26 per cent.; Minerals, 13 per cent. The Annual Report for 1955 found that the higher rates of interest might be “too high for the economics of many desirable projects.”

3. *Development and Industrialisation*

The essential character of the various schemes for colonial "development," whether under the Colonial Development and Welfare Act, or under the Colonial Development Corporation, has been that the key task of industrialisation has been in practice excluded and even openly resisted.

This negative attitude to industrial development was openly expressed by Sir Stafford Cripps in his speech to the African Governors' Conference on November 12, 1947:

"You will, I understand, be considering the question of the development of manufactures and industries in the colonies. Though I take the view that such development is highly desirable, so long as it is not pushed too far or too quickly, yet it must be obvious that with the present world shortage of capital goods, it is not possible to contemplate much in the way of industrial development in the colonies. The available steel will be better used both from a world point of view as well as from the point of view of the colonies themselves in doing our utmost to increase the supplies of foodstuffs and raw materials."

Similarly, the Colonial-Under-Secretary, Mr. Rees-Williams, wrote in *Fact*, March, 1949:

"It is no part of our purpose to try and set up everywhere small Lancashires. It is quite obvious that every territory cannot produce everything."

The same outlook was upheld by the British delegation to the United Nations Assembly in December, 1951, when in the United Nations Economic Committee Cuba submitted a resolution urging the study of measures to industrialise under-developed territories. Forty-one countries voted for the resolution. Two voted against even this modest proposal to "study" industrialisation in under-developed territories. The two opposing Powers were Britain and Holland.

The parallel attitude of American finance-capital to industrialisation was alleged by President Nasser when he declared in a speech at Alexandria on July 26, 1956, with regard to the withholding of finance for the Aswan Dam:

"The imperialists do not want to see us an industrial nation capable of producing everything we require. I cannot recall any instance of American aid designed to further industrialisation. There have been no signs of that; American aid has other objects."

Similarly the Hoover Commission Report to Congress recommended in June, 1955, that

"In the Asian-African arc, with the possible exception of Japan, no large manufacturing projects be undertaken and no large industrial plants constructed, except for production of strategic materials; otherwise all industrial aid be confined to small industries."

Beneath the transparently thin cover of "philanthropy" and "benefiting the backward colonial peoples" the real primary purpose of imperialist policy in pursuing these "development" schemes at the present stage is in fact unconcealed. The real aims are both strategic and economic. The strategic aim covers much of the special expenditure on railways, strategic roads, ports, etc., in certain areas where the scale of expenditure exceeds any normal expectation of profitable economic return. The economic aim is directed to intensify the exploitation of colonial resources in order to increase the supply of colonial primary products as a means of assisting the economic problems, food and raw material deficiencies, and special problems of the deficit in the balance of payments, of the ruling imperialist countries.

As already shown in the survey of the dreams of the "New African Empire" in the last chapter, the aims of the Western European imperialist statesmen are openly directed to solve the problems of the bankruptcy of their own imperialist system by intensifying the exploitation of Africa and other colonial territories. This was the plain declaration of Mr. Attlee as Prime Minister, in Parliament on January 23, 1948:

"Western Europe cannot live by itself as an economic unit. Hence the desire for wider integration with Africa and other overseas territories."

The Chancellor of the Exchequer, Sir Stafford Cripps, stated on November 12, 1947:

"The whole future of the sterling group and its ability to survive depend, in my view, upon a quick and extensive development of our African resources."

And the Food Minister, Mr. Strachey, moving the third reading of the Overseas Resources Development Bill on January 20, 1948, no less emphatically asserted:

"By hook or by crook the development of primary production

of all sorts in the colonial territories and dependent areas in the Commonwealth and throughout the world is a life and death matter for the economy of this country."

Indeed, the former Conservative Colonial Secretary, Mr. Oliver Stanley, expressed his weariness with the pretences that the main purpose was to benefit the Africans when he cynically stated:

"I agree that *indirect* benefit will flow to the colonies, but let us be frank about it."

And a year later Mr. Strachey, on March 14, 1949, frantically endeavouring to meet the barrage of criticism over the fiasco of his groundnuts scheme, was at pains to insist that it had never been intended as a "philanthropic proposition":

"For us now to make some sort of announcement . . . that the scheme was no longer intended to produce oils and fats, but was to be turned into some sort of eleemosynary object of raising the level of African life, would be the worst thing to do. How can we develop great areas and lift the standard of life of the population except by businesslike schemes which have a real commercial object? . . .

"The scheme is a thoroughly hard-headed and not philanthropic proposition . . . painful readjustments for the African population . . . this is not a philanthropic scheme started purely and solely for the African's benefit."

Even so, the scheme was by no means so "hard-headed" as Mr. Strachey imagined.

4. *Contradictions of Colonial "Development"*

The practical contradictions which defeat these grandiose paper schemes of the would-be "planners" of imperialism have been already examined in some detail in the preceding chapter.

The propaganda picture presented in order to attract the support of well-meaning public opinion in the imperialist countries is a glowing picture of vast philanthropic schemes, at the cost of a mere minute fraction of the annual budget, to raise the standard of living of the impoverished colonial peoples, bring the blessings of Western technique to backward countries, banish poverty and thereby "rout the menace of Communism," and incidentally solve the economic problems of the Western countries.

A charming picture—if it bore any relation to the facts of life under imperialism. Assuredly it is a duty of peoples with advanced industrial technique to assist the most rapid development of peoples at a low technical level so as to help them to solve the problems of their poverty and promote common prosperity. It is perfectly possible. It has been done. It is being done to-day. The role of socialist economic aid in assisting the industrialisation and constructive advance of under-developed countries whose economy had previously been held back by imperialist domination has demonstrated this.

Imperialist “enterprise” is capable of “developing” colonial countries in one way only—to organise the most rapid plunder of their resources for the quickest profit without regard to the future, to annex their minerals or oil, to rape their soil, to dispossess the inhabitants and force them to labour for their conquerors, to introduce plantation economy, and to construct railways and ports and military bases for the more effective exploitation and domination of the subject people.

All this performs a certain historical task in the sense that, by the intensive exploitation of the people and the consequent arousing of their resistance, and by the creation of a colonial proletariat, it prepares the way for new advance so soon as the peoples free themselves from the yoke of imperialism and gain possession of the resources of their countries.

But to speak of imperialist colonial “development” as the cure for the ruin and impoverishment which is caused by imperialist colonial development is at best a cruel myth which covers a very different reality.

The first necessity to begin the real economic reconstruction of the backward colonial and dependent countries is to end the drain on their resources by the tribute drawn to the imperialist countries through the operations of the imperialist monopolies, and to end the distortion of their economies as dependent colonial economies auxiliary to the requirements of the imperialist monopolies in place of the balanced development of their economic resources in the interests of the home population.

But the current schemes for large-scale state-aided imperialist colonial “development” are based on the assumption of the continuance of the existing imperialist exploitation and protection of the existing imperialist monopoly interests or

ownership of the country's resources. In consequence, even if the schemes were intended to promote genuine economic development and combat poverty and backwardness, they are not only incapable of combating the causes of such poverty and backwardness, but are actually parasitic on the system which is creating these conditions and is churning out economic deterioration and impoverishment a hundred times faster than the best intentioned and most philanthropic scheme (if such existed), resting on this basis, could allay. The blood is drawn in gallons from the patient in order that a few drops may be injected back into his veins in pity for his emaciated condition. And even this is the most favourable, the most "idealist" picture of these schemes, in very sharp contrast with their actual character in practice, which is far from philanthropic or charitable.

This is the first obvious contradiction in these schemes of imperialist colonial "development."

The second contradiction follows from the first. Consequent on the subordination to the requirements of imperialist economy, the schemes are never in fact directed to promote the economic development which is required by the colonial peoples, that is, to overcome their dependent colonial economy, but are always in fact directed to maintain and intensify that colonial economy in the interests of the ruling imperialist country. This has already been illustrated in the experience of the Colonial Development Corporation, with the open hostility to major industrial development, the emphasis on subordination to private profit-making enterprise, and the rigid requirements of the return on capital. In the final outcome the schemes commonly fail, not only to benefit the colonial peoples, but even to fulfil the more rapacious aims of the imperialist countries dreaming to solve their own economic problems through the magic formula of colonial "development," as the get-rich-quick projects come up against the obstacles of colonial economy. All that remains in hard practice from the capital expended is most often only what serves the strategic requirements of imperialist domination or prepares the conditions for further commercial penetration and exploitation (railways, roads, bases, etc.).

The third major contradiction arises especially in the case of Britain and the Western European countries which seek to

solve their own economic problems and their deficit on the balance of payments through accelerated colonial "development." For it is precisely the schemes of large-scale accelerated colonial "development" which require an enormous initial outlay of capital; and it is the essential character of the deficit on the balance of payments that the basis for any genuine export of capital is lacking. This is the vicious circle which has already been examined in the preceding chapter. The hopes for large-scale colonial "development" thus turn inevitably into begging appeals for the large-scale penetration of United States capital into the British Empire.

"In the development of the resources of the colonial empire lay our great hope. . . . But we could not invest a deficit in developing the colonies. . . . We must be able to attract capital in the next few years from outside the sterling area, because our own surplus would not be enough for the job."

(OLIVER LYTTTELTON, Colonial Secretary,
House of Commons, March 17, 1952.)

On the other hand, an examination of the experience of Point Four will show that the United States, however abundant the supplies of capital at its command, has shown little interest in expending capital for doubtful profitable return, except where it is directed primarily to promote military and strategic aims, political aims, or aims of controlling supplies of strategic raw materials and furthering penetration at the expense of British monopolist interests.

Some of these contradictions of the more grandiose schemes for colonial "development" as the solution of Britain's economic problems found a conspicuous initial demonstration in the experience of the loudly advertised groundnuts scheme which ended in such melancholy notoriety. This scheme was originally put forward in the spring of 1946. It had been prepared by the United Africa Company, the giant African subsidiary of the mammoth trust Unilevers—the biggest and most universally hated African exploiting combine, which holds all West Africa in its grip, and draws gigantic tribute. The United Africa Company kindly proposed the plan to the Labour Government in the spring of 1946, suggesting that the Government should bear the expense. The Labour Government eagerly adopted the plan, announced it with a flourish of trumpets in the White Paper of November, 1946, and gratefully

appointed the United Africa Company to be managing agents for the initial period until the Overseas Food Corporation took over. The plan proposed that the Government should spend £24,000,000 initially and £7,750,000 annually to establish gigantic groundnuts (peanuts) plantations covering three and a quarter million acres, in 107 units of 30,000 acres each, in Tanganyika, Northern Rhodesia and Kenya, to be worked by 30,000 African wage-labourers at colonial wage rates. This giant scheme of plantation labour was actually presented to the British public as a great "socialist" plan—or "a curious and interesting mixture," as Mr. Strachey phrased it, "of the methods and motives of private enterprise and Government enterprise and finance." The tempting bait was held out to the hungry British public that it would by 1950 cover half Britain's deficit in fats and save Britain £10,000,000 a year.

The practical outcome of the plan proved very different from the prospectus. The cost of clearing the bush was found in the first year to be ten times the original estimate. By 1949, after an expenditure of £23 million, the area of 26,000 acres planted with groundnuts was less than one-fiftieth of the area planned to be reached by that year; and the yield of 2,150 tons of unshelled groundnuts was less than the seed provided. The aim of $3\frac{1}{4}$ million acres was scaled down in 1949 to 600,000 acres. In 1950 it was scaled down again to 210,000 acres. In 1951 the scheme was abandoned, after a net loss of £36,500,000. The small area actually cleared was relegated for cattle-grazing or general agriculture. But it was decided to complete the port and railway construction planned, although "in the view of the corporation the amount of traffic under the new scheme no longer justified the completion of the new port." Thus a portion of this colossal expenditure served the strategic plans of British imperialism in developing its war base in East Africa, with the construction of railways, roads, ports and airstrips, even though it completely failed to fulfil the lavish promises of economic benefits for the African or British peoples.

5. *The Colombo Plan*

The more grandiloquent language of the British and American imperialists about "World Plans to Combat Poverty,"

“Development of Under-developed Territories” and “Aid to Backward Peoples” has been associated, in the recent period, especially with the Colombo Plan from the side of British imperialism and President Truman’s Point Four from the side of American imperialism.

The Labour Party Statement of Policy, *Our First Duty—Peace*, published in 1951, proclaimed:

“A great international effort is required to raise living standards in Asia and Africa. Labour has led the way with Colonial development and the Colombo Plan. Now the free peoples must combine to carry out a World Plan for Mutual Aid.”

President Truman, announcing his Point Four Programme in his Inaugural Address of January, 1949, proclaimed:

“We must embark on a bold new programme for making the benefits of our scientific advance and industrial progress available for the improvement and growth of under-developed areas. . . . We should foster capital investment in areas needing development. . . . This should be a co-operative enterprise in which all nations work together through the United Nations. . . . The old imperialism—exploitation for foreign profit—has no place in our plans.”

In reality these two “Plans” have represented the advertising prospectus of the rival programmes of the weaker British imperialism and the stronger American imperialism. The practical experience of these two Plans throws a further light on the real character of imperialist colonial “development.”

The Colombo Plan arose from the Colombo Conference of Empire Foreign Ministers in January, 1950, which had been called to consider measures for combating Communism in South-east Asia. The initial proposal came from the anti-Labour Australian Minister for External Affairs, P. C. Spender, who advocated a plan of economic development for Empire countries in South-east Asia; and the proposal was at first dubbed the Spender Plan. It was warmly welcomed by the British Conservative spokesman, Anthony Eden, speaking in the House of Commons on March 6, 1950:

“The point I want to emphasise is that if we are to build up an effective barrier against Communism in South-east Asia, we cannot do it on the basis of isolated treaties alone. . . . We have got to see whether we can produce an effective alternative way of life that will appeal to the men and women in those lands, just

as Communism undoubtedly appeals to some of them because of its attempt to identify itself with independence from the foreigner. That is not an impossible task, but it is a very difficult one. . . .

That is why I say that we welcome, for instance, the initiative of the new Australian Minister for External Affairs, at Colombo, in putting before the Conference what I believe is now called the Spender Plan for collective Commonwealth effort to improve living standards in south-east Asia."

At the subsequent Sydney Conference of the Commonwealth Consultative Committee in May, 1950, the project was further developed, and finally emerged, in a report published in November, 1950, as "The Colombo Plan for Co-operative Economic Development in South and South-east Asia."

The Colombo Plan outlined a six-year programme of development, covering the years 1951-7 (later extended to 1961), for India, Pakistan, Ceylon, Malaya and British Borneo. The cost was estimated at £1,868 million, of which £300 million should come from Britain, and £700 million from other "external" sources (Australia, Canada and—possibly, hopefully, but not mentioned by name—the United States). The details of the Plan were based on combining separate development programmes by each of the Governments in the territories covered.

The aim of the Colombo Plan to carry forward and reinforce the characteristic imperialist economy in South-east Asia was frankly stated in the introductory remarks of the official Report presenting the Plan:

"The countries of the region (South and South-east Asia) play an important part in world economy. The area is a main source of the food and raw materials consumed throughout the industrialised world. . . . In return, the industrial products of the West—textiles, machinery, iron and steel—flow back into the area.

". . . The earning of this dollar surplus in trade with South and South-east Asia was an important factor in enabling the United Kingdom and Western Europe to finance their dollar deficit before the War."

The Colombo Plan was officially inaugurated in July, 1951. But from the outset it was only a paper "Plan." Its contents were no more than an aggregation of the various "plans" of the governments concerned. The key of its real character lay in its financial provisions. Even had the projected £1,868 million

been available, this would have been equivalent to an annual rate of about 11s. per head (compared with £40 per head for capital investment in Britain). This amount, it was recognised, would represent about one-eighth of the amount required to obtain even as low an annual increase in national income as 2 per cent. Thus, even if the Plan was fulfilled over the six years, the Report admitted that, so far from representing an advance in standards, it "will do little more than hold the present position."

But this figure of £1,868 million was in reality completely imaginary. £840 million was assumed to come from the countries themselves. Thus the real figure of "aid for development" was to be £1,028 million. But precisely this figure was fictitious. It was stated that £306 million would be forthcoming from Britain. But of this £306 million, £246 million would be covered by withdrawals from sterling balances—that is, would not represent any new "aid," but only partial repayment of debts already owing. Thus the only new "aid" would be £60 million from the already allocated colonial development funds, or £10 million a year, equivalent to about 4*d.* per head per year. If this £10 million a year for the whole of South and South-east Asia is compared with the amount drawn from Malaya alone for the sterling pool (\$1,513 million or £447 million during the six years 1946-51), the fraudulent character of this "aid" is evident.

What of the remaining £700 million? This did not even exist as a paper calculation. It was hopefully assumed that it would be forthcoming from "other" external sources. The prospects from Australia or Canada were known to be slight. In other words, it was hopefully assumed that the bulk of the capital for this British Empire development plan would be forthcoming from the United States. Any such hopes were, however, speedily dashed.

In February, 1951, Mr. Acheson made clear on behalf of the United States Government that there would be no question of American financing of the Colombo Plan, and that the United States preferred to follow its own plans for technical aid in South-east Asia and to make its own bilateral arrangements with the governments concerned.

In the subsequent development the Colombo Plan became increasingly linked up with the operation of the United States

in Eastern Asia. By the time of the fourth meeting of the Colombo Plan countries at Ottawa in October, 1954, the composition of the Consultative Committee had considerably changed from the original seven. The total had now been increased to seventeen by the addition of the United States, Japan, the Philippines, Thailand, Indonesia, Burma, Nepal, Southern Vietnam, Cambodia and Laos. Thus to the original seven British Empire countries which had launched the plan, there had now been added ten countries outside the British Empire, with the dominant role of the United States. At the Ottawa Conference, the United States delegation was led by Harold Stassen, U.S. Foreign Operations Administrator.

This absorption of the Colombo Plan into the orbit of the United States was rather directed to control its operation than facilitate its financing. When Congress in the autumn of 1954 appropriated \$700 million for South-east Asia and the Western Pacific, Mr. Stassen explained that half of this would be to strengthen the South Korean armed forces, part for the Indo-China Refugee Programme, and part for military aid, thus "making it difficult to predict the amounts that would be devoted to the economic programme" (*Financial Times*, September 18, 1954). Through the scheme of "Technical Co-operation" in connection with the Colombo Plan, the United States utilised the opportunity to instal its "experts" in the various countries (786 of the total of 1,060 foreign experts, according to the report of the Technical Co-operation Scheme for 1953-4).

The Third Annual Report of the Colombo Plan, published at the end of 1954, had to admit the meagre results achieved despite the claims of money allocated and small increases in certain spheres of production (increases so limited as only to underline the contrast with the rapid advance in production and living standards in China during the same period). The Report recorded:

"In some countries the progress was relatively small . . . food production per capita is still below the pre-war level."

And again

"Measures to adjust costs and reduce consumption were necessary in some instances. The boom of 1950-1 led to increases in money wages and other incomes, and therefore in internal

costs. In these cases some reduction in real incomes and in the volume of consumption resulted when export earnings fell."

However, the cheerful conclusion was announced:

"Most Colombo Plan countries have taken special measures to improve the climate for foreign investment."

The Fourth Annual Report, published at the end of 1955, admitted that production increases had not kept pace with the increase in population, and that production per head and "standards of nutrition" were still below the pre-war level.

The significance of the Colombo Plan is rather to be found in the measures to facilitate imperialist penetration, and in the strategic aspect of the schemes adopted, than in any real tackling of the basic economic and social problems of development in the countries concerned.

6. *Point Four*

What of the United States' Point Four Programme? Here we enter into the different realm of the expansionist activity of a still powerful imperialism, not yet suffering from the deficiency of resources of British imperialism. But the contrast between the philanthropic prospectus and the actual practice is no less striking here, though in a different context.

Unlike the Colombo Plan, Point Four was not embodied in any concrete programme, figures or target. Its proclamation in President Truman's Inaugural Address of January, 1949, consisted simply of the proclamation of a general principle, in the name of which the United States could intervene economically and financially in any colonial or semi-colonial area in the world. So far as the terms of Point Four went, the United States could spend much, little or nothing; send technical advisers and economic missions; provide credits, loans or grants; offer or withhold subventions at a moment's notice; and all this in any country or countries unnamed, in accordance with the concrete policy of the moment and the State Department's opinion of the government concerned. Thus Point Four represented a remarkably elastic and flexible, but none the less powerful, weapon of penetration into the colonial territories of the European colonial powers, and especially into the British Empire.

So far as any specific figures or finance are concerned, the

only concrete figures drawn up in any plan were presented in the Gray Report which was prepared on the instructions of the President to indicate what was required to implement the principle laid down. The Gray Report came to the conclusion that the barest minimum required would be \$500 million (£178 million). With this may be contrasted the result of the United Nations Inquiry into the Development of Underdeveloped Territories, which came to the conclusion that, in order to raise the national income of these countries by as low a rate as 2 per cent. per annum, a minimum annual expenditure of \$10,000 million or £3,500 million would be required—twenty times the Gray figure.

The actual money voted in the first stages, however, fell considerably short of the Gray figure. The first allocation in June, 1950, under the "Act for International Development" which was then adopted, was only for \$37 million. In accordance with this Act a "Technical Co-operation Administration" was established, and "Treaties of Technical Co-operation" were drawn up with a series of countries (thirty-three by the beginning of 1952).

In 1951 President Truman brought forward the proposal for a special allocation for foreign "military and economic aid" amounting to 8½ billion dollars, of which 6¼ billion should be for military aid, leaving 2¼ billion for economic aid. Of this latter total, \$1.65 billion were to go to Europe, leaving \$600 million for economic aid to all countries outside Europe. But two-thirds of this latter sum, it was estimated, would be earmarked for "emergency requirements arising from military action" (primarily Korea and Formosa). Hence the grand total left for carrying out the professed Point Four Programme of economic aid to backward areas became, according to the estimate of the *Economist* of June 2, 1951, a maximum of \$200 million, or less than half the Gray figure. This would be equivalent to about one three-hundredth part of United States military expenditure in the same year.

Even this figure, however, was further cut down by Congress when the Mutual Security Act was voted in August, 1951, and the Mutual Security Agency established. President Truman's proposed 8½ billion dollars was cut to seven billion; and the amount available for economic aid to all countries outside Europe, including Latin America, was cut from President

Truman's proposed \$600 million to \$418 million. The greater part of this (\$237 million) was allocated to "Asia and the Pacific area," including Korea and Formosa. It was obvious from these figures that the amount likely to be available for any "economic aid," as opposed to military aid or strategic requirements masquerading as "economic aid," would be very limited indeed.

In point of fact, even the so-called "economic aid" was openly recognised and regarded as merely a minor subsection of the military and rearmament programme. As *The Times* commented on the 1952 "Mutual Security Aid" programme:

"The programme will, as last year, be artificially divided into military and economic; and, as in 1951, there will be a tendency on the part of Congress to accept the military part and cut the economic section to ribbons, because nobody understands that what is called economic aid is merely a cheaper form of military assistance."

(*The Times*, March 3, 1952.)

"What is called economic aid is merely a cheaper form of military assistance." This pregnant sentence should have been inscribed in large letters on the walls of the Conference Chamber of the initiators of the Marshall Plan (now deceased and re-born as Military Aid), and should still be kept in large letters before the eyes of all those who love to compose eloquent perorations about plans to end colonial poverty by the colonial powers.

From this extreme limitation and parsimony of any sums voted for any other than directly military or more or less openly military-economic purposes, it might be easy to draw the inference that Point Four, like the Colombo Plan, was stillborn. And, indeed, *The Times* suggested such a conclusion:

"Military needs have now become the single dominant factor in American economic policy overseas. . . . Point Four, as a general and far-reaching policy, has substantially had to be deferred."

(*The Times*, September 17, 1951.)

Nevertheless, it would be a mistake to draw the conclusion that Point Four, like the Colombo Plan, is mainly a paper programme with little concrete substance behind it. This would only be true if Point Four were regarded at face value as a serious programme to assist the development and raise

the living standards of colonial peoples—to help them, in President Truman's words, "to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens." In relations to such glowing aims the reality is ludicrous. But these glowing philanthropic aims, it cannot be too often emphasised in dealing with these "plans" of imperialism, are only the advertising prospectus. There is a very real hard kernel of Point Four behind the flapdoodle. This hard kernel is the expansionist policy of United States finance-capital to penetrate the colonial empires of the European colonial powers, and especially the British Empire, in order to establish a stranglehold on the world supply of raw materials.

This is the practical aim which received remarkably frank and lucid expression in the Report of the Advisory Board appointed by President Truman in connection with the Point Four programme, under the direction of Nelson Rockefeller. The Rockefeller Report, entitled *Partners in Progress*, was published in March, 1951. Its central argument emphasised that 73 per cent. of United States military stockpiles and 58 per cent. of all its imports came from under-developed areas, and accordingly warned that "with critical shortages developing rapidly, a quickened and enlarged production" in these countries "is of major importance." This requirement was explicitly related to the American war programme:

"Strengthening the economies of the under-developed regions, and an improvement in their living levels, must be considered a vital part of our own defence mobilisation."

Already the Gray Report had stressed the significance of the British Empire in this connection as a field for American economic policy:

"Not only is the sterling area an indispensable source of raw materials, but the position of Britain as a banker and trading centre of the world's largest currency area makes Britain's trading and currency policies of great importance to the realisation of United States foreign economic objectives."

The Rockefeller Report examined the conditions for such American economic and financial penetration of the British Empire and other colonial areas. It proposed the establishment of a new government organ, a "United States Overseas

Economic Administration" as a "unified agency" to coordinate all private and governmental foreign investment and development. It further proposed the establishment of an "International Development Authority" to deal with "public works" requirements, such as port facilities, roads, power stations, etc., which might not be immediately profitable, but would be essential to prepare the ground for the profitable investment of United States private capital. Finally, it proposed that the annual rate of United States foreign investment should be doubled to a level of 2-2½ billion dollars.

By January, 1952, three years after the original announcement of the Point Four Programme, President Truman was boasting of its successful achievements. He dwelt at length on the work done by American Technical Missions in India, and continued:

"This is Point Four—our Point Four programme at work. It is working—not only in India, but in Iran, in Paraguay and Liberia—in thirty-three countries around the globe. Our technical missions are out there. We need more of them. We need more funds to speed their efforts, because there is nothing of greater importance in our foreign policy."

(PRESIDENT TRUMAN, *State of the Union Message*, January 9, 1952.)

▲ This statement throws a significant light on the American conception of Point Four. Three considerations in it may be especially noted.

First, President Truman was concerned to insist that Point Four—"our Point Four Programme"—"is working," i.e. to repudiate the conclusions widely drawn from the very small sums so far spent that the plan existed mainly on paper.

Second, he drew as his first examples of its sphere of operations, countries of the British Empire or within its orbit—India and Iran.

Third, he was concerned to insist that this expansionist offensive of penetration into the colonial and other countries of the British Empire and other European empires had now become a main front of American foreign policy—"there is nothing of greater importance in our foreign policy" (language almost exactly recalling the language previously used about the Marshall Plan as at that time a key front of American foreign policy).

It would be a grave mistake to under-estimate the significance of Point Four because of the relatively minute sums so far spent under it. The preliminary limited expenditure and technical missions may be regarded as having been preparation of the ground. The full enlarged American offensive into the countries of the British Empire is still developing and increasing; and Point Four is an essential weapon of the artillery of this offensive.)

7. *United Nations and Economic Aid*

The United Nations Charter set the aim of "promoting conditions of economic and social progress and development." The United Nations Declaration on Non-Self-Governing Territories set out as one of its principal objectives "to promote constructive measures of development, to encourage research and other measures for economic advance."

During the past years there has been a long series of reports, committees and discussions on the fulfilment of these objectives. Up to the present, however, the major imperialist powers have in practice blocked the plans for promoting development schemes (as distinct from technical aid) under the auspices of the United Nations.

In 1949 a Report on "Methods of Financing Economic Development in Under-developed Countries" recommended the formation of a new international agency to be known as the "United Nations Economic Development Administration" (U.N.E.D.A.) for "financing projects of economic development in under-developed countries which are not financially productive in the banking sense." This new agency, it was recommended in the United Nations Report, was to work "in the spirit of the Charter of the United Nations," and should lay special emphasis on "the development of heavy industries." This United Nations proposal met with immediate and emphatic opposition from the United States and from the International Bank controlled by the United States. The International Bank issued a statement rejecting the "alleged" need for the "so-called U.N.E.D.A.," on the grounds that its "purported" functions were ones "which the Bank has been performing for some time"; and in particular, it warned against policies of industrialisation in colonial countries:

"Excessive emphasis on industry for industry's sake, above all,

heavy industry, may leave an undeveloped country with the symbol of development rather than the substance. . . . In general, capital should be applied where it brings the greatest return."

In 1951 an "experts' report" entitled "Measures for the Economic Development of Under-Developed Countries" proposed that member nations of the industrially advanced countries should contribute a total of \$10,000 million a year, calculated to raise living standards in the under-developed countries at the rate of 2 per cent. per annum.

Another special report entitled "The International Flow of Private Capital, 1946-52" made it clear that little was to be expected from private investment since "most of the foreign direct investment in manufacturing has been made, not in under-developed, but in economically advanced countries."

With this report in mind the Economic and Social Council set up in 1952 a committee to prepare a detailed plan for a "Special Fund" to provide "grants-in-aid and low-interest long-term loans to under-developed countries for the purpose of helping them, at their request, to accelerate their economic development" (*Report on a Special United Nations Fund for Economic Development*).

The Report elaborating this project, which from its initials became known as S.U.N.F.E.D., recommended a minimum of \$250 million a year from at least 30 member nations for its initial operations, and proposed that "any savings due to disarmament" would be an additional source of income.

In 1953 the General Assembly invited all member nations and specialised agencies of the United Nations to make comments on the plan.

In 1954 the Economic and Social Council reviewed the replies, and found that up to the time of the report prepared for its meeting in May, 1954, only 20 member nations had sent in their views. All were "broadly in favour of setting up the Fund," but considerable differences arose on the scope and timing. The under-developed countries (Bolivia, Chile, Honduras, India, Panama, Saudi Arabia) were in favour of immediate steps being taken to launch the Fund. A second group of member nations (Norway, Denmark and the Netherlands) were also in favour of immediate action, and declared their readiness to contribute without delay. A third group, headed by Britain and the United States, stated that they were

unable to contribute at present because of "heavy expenditure on defence," and that even after disarmament had been achieved it would be necessary "to make essential investments in their own territories in order to ensure their economic and financial stability" (*Interim Report to U.N. Economic and Social Council, May, 1954*).

In 1955 the project was further whittled down to a proposal of a "trial period" for five years with a reduction of the annual amount to "about \$150 to \$200 million," making it clear that its aim was to provide—

"a minimum of roads, power stations, schools, hospitals, housing and government buildings. Experience has shown that it is only when the basis has been established that production can be developed smoothly and that private initiative can play its full part."

(*United Nations Bulletin, June 21, 1955*.)

It will be seen that the original United Nations annual estimate of \$10,000 million in 1951 had thus been cut to \$250 million (one-fortieth) in 1952, and then to \$150 or \$200 million (one-fiftieth) in 1955. In December, 1955, the General Assembly adopted the revised plan "in principle." But by the end of 1956 the Fund was not yet launched.

The Soviet Union declared support for the S.U.N.F.E.D. project, and readiness to contribute, subject to four conditions:

- (1) it should promote industrialisation;
- (2) it should not be tied up with the World Bank;
- (3) loans should be on a long-term and low-interest basis, not on commercial terms;
- (4) the Soviet contribution to the Fund would be made "in capital goods."

The conclusion from this survey would indicate that, while the organisation of development aid from countries of advanced development to under-developed countries under the auspices of the United Nations could be free from the disabilities inherent in the measures of the separate imperialist powers previously analysed, the resistance of the major imperialist powers has during the period under review so far blocked the fulfilment of the projects put forward.

8. Increase of Colonial Exploitation

The survey of the various "development" plans of imperialism in the recent era in relation to the colonial and "under-developed" countries, especially in Asia and Africa (Colonial Development and Welfare, Colonial Development Corporation, Colombo Plan, Point Four), which have been so widely presented as evidence of a "new vision" of imperialism and a basic departure from "the old colonialism," has shown how far removed are these claims from the truth.

This survey has served to show:

First, that these "development" plans in no respect change the basis of colonial economy, but are in fact adapted to continue, maintain and reinforce the basis of colonial economy of these countries as dependent primary producing countries.

Second, that in practice the sums expended, in contrast to the enormous fanfare of publicity, have been minute and incapable of scratching the surface of colonial poverty and under-development.

Third, that in practice the schemes adopted have been mainly directed to serve the economic and strategic interests of the imperialist powers, and not the needs of the peoples concerned.

Fourth, that the sums expended, even if they had been directed entirely to benefit the colonial peoples, have constituted no more than a tiny fraction of the tribute simultaneously drawn from the colonial peoples, with consequent economic worsening of their situation, so that at the best they would represent no more than the "generous gift" to the victims of a few pence for every pound of plunder drawn from them.

But the full conclusion to be drawn from a survey of the real situation and relations during this period is more than a negative conclusion.

It is not merely the case that the "development" expenditure is heavily outweighed by the many times greater volume of the continuing tribute drawn from colonial exploitation, so that the net balance is negative.

In actual fact, the colonial exploitation has been enormously *intensified*, at a rate of acceleration unequalled in the modern records of imperialism, precisely during this period of so-called "philanthropy," "generosity" and a "new angle of vision."

This intensification can be partially measured, in an available statistical form, by the extremely rapid growth of the colonial sterling balances during these years since 1945, and especially since 1949. These sterling balances represent formally the "indebtedness" of the United Kingdom to the countries concerned. But since, in the case of the colonies, the United Kingdom is both their ruler and their banker, this increase in "indebtedness" is in effect an expression of forced loans drawn from the impoverished colonial peoples without their consent by their ruler, with no obligations of repayment save under such conditions and at such times and in such amounts as the ruler may determine. The main original nucleus of these inflated sterling balances (apart from the "normal" amount previously held for banking and currency transactions) was accumulated during the war, when goods were drawn from the colonies for war purposes without current payment. But the increase *since* the war has been greater than *during* the war; so that the "war costs" explanation formerly offered is here invalid. In bookkeeping form, these balances represent currency funds, Colonial Government and banking funds, Marketing Board funds, etc., held in London; and a portion represents capital loans and credits from Britain not yet expended. But the great part of this increase in the Colonial Sterling Balances represents in material reality a further volume of goods drawn without any current payment to the colonial peoples other than a depreciating and irredeemable paper credit in London. It is not a measure of the *total* tribute of colonial exploitation; since the payment of interest and dividends to Britain from the operations of British-owned companies in the colonial countries is regarded as a "normal" payment for "services," and does not increase the balances owing. The increase in the colonial sterling balances is a measure of the increase in the *special intensified* exploitation of the colonial peoples during these recent years, additional to the "normal" flow of colonial tribute.

The expansion of the colonial sterling balances during the years since the second world war is shown in the following table:

Table 31
STERLING BALANCES, 1945-55
(£ million)
End of years 1945-55

United Kingdom sterling liabilities to:	1945 ¹	1947 ¹	1949 ²	1951 ³	1953 ³	1955 ³	Increase or Decrease	
							Total	Per cent.
STERLING AREA								
Dependant overseas territories	454	510	582	928	1099	1281	+827	+182
Other Sterling Areas	2008	1787	1771	1863	1832	1691	-317	-16
NON-STERLING AREA	1232	1306	1064	1018	772	770	-462	-37
	3694	3603	3417	3809	3703	3742	+48	

The Report on "The Colonial Territories, 1955-56," gives a higher figure of £1,446 million for the total of Colonial Sterling Balances at the end of 1955. This would make the increase from 1945 equal to £992 million, or an increase of 218 per cent. For the end of the year 1948 the Report on the Colonial Territories, 1948-9, gives a total of £425 million. On this basis the increase from 1948-55 would be £1,021 million, or 218 per cent. in seven years.

This rate of increase in the colonial sterling balances is in startling contrast to the policy pursued in relation to the sterling balances owing to the other countries of the sterling area or the countries outside the sterling area. The sterling balances of the colonial countries alone were increased while all the other sterling balances were reduced, as were also the sterling balances owing to countries outside the sterling area. Between 1945 and 1955 the sterling balances of the colonial countries increased by 182 per cent. (or on, the basis of the *Colonial Territories* figure, by over 200 per cent.) while those of the other sterling countries were reduced by 16 per cent., and those of the non-sterling countries were reduced by 37 per cent.

This contrast demonstrates that what is here revealed is not a *general* increase of sterling balances owing to circumstances outside the control of the United Kingdom, but a special and discriminatory use of the United Kingdom's absolute economic and political power over the subject colonial countries in order to extract additional economic advantage from them at the expense of their peoples in a way which it was not able to do in relation to the other countries inside or outside the sterling area.

¹ *Balance of Payments, 1946-53*, Cmd. 976.

² *Balance of Payments, 1946-53 (2)*, Cmd. 9119.

³ *Balance of Payments, 1946-55*, Cmd. 9731.

In other words, it represents a special form of intensified colonial exploitation.

The growth of the colonial sterling balances during the years 1948-55 by £1,021 million, representing in the main (see analysis, p. 302) goods withdrawn from the colonial empire without current return of goods, contrasts with the total expenditure of Colonial Development and Welfare funds for the whole colonial empire during the same period of £98 million. Thus the much publicised "gifts" during this period amounted to less than one-tenth of the actual spoliation conducted through the operation of the machinery of accumulating sterling balances in London. These harsh figures throw a different light on the self-vaunted "philanthropy" of colonial "development."

This rapid expansion of the colonial sterling balances after the war is a reflection of the *intensified* colonial exploitation which was the real policy of the Labour Government towards the colonies under cover of a smokescreen of unctuous self-praise and "benevolence." It was this glaring contrast between professions and reality which led the subsequent Conservative Colonial Minister, Oliver Lyttleton, to retort in an electoral speech on October 11, 1951:

"The Government claims that the dependent territories were exploited in the past, but are not being exploited now. But in fact, the Socialist Government seems to be the first Government which has discovered how to exploit the colonies."

In this admitted policy of colonial "exploitation," however, there was in fact no difference between Tory and Labour imperialism.

Similarly, the *Financial Times*, in an article by Professor W. A. Lewis on "The Colonies and Sterling," published on January 16, 1952, admitted that the accumulation of colonial sterling balances had in effect made "the British colonial system" serve as "a major means of economic exploitation":

"Many Colonies must sell their produce to Britain at prices below the world price, and, through exchange control, must buy from Britain at prices above the world price, or pay an ever-increasing sum into the Bank of England, because Britain will not deliver goods in return for what she receives.

"Britain talks of colonial development, but on the contrary, it is African and Malayan peasants who are putting capital into Britain. . . . The British colonial system has become a major means of economic exploitation. . . .

"The Colonies are exporting far more than they import, and are building up large balances. They cannot get all the imports they need, especially of capital goods, and their development programmes are in consequence retarded. They are in effect paying Britain for goods which she does not deliver. . . .

"If the Colonies were directly represented at the present talks, and free to say their say, they would be directing their searchlight upon those British policies which prevent them from getting an adequate supply of manufactures from Britain. Unfortunately, the Colonies are not allowed to speak for themselves, or to work exchange control according to their own rules. So doubtless the sterling balances of the Colonial Empire will continue to rise throughout this year and the next."

-A corresponding comment was made by Dr. Roy Harrod in the *New Commonwealth* on May 28, 1956:

"The colonies netted £120 million worth of dollars, and these went to meet the dollar deficits of the sterling area countries, other than the United Kingdom, to the extent of £108 million. The question has been raised whether this is a desirable pattern, whether the richer countries of the sterling area, other than the United Kingdom, should, so to speak, sponge upon the colonies to meet their dollar needs. It is, however, a natural pattern."

This access of frankness of Conservative expression to admit the growing "exploitation" of the colonies through the accumulation of colonial sterling balances (paralleled in Premier Churchill's broadcast at the end of 1951, "We must not plunge into further indebtedness to the Colonial Empire") does not reflect a sudden solicitude for the sufferings of the colonial peoples or conversion to anti-colonial principles. It was, on the contrary, a warning signal that the economic offensive of imperialism, which had been directed especially against the colonial workers and peasants during the preceding years, would, as a result of the failure to achieve a balance, be turned with increasing concentration also against the British workers. Nevertheless, the admissions were worthy of note.

The intensified exploitation of the colonial peoples was the main pivot of the policy of British imperialism, operated by both Labour and Conservative Governments, during the years succeeding the war to endeavour to meet the deepening crisis, dollar deficit and deficit on the balance of payments. This was the reality behind all the talk of "development" and a "new angle of vision." It was from the subject colonial empire that the dollar surpluses were extracted and drawn to London to

meet the United Kingdom's dollar deficit. On this basis was proclaimed the "triumphant" "socialist" (or "conservative") "solution" of the problem of the balance of payments. The deceptive and bankrupt character of this "solution" was soon shown in the sequel in both cases.

The nemesis of this policy of intensified colonial exploitation has made itself felt in extending colonial wars, as the struggle of the colonial peoples rises against their oppression and worsening conditions; in the paralysing burden of colossal rearmament and inflated overseas military commitments; in deepening subjection to United States imperialism; and in the menace of a new world war. •

CHAPTER XIII

EMPIRE AND WAR

"These fleets and this military armament are not maintained exclusively or even mainly for the benefit of the United Kingdom or even of the defence of home interests. They are still maintained by a necessity of Empire. . . .

"If you will for a moment consider the history of this country during, say, the present century, or, I would say, during the present reign, you will find that every war, great or small, in which we have been engaged, has had at bottom a colonial interest, that is to say, either of a colony or else of a great dependency like India. This is absolutely true and is likely to be true to the end of the chapter."

JOSEPH CHAMBERLAIN, Confidential Report of a Conference at the Colonial Office in June and July, 1897 (short report in Cmd. 8,956 of 1897), quoted in J. L. Garvin, *Life of Joseph Chamberlain*, Vol. III, pp. 187-8.

THE price of empire is extending war. This has been demonstrated in our day and generation with terrible force. Colonial wars and wars of rival empires have developed to world wars on a scale never before known. Indeed, it can be said with truth that world wars are an invention of the imperialist era. Armaments have continuously risen at an accelerating rate throughout the imperialist era. The burden of armaments and the menace of a third world war hang over the world to-day.

On all sides the burden of armaments and the menace of a new world war is deplored. It is recognised that the crushing rearmament programmes are strangling economic development. It is recognised that a new atomic or hydrogen bomb war would mean incalculable destruction. The universal desire for peace is expressed in principle in the declarations of all statesmen.

This choice of war or peace is beyond dispute the most important question to-day dominating the whole tangle of problems arising from empire policies and from the conflict of

the old imperialist world with the rising advance of the peoples for liberation.

No country is more vitally concerned in this question of war or peace than Britain—the centre of the oldest and most far-flung world empire, with military commitments extending over the globe, with an experience of countless colonial wars and ruinous imperialist wars, and the most vulnerable major country in the world to the menace of a new atomic war.

1. Record of Empire and War

The record of imperialism is a record of more or less continual war. This is equally true of the earlier stages before the development of the era of finance-capital or modern imperialism, and applies with all the greater force to the modern era.

Over four and a half centuries this record can be traced of the British Empire as a child of wars and a breeding ground for war.

Even if we leave out of account the armed invasion and conquest of Ireland from the twelfth century onwards—which was in fact the beginning and prototype of the British colonial system—and confine our attention to the record of extra-European colonial conquest and domination, and the wars arising therefrom, this record goes back to the end of the fifteenth century.

It was as far back as 1496 that Henry VII authorised John Cabot to “subdue, occupy and possess” all foreign lands not yet blessed by “Christianity.” From this date armed mercantilism and foreign conquest became the approved methods of the expansionist aims of the ruling class.

During this period of early colonial expansion, plunder, the slave trade and primitive accumulation, the British rulers and their European rivals were responsible for a terrible orgy of looting and murder that raged from Greenland to Cape Magellan, from the Azores to the Far East, from the North American continent to the South Seas. This was the period of which Marx wrote:

“The treasures captured outside Europe by undisguised looting, enslavement and murder, floated back to the mother-country and were there turned into capital.”

(MARX, *Capital*, Vol. I, Ch. xxxi.)

Marx quotes a vivid description of "the Christian colonial system":

"The barbarities and desperate outrages of the so-called Christian race, throughout every region of the world, and upon every people they have been able to subdue, are not to be paralleled by those of any other race, however fierce, however untaught, and however reckless of mercy and shame, in any age of the earth."

(WILLIAM HOWITT, *Colonisation and Christianity: A Popular History of the Treatment of the Natives by the Europeans in all Their Colonies*, 1838.)

The use of unlimited barbarous methods, illustrated recently in Malaya and Korea, dates back to this period.

"The treatment of the aborigines was, naturally, most frightful in plantation-colonies destined for export trade only, such as the West Indies, and in rich and well-populated countries, such as Mexico and India, that were given over to plunder. But even in the colonies properly so-called, the Christian character of primitive accumulation did not belie itself. Those sober virtuosi of Protestantism, the Puritans of New England, in 1703, by decrees of their assembly set a premium of £40 on every Indian scalp and every captured red-skin: in 1720 a premium of £100 on every scalp; in 1744, after Massachusetts-Bay had proclaimed a certain tribe as rebels, the following prices: for a male scalp of 12 years and upwards £100 (new currency), for a male prisoner £105, for women and children prisoners £50, for scalps of women and children £50. Some decades later, the colonial system took its revenge on the descendants of the pious pilgrim fathers, who had grown seditious in the meantime. At English instigation and for English pay they were tomahawked by red-skins. The British Parliament proclaimed blood-hounds and scalping as 'means that God and Nature had given into its hand.'"

(MARX, *Capital*, Vol. I, Ch. xxxi.)

The savage wars of conquest, plunder or extermination against the colonial peoples were accompanied by prolonged and increasingly violent wars over the division of the spoils between the rival European colonial powers. Through these successive wars, against the Spanish and Portuguese Empires in the sixteenth century, against the Dutch in the seventeenth century, and against the French in the eighteenth century, the British Empire emerged victorious. Of these "commercial wars" Marx wrote, after describing the "idyllic" characteristics of "the rosy dawn of the era of capitalist production":

“On their heels treads the commercial war of the European nations, with the globe for a theatre. It begins with the revolt of the Netherlands from Spain, assumes giant dimensions in England’s anti-jacobin war, and is still going on in the opium wars against China, etc.”

(MARX, *Capital*, Vol. I, Ch. xxxi.)

A century later it “is still going on”—but the final culmination and close is drawing into view.

It was of these inter-European wars for world colonial domination that Macaulay (that “systematic falsifier of history,” as Marx dubbed him) wrote with characteristic blindness his famous aphorism:

“In order that he might rob a neighbour whom he had promised to defend, black men fought on the coast of Coromandel and red men scalped each other by the great lakes of North America.”

(MACAULAY, *Frederick the Great*, 1842.)

Macaulay reversed the real relation. The global character of these European wars was no mere extension of European dynastic conflicts to a remote periphery. It was the conflict over world colonial domination that was the driving force of these inter-European wars and has so continued to our day.

It has been calculated that the record of Britain’s unending wars throughout this era of capitalist and colonial expansion shows: during the sixteenth century, thirty-four armed conflicts with the peoples in the conquered territories, several clashes with Portuguese and Spanish rivals, and a nineteen-years war with rival Spain; during the seventeenth century, twenty-nine wars with local peoples and rival colonial powers, including two major wars with the Dutch; during the eighteenth century, 119 conflicts for empire; and if we add the forty-six wars of the nineteenth century, a total of 230 wars in 400 years.

Nor did the nineteenth century of Britain’s established world industrial monopoly and naval supremacy, of liberal free trade and enlightened pacific sentiments of the *Pax Britannica*, mean in reality an abatement of this record of successive wars. The years of “liberal pacifism” between Waterloo and the bombardment of Alexandria in 1882, which opened the modern period of imperialist expansion, saw a long series of colonial wars and military actions in addition to the Crimean War of 1854–6. Some of these may be cited as a pendant to the myth of the nineteenth-century *Pax Britannica*:

1824	Ashanti War.
1824-6	First Burmese War
1837	Suppression of Canadian Rebellion
1838-41	First Afghan War
1839	Annexation of Aden
1839-42	First Opium War
1840	Bombardment of Acre
1843	Conquest of Sindh
1845-6	First Sikh War
1848-9	Second Sikh War
1850-3	Kaffir War
1852	Second Burmese War
1854-6	Crimean War
1857	Suppression of Indian Rebellion
1857-60	Second Opium War
1874	Second Ashanti War
1878	Second Afghan War
1879	Zulu War
1879	Third Afghan War
1881	Boer War (Majuba Hill)
1882	Bombardment of Alexandria

With Gladstone's bombardment of Alexandria in 1882 the guns thundered forth the opening of the new era of intensified imperialist expansion, after Britain's industrial world monopoly had begun to weaken. The advancing power of finance-capital, growing out of and succeeding to the domination of the old industrial capitalists, became the main driving force to new colonial aggression, armaments multiplication and wars. These wars were carried forward, first to complete the partition of the world, and then in the twentieth century enlarged their scope to world wars of the imperialist powers, of a magnitude and intensity never before known, for the redivision of the world.

The transition from the nineteenth-century liberal free-trade capitalism, with its undercurrent of ceaseless colonial wars tactfully tucked away under a rose-coloured eiderdown of pacific sentiments, to the brazen aggressive and bellicose policies of modern imperialism found expression in the career of the Liberal Party leader, Gladstone. Gladstone had entered on his second Ministry in 1880 on the basis of a resounding popular anti-Tory electoral victory against the Tory imperialism of Disraeli. No sooner had he taken office, than he continued and carried forward to new heights the same imperialist foreign policy, with ruthless coercion in Ireland,

and with violent military aggression for the conquest of Egypt and the Sudan. The guns which bombarded Alexandria shattered also the illusions of many Radical admirers of Gladstone, and hastened the conditions for the development of the Social Democratic Federation in 1883—the first socialist organisation in Britain, which subsequently merged into the Communist Party. It was with reference to this war of Gladstone in Egypt and the Sudan that William Morris (then in the process of transition from radicalism to socialism) wrote:

“It is this profit motive which curses all modern society and prevents any noble enterprise, while it compels us (even the peaceable Gladstone) to market-wars which bring forth ‘murders great and grim.’”

(WILLIAM MORRIS, letter to William Allingham, November 26, 1884.)

The disillusionment of the Radicals received mordant expression from their famous parliamentary representative, Labouchere, when he upbraided Gladstone in parliament on February 27, 1885, for his retreat from his earlier anti-imperialist professions:

“If anyone had then said, ‘You will acquire power and become the most powerful Minister England has had for many a long day; you will bombard Alexandria; you will massacre Egyptians at Tel-el-Kebir and Suakim; and you will go on a sort of wild-cat expedition into the wilds of Ethiopia in order to put down a prophet,’ the Right Honourable Gentleman would have replied in the words of Hazael to the King of Syria: ‘Is thy servant a dog that he should do this thing?’”

To-day this has become an old and familiar story, blunted by repetition. The experience has been demonstrated anew through the Liberal Government of the first decade of the twentieth century, and through three Labour Governments. From Gladstone, Harcourt and Morley to Lloyd George, Haldane and Grey, and thereafter to MacDonal and Attlee, Bevin and Morrison, the earlier professions of criticism of imperialist policy and its wars have been followed by the practice of imperialism, with its outcome in murderous colonial aggression, rising armaments and extending wars. Not the character of individual statesmen, but the operation of the imperialist system breeds war.

Gladstone finally resigned in 1894 in protest against the

rising naval armaments, and was succeeded by the open Liberal Imperialist (the new term which now came into use), Rosebery. His resignation made no difference to the advance of imperialist war policy. Ten years of Tory imperialist rule followed, with the costly South African War opening the new century. When the anger of the electorate swept the Tories from power in 1906, the Liberal Imperialist Government which followed took over and carried forward from the Tory Foreign Secretary, Lansdowne, the Entente foreign policy of building the Anglo-French-Tsarist alliance in preparation for the first imperialist world war of 1914.

The twentieth-century era of modern imperialism has seen the devastation of two world wars on a scale without parallel in history. The extension in magnitude took on the character of a change in quality; they were what became known as "total wars," drawing in the majority of countries and striking down armed forces and civilian populations.

The first world war is estimated to have cost 29 million dead and crippled, and £35,000 million.

The second world war is estimated to have cost 41 million killed (27.9 million military casualties, and 13.2 million civilian) and £223,000 million.¹

What would a third world war cost?

2. *Rising Burden of Armaments*

A barometer of the continuous advance of war and militarism as the accompaniment of modern imperialism has been the steeply rising multiplication of armaments and arms expenditure during the past century, and especially during the era of fully developed modern imperialism since the beginning of the twentieth century. This increase has gone forward at an accelerating pace.

When Gladstone resigned in 1894 in protest against the

¹ These figures, based on material of the Institute of Bankers, the London School of Economics and the *Bankers' Almanac*, are taken from *This War Business*, by A. Enock, Bodley Head, London, 1951. The same writer estimates that between 1900 and 1946 twenty-four countries of Europe, Asia and America spent £321,316 million on war measures, and £313,759 million on all other purposes, and that in the same period their national debts multiplied forty-two times, from £4,003 million to £171,240 million. The publication of the Carnegie Endowment for International Peace, *Losses of Life Caused by War*, by Samuel Dumas and K. O. Vedel-Petersen (1923), estimates the "total number of military forces killed and died" in the War of 1914-18 as "somewhere between ten and eleven millions." This refers to military casualties only.

increase in the naval estimates to what he regarded as ruinous proportions, the total British arms expenditure was under £40 million. To-day it is more than forty times that amount.

British arms expenditure rose from £24 million in 1875 to £40 million in 1897, or nearly double.

Already in 1879 the Liberal statesman, Sir M. E. Grant Duff, in his letter to the Empress Frederick on his interview with Marx, quoted the new armaments race as in his view the main revolutionary menace to the stability of the existing social régime:

“But supposing, I said, the rulers of Europe came to an understanding amongst themselves for a reduction of armaments which might greatly relieve the burden on the people, what would become of the Revolution which you expect it one day to bring about?”

“Ah, was his answer, they can't do that. All sorts of fears and jealousies will make that impossible. The burden will grow worse and worse as science advances; for the improvements in the art of destruction will keep pace with the advance, and every year more and more will have to be devoted to costly engines of war. It is a vicious circle—there is no escape from it.”

The Victorian Liberal Minister drew the conclusion that the revolutionary predictions of Marxism were—

“too dreamy to be dangerous, except just in so far as the situation with its mad expenditure on armaments is obviously and undoubtedly dangerous. If, however, within the next decade the rulers of Europe have not found means of dealing with this evil without any warning from attempted revolution, I for one, shall despair of the future of humanity at least on this Continent.”

(SIR M. E. GRANT DUFF's letter to the Empress Frederick, February 1, 1879, published in the *Times Literary Supplement*, July 15, 1949.)

But the arms expenditure which horrified the Liberal Minister of the Victorian era would appear “trifling” by modern standards. The armaments race went on. The total which had been nearly doubled during the twenty-two years between 1875 and 1897, more than doubled again during the next sixteen years to reach £86 million in 1913. By 1929 it reached £115 million. By 1938 it had doubled again and reached £254 million. Even this figure was trebled again by 1949, with an arms expenditure of £770 million, increased to £820 million in 1950.

Then in 1951 came the new three-year rearmament programme of £4,700 million, with a consequent steep further rise in the total arms expenditure to £1,090 million in 1951, £1,445 million in 1952, £1,535 million in 1953 and £1,546 million in 1954. The estimates for 1955-6 were £1,537 million, and for 1956-7, £1,549 million.

These totals leave out strategic expenditure under other heads. Thus the budget estimate of £1,462 million for arms expenditure in 1952 (of which £85 million was to be covered by United States military subsidies) included only direct expenditure on the armed forces and munitions. If to this is added £61 million provided for strategic reserves, £46 million for civil defence and £65 million for expansion of industrial capacity for military needs, the real total of war expenditure allocated for 1952 was £1,634 million.¹

Similarly the estimate of £1,640 million for arms expenditure in 1954, from which United States military aid of £85 million was deducted, making £1,555 million, was supplemented by £38 million for Civil Defence and £75 million for "industrial defence capacity and strategic resources," making a net total of £1,668 million (or a real total of £1,753 million military expenditure including United States military aid).

¹ Even this total leaves out of account the extent of *concealed* rearmament expenditure smuggled through under other votes—a process at which the experts of British state finance have always been adept. For example, the Post Office vote of £75 million for "capital expenditure on telephones, telegraphs and postal services" in 1952 included £25 million which, it was finally admitted under pressure, really belonged to the rearmament programme. The following instructive interchange took place in the House of Commons on June 13, 1952:

"Mr. C. R. HOBSON (Labour) moved an amendment to reduce from £75 million to £50 million the capital expenditure on telephones, telegraphs and postal services. It had been put down because the Opposition felt far too much of this capital expenditure could be rightly attributed to defence votes. A third of it was for defence purposes.

"Mr. L. D. GAMMANS (Assistant Postmaster-General): There is certain information which is in the hands of Ministers, especially at the time of national danger and rearmament, which they do not and should not pass on to anybody. . . . I am revealing that £25,000,000 is being devoted to defence purposes. Mr. Edwards (the former Postmaster-General in the Labour Government) spent between £9,000,000 and £10,000,000 and never revealed it to anybody.

"Mr EDWARDS: I did.

"Mr. GAMMANS retorted that he could not find any public reference to the fact.

"Mr. EDWARDS maintained that in that case the expenditure had been justifiable on Post Office grounds.

"Mr. GAMMANS: The difference between us is that you are accusing me of distortion of the accounts. If I were not prohibited for security reasons, I could prove that some of the purposes for which Mr. Ness Edwards rightly spent that money were purposes which could be of very small civilian use, if of civilian use at all."

This total of £1,668 million for war expenditure in 1954 was equivalent to 36 per cent. of the total Budget expenditure, contrasting with 29 per cent. for the social services. If to this 37 per cent. for present and future wars is added the £623 million debt charges (almost entirely representing the burden from past wars), equivalent to 13 per cent. of the Budget, the total expenditure for past, present and future wars in 1954 reached £2,291 million, or nearly 50 per cent. of the budget. With this may be contrasted the Soviet Union budget for the same year which allocated 17 per cent. for arms expenditure, 25.1 per cent. for social and cultural services and 38 per cent. for the development of civil economy.

It is not difficult to find in this colossal rearmament expenditure in Britain the reason for the cuts in social services and living standards and the heavy burden of rising prices. Already for 1951 the United Nations European Economic Commission Survey reported that Britain was carrying, in proportion to population, the heaviest rearmament burden in the world, equivalent to eighty-two man-years per thousand workers, as against seventy-four in the United States and forty-nine in the Soviet Union.

The unprecedented peacetime arms expenditure of £1,668 million in 1954 was equal to sixty-nine times the level in money figures at the opening of the era of colonial expansion in 1875; forty times the level of the eve of the Boer War; nineteen times the level on the eve of the first world war; fourteen times the level on the eve of the world economic crisis; and more than six times the level on the eve of the second world war.

Even if we take into account the change in money values, the steepness of the rise is still apparent from the table opposite (the figures in the first two columns for 1911 and 1931 are based on a reply of the Chancellor of the Exchequer in Parliament on May 16, 1954, to which the figures for 1954, for the national income and the price increases have been added).

Thus the cost per head in money values has risen twenty-one times; the cost in relation to the national income has risen three-fold; and the cost in constant prices has risen over six times.

Such has been the accelerating expansion of arms expenditure during the imperialist era.

Table 32
ARMS EXPENDITURE, 1911-54

	<i>Armed Forces Expenditure</i> £ million	<i>Per Head</i> £	<i>National Income</i> £ million	<i>% of National Income</i>	<i>Price*</i> Index	<i>Armed Forces Expenditure at 1911 constant prices</i> £ million	<i>Index of Armed Forces Expenditure</i>
1911	67.9	1.5	2,140	3.1	100	67.9	100
1931	110.0	2.4	3,666	3.3	151.6	72.6	106.9
1954	1,668	31.8	15,543	9.3	374.2	445.8	656.6

* London and Cambridge Economic Survey Retail Price Index, re-calculated to the basis of 1911 as 100.

3. A Decade of Cold War

The decade since the second world war has seen, not only the unprecedentedly rapid rise in armaments, but also a series of local colonial wars conducted by the leading imperialist powers; a combined imperialist war in Korea; the organisation of a series of sectional military alliances of the principal imperialist powers, outside the United Nations, and under the leadership of the United States; the establishment of a very large number of overseas military, naval and air bases by the United States all over the world, in addition to the existing British and other West European bases already established in the preceding era; active political and strategic preparations for a third world war, including open advocacy of such a war in some influential quarters, especially in the United States; and the official decision of the imperialist powers to use nuclear weapons in a future major war.

The series of sectional military alliances built up principally by the United States, with a secondary role of Britain, to encircle the Socialist world, has included:

1. The North Atlantic Treaty, associating the United States and Western Europe, together with Greece and Turkey;
2. The Bonn and Paris treaties for including a remilitarised Western Germany in the Western military bloc;
3. The Balkan Pact of Turkey, Greece and Yugoslavia;
4. The Middle Eastern series of military pacts, including the United States treaties with Turkey and Pakistan, the Turkey-Pakistan Treaty, and the Baghdad Treaty of Britain, Iraq, Pakistan, Turkey and Iran;
5. The South-east Asia Treaty of the five imperialist Powers

interested in South-east Asia, together with Pakistan, Thailand and the Philippines.

6. The Pacific Pact of the United States, Australia and New Zealand.

7. The Far Eastern Treaties of the United States with Japan, Chiang Kai-shek and Syngman Rhee.

In face of the menace of the rearmament of German militarism in Western Germany and its inclusion in the Western military bloc, in 1955 the Warsaw Military Pact was established by the Soviet Union and the People's Democracies in Eastern Europe, drawn up explicitly as a provisional instrument for defence pending the establishment of a wider European collective security treaty which would make possible the dissolution of sectional military alliances in either western or eastern Europe.

This grave sharpening of international tension and of active war preparations, as well as extension of considerable local wars, during the decade since the second world war, was in marked contrast to the hopes and aspirations entertained by the peoples at the end of the war against fascism.

The wartime agreements drawn up by the leaders of the victorious allied powers during the concluding stages of the war against fascism provided for the maintenance of peace through the United Nations by placing the sole powers of decision on questions of war or peace or necessary collective action for the maintenance of peace in the hands of the Security Council, and by requiring that decisions of the Security Council for this purpose must have the unanimity of the five principal Powers: Britain, the United States, the Soviet Union, France and China. This principle of unanimity was devised by President Roosevelt to make impossible, so long as it was adhered to, any war between the Great Powers, and therefore to make impossible a new world war.

The United Nations Charter further explicitly prohibited any sectional military alliance of a group of powers except for defence against renewed aggression by Germany or Japan or by a coalition of states including Germany or Japan.

The wartime agreements further provided for the establishment of a united democratic peaceful Germany and a democratic peaceful Japan, with the destruction of the roots of fascism and militarism.

None of these wartime agreements was carried out.

Instead, the Western Powers set up a new sectional military alliance entitled the "North Atlantic Treaty Organisation" with its own supreme command, military forces and powers of decision for war or peace.

A coach and horses was driven through the provisions of the United Nations Charter by rushing illegal sectional "decisions" for war through the Security Council in violation of the principle of unanimity, by excluding China from representation, by transferring the powers and functions of the Security Council to the Assembly, and by thus making the United Nations machinery (on the basis of a voting system which originally ensured a more or less automatic majority for the Western powers, although representing a minority of the world's population and often a minority of the membership of the United Nations) a subordinate instrument of the Western warmaking powers, and especially of American imperialism.

The Atlantic Alliance was formally established in 1949. Preliminary steps were the promulgation of the Truman Doctrine in the spring of 1947, proclaiming the right of intervention of the United States in the affairs of other states to maintain anti-Soviet governments; the Marshall Plan in the summer of 1947 to organise United States economic-political intervention in Western Europe as a preliminary to its military organisation under United States control; and the Brussels Military Pact of the five Western European powers, Britain, France and Benelux, in 1948.

The Atlantic Alliance comprised by 1952 fourteen states: the United States, Canada, Britain, France, Italy, Belgium, Holland, Luxembourg, Denmark, Norway, Iceland, Portugal, Greece and Turkey. The inclusion of the latter two states was a sufficient indication that the geographical title "Atlantic" was to be taken in an elastic sense and was by no means a guide to its real content.

In 1955 the newly rearmed Western Germany was received into membership of N.A.T.O. The association of a rearmed Japan was provided through the bilateral pact of the United States and Japan. Bilateral arrangements were also made between the United States and the last Axis fascist power, Franco Spain, for the development of American military bases in Spain. Thus the remnants of fascism from Western Germany, Japan, Italy and Franco Spain were gathered into the new

Atlantic Alliance, which took over from the previous Axis of Germany, Italy and Japan the mission of the crusade against "Communism" and the Soviet Union, this time under the leadership of the United States.

This Western Bloc or Atlantic military alliance was described by its sponsors as—

- (1) "democratic"—a union of democratic peoples for the defence of democracy;
- (2) "defensive"—a military alliance of powers concerned for defence only, not for aggression;
- (3) "pacific"—a military alliance of peace-loving countries for the maintenance of peace, in view of the failure of the United Nations.

An examination of the facts would show that none of these claims was correct.

The Western Bloc or Atlantic military alliance was in reality the Bloc of Imperialism. Behind all the phrases of "Western spiritual values," "Christian civilisation," etc., the reality was—Imperialism. The signatory States of the Atlantic Pact constituted a combination of *the great colony-owning powers* and their immediate satellites. Their metropolitan areas had a total population of less than one-seventh of the world's population, yet they included in their empires or controlled indirectly (at the time of the signing of the Pact) two-thirds of the world's population.

The main wars in the world since the signing of the Atlantic Pact were conducted by the Atlantic powers. Britain conducted wars in Malaya, Kenya, Cyprus and Egypt. France conducted wars in Vietnam, North Africa and Egypt. Holland conducted war in Indonesia. The United States conducted war in the Far East, originally through the maintenance with arms and subsidies of the war of Chiang Kai-shek against the Chinese Liberation Army, and subsequently, after the final failure of that intervention in 1949, through the direct invasion of Korea with United States troops and contingents from the other imperialist powers, and the seizure of Formosa as a base for counter-revolution and for the publicly avowed aim of the invasion of China.

All these were typical wars of imperialist aggression: wars of invasion of other people's countries by expeditionary forces;

wars against national liberation and democracy, or colonial wars.

The patriotic wars conducted, in the face of heavy odds, and with unsurpassed heroism and sacrifice, by the Vietnam people, the Malayan people, or the Korean people and Chinese volunteers, were wars of national defence against the foreign invading armies of the Western imperialist powers. This plea of defence did not apply to the wars of the Atlantic powers, of British, French, Dutch and American imperialism.

When Britain, France and Holland sent troops, guns, tanks and bombing planes thousand of miles across the seas to spread slaughter and destruction in the countries of other peoples, this was not defence but aggression. They were not wars for democracy, but for the maintenance of colonial domination, whether in the form of direct colonial dictatorship, as in Malaya, or under cover of a puppet Emperor, like Bao Dai in Vietnam, or a universally hated anti-popular dictator like Chiang Kai-shek in China or Syngman Rhee in Korea, against the popular struggle for national liberation and democracy. Imperialism and democracy are mutually exclusive. The colonial system of imperialism is a system of aggression and military subjection of other nations.

The example of the Malayan War conducted by the British Government since 1948 was the clearest demonstration of this truth. There was no pretence that the inhabitants of Malaya were preparing to enter into their canoes and paddle across thousands of miles of intervening ocean in order to invade Britain and burn down British homes. But British troops, guns, tanks, Spitfires and Beaufighters (constructed by British workers for war against fascism), not to mention Gurkha mercenaries and Dyak head-hunters, were shipped to Malaya to raze Malayan villages.

Hence the Atlantic Military Alliance must be judged, not a "defensive" alliance, as was claimed, but an aggressive alliance of imperialist powers.

Nor was there any concealment of the final aim of the Alliance. As with the Axis Anti-Comintern Pact which preceded it, so with the Atlantic Alliance the final objective was openly proclaimed, both in the propaganda and in the military and strategic preparations, to be directed against the Soviet Union and Communism.

It was urged in justification that the open military preparations for war against the Soviet Union, and establishment of offensive bases around its borders with many boasts of their effective striking power against all industrial centres in the Soviet Union, were rendered necessary by the alleged "menace" of possible future "Soviet aggression".

These arguments were also used by the sponsors of the Anti-Comintern Pact of Hitler, Mussolini and Japan to cover their aggressive aims and distract attention from their extending regional wars of aggression.

The special characteristic of this political method of argument was that it treated every advance of the working class, popular liberation or colonial revolt anywhere in the world as a "Communist plot," and therefore as "Soviet aggression," even though not a single Soviet soldier had stirred or been in the country in question. Indeed, it was even made a basis of complaint against the Soviet Union by Western statesmen that during the entire period of the formation and extension of the Atlantic Military Alliance it was the only leading power not involved in war. Thus it was precisely the complaint of Sir Winston Churchill, in his election address in May, 1955, that the Russian "Soviet and their satellites . . . have communised nearly half Europe and all China without the loss of a single Russian soldier." By this line of argument the Paris Commune, the French Revolution and even the American Revolution could equally be proved retrospectively to have been a "Soviet plot." The victory of the working-class and parliamentary majority in Czechoslovakia in 1948 against the attempted right-wing coup was treated by the sponsors of the Atlantic Alliance as a glaring example of "Soviet aggression" even though not a single Soviet soldier was in the country; while the violent assault with foreign warships, tanks and bombing planes on liberated Greece in order to crush the liberation movement (which, according to *The Times*, had the support of 90 per cent. of the population) and instal the monarchist fascist régime was presented as the "defence of democracy." Such were the miserable subterfuges to which the sponsors of the Atlantic Alliance were reduced in their endeavour to justify the real aggressive content which underlay its professed pacific and defensive aims.

The aim of an aggressive world war of the Atlantic Alliance

received its most direct expression from the many influential advocates, often in highly placed official quarters, of a "preventive war"—the diplomatic term for an aggressive war. The essence of Mr. Churchill's Fulton speech in 1946¹—which was made under the presiding auspices of President Truman and set the line for the subsequent Atlantic Alliance—was, according to Mr. Bevin's statement in Parliament in 1950, the advocacy of a "preventive war" against the Soviet Union:

"As I understood the Fulton speech, it was a preventive war which Mr. Churchill had in mind."

(ERNEST BEVIN, Foreign Secretary, in the House of Commons, March 28, 1950.)

It is worth noting that Mr. Churchill repeatedly congratulated the Labour Government on the fidelity with which it was fulfilling "his" Fulton programme. Similarly the United States Secretary of the Navy Matthews declared in his speech at Boston on August 26, 1950:

"The initiation of a war of aggression would win for us a proud and popular title—we would become the first aggressors for peace."

This indiscretion received a mild rebuke from President Truman; but it was noted that the Secretary of the Navy was not dismissed for making this statement; and it subsequently transpired that this statement was no impromptu rhetorical outburst, but that the text had been previously passed by the Secretary for Defence Johnson. It would be possible to fill hundreds of pages with similar bellicose declarations from leading American statesmen and generals during this period. For example:

"We must maintain armed forces all over the world. The United States may have to occupy more countries before the cold war is ended."

(U.S. VICE-PRESIDENT BARKLEY, speech at New Orleans, May 22, 1950.)

¹ In later years, after the collapse of the myth of Western nuclear and strategic superiority, Sir Winston Churchill went very far towards revising his previous Fulton line. Notably in a speech at Aachen in May, 1956, he condemned the conception of the division of Europe into opposing military camps, urged that "in a true unity of Europe Russia must have her part", and proposed with regard to N.A.T.O. that "the spirit of this arrangement should not exclude Russia and Eastern European States".

"Even from the Atlantic island nations or from Japan or Alaska frequent and intensive strategic bombing could touch only fragmentary parts of Central Eurasia. Bases must be established on the mainland of the overseas land mass."

(KENNETH ROYALL, Secretary for the Army, to the Senate Armed Services Committee, March, 1948.)

"United States bombers could hit Moscow to-morrow and hit it hard. . . . All assignments have been made and everybody knows just what to do. . . . The United States must not allow itself to be deluded by Russia's conciliatory attitude."

(CLARENCE CANNON, Chairman House of Representatives Appropriations Committee, September 26, 1949.)

"Now that we have got a head start on the H.Bomb we should lay down the law . . . not as diplomats, but as soldiers. . . . We have got to act while we have the advantage."

(GENERAL HOWLEY, former U.S. Commander in Berlin, February 6, 1950.)

"President Truman told a press conference to-day that the United States was relying on force rather than diplomacy in its dealings with the Soviet Union."

(*Manchester Guardian*, September 21, 1951.)

"The United States must not stand idly by while any part of the world remains under the rule of either Communist or Fascist dictatorship."

(JOHN FOSTER DULLES, Republican Foreign Policy Adviser to President Truman, in a broadcast, February 10, 1952.)

"War! As soon as possible! Now! . . . We must start by hitting below the belt. This war cannot be conducted according to Marquis of Queensberry rules."

(GENERAL GROW, U.S. Military Attaché to Moscow till January, 1942, diary published in Berlin, 1952.)

"A persistent trend in American thought—the belief that there can be no peace and security for the American states until every Communist government has been rooted out in Asia and in Europe. This is a policy of unlimited liability."

(*The Times*, May 22, 1951.)

"The present American programme is designed for fighting Russia, not for staying at peace by deterring a Russian aggression."

(*Economist*, October 6, 1951.)

The more formal diplomatic language preferred by the official leaders of the Atlantic Alliance, was to advocate the

building up of the armaments and strategic preparations of the Atlantic Alliance to a decisive point of strength in order then to have a "showdown" with the Soviet Union, i.e. to present at the pistol's point terms of capitulation to the Soviet Union. The same conception was expressed by Ernest Bevin in Parliament on October 17, 1950, when he declared:

"The Western Powers have got to be strong. . . . They have got to be perfectly clear as to the kind of world they want and stand for it until they get it."

It is only necessary to imagine the effect if a corresponding formulation of policy were presented by a Soviet Foreign Minister to see that we have here a perfect formula for war. The same policy was thinly veiled in the slogan issued for popular consumption, "peace through strength," i.e. peace through the mailed fist.

Such was the general character of the policy and strategy of the "cold war," as it came to be known (the term was originally coined in the United States to describe the policy adopted in its first expression in the Truman Doctrine in 1947), or of "peace through strength," which became the official policy of the Western Powers during the decade following the second world war.

This theory of the "cold war," which governed Western official policy during these years, poisoned international relations for a decade. By rejecting the alternative theory of "peaceful co-existence" put forward by the Socialist world during these same years, and by assuming the inevitable division of the world into opposing armed camps, seen as moving towards a future prospective or even inevitable world war, and by basing every detail, policy and strategic calculation on this analysis of the world situation, this theory barred the way to international co-operation. Only the visible bankruptcy of this theory and strategy after a decade of increasing international tension, compelled an attempt to begin to seek an alternative path.

4. The New Holy Alliance

It would be a misconception to regard the Atlantic Alliance as only an organisation for a possible future war against the Soviet Union.

As with its predecessor, the Anti-Comintern Pact, the public

aim of the intensive military and strategic preparations was directed against the Soviet Union and against the "Communist menace." But just as the Anti-Comintern Pact contained within this façade the aggressive and predatory aims of German, Italian and Japanese imperialism, so the Atlantic War Alliance contained within its anti-Soviet façade the aggressive and predatory aims of American, British and Western European imperialism. In the case of the Atlantic Alliance, however, the predominant position of American imperialism was so outstanding that the British and European Empires held a secondary position, and the immediate line of advance of American expansion was pressed forward at the expense of the British and other European Empires.

In the same way as the Axis opened its war offensive with a series of regional wars, in eastern Asia, Abyssinia and Spain, which were the prelude to world war, so the Atlantic Alliance opened its war offensive with a series of regional wars, in Eastern Asia and in South-east Asia, and through varying degrees of military operations of undeclared war in the Middle East and Northern Africa.

The Constitution of the North Atlantic Treaty was framed in very wide and elastic terms in such a way as to permit its military clauses to come into operation in any part of the world and under virtually any circumstances judged suitable by its participants. This was the special significance of the pivotal Clause 4:

"The parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the parties is threatened."

It will be observed that the machinery of the Treaty was designed to come into operation, not merely in the event of an armed attack against a member state, but in the event of an alleged "threat"—couched in the vaguest possible terms—to the "territorial integrity" (including the colonial empires) or "political independence or security" of any one of them (e.g. in the event of a Communist or pro-peace majority in a parliament); and that the judgment of this "threat" was to depend, not on the opinion of the state concerned, but on "the opinion of any of them," i.e. of the United States.

Under what conditions might the military provisions of the

Atlantic Treaty come into operation and unloose a new world war? This has remained a carefully guarded strategic secret. When this question was explicitly put in the United States Senate to the Secretary for Defence, Louis Johnson, the latter refused to give a public reply.

“Senator Connally asked who would determine whether there had been an armed attack on an Atlantic Treaty country, which would require other signatories to come to its defence. Mr. Johnson said any answer he might make in public session would be misrepresented and exploited by the Communist Press.”

(*Manchester Guardian*, June 6, 1950.)

Thus the peoples of the Atlantic Treaty countries might find themselves thrown into a new world war, under wide and unspecified conditions (not merely in the event of invasion of one of their countries) at a moment's notice, without consultation of their parliaments, by a decision of the North Atlantic Council, whose proceedings are in practice dominated by the United States.

5. Overseas Military Commitments

The extent of British overseas military commitments arising from the existing imperialist policy can be seen from the following table compiled from official sources:

Table 33

BRITISH OVERSEAS MILITARY BASES IN 1950 (excluding Germany)

Aden	Gibraltar	Tripolitania
Bermuda	Jamaica	Akaba (Transjordan)
British Honduras	Malaya	Greece
Cyprus	Malta	Austria
Cyrenaica	Singapore	Trieste
Egypt (Canal Zone)	Somalia	
East Africa	Sudan	

BRITISH AIR BASES OVERSEAS IN 1950

Gibraltar	Cyprus	Ceylon
Iraq	Somaliland	Germany
Arabia (Persian Gulf)	Southern Rhodesia	Aden
Malta	Hong Kong	Sudan
Transjordan	North Africa	Malaya
East Africa	(inc. Egypt)	Austria
Singapore	Pakistan	

These were routine commitments. The dispatch of special forces to Malaya, Korea, Hong Kong or Egypt was additional.

By the beginning of 1956 *The Times* military correspondent (February 28, 1956) reported the principal British army units overseas to be allocated as follows:

Table 34

BRITISH ARMY UNITS OVERSEAS IN 1956

Berlin: about 80,000.
Gibraltar and Malta: 5,000
Cyprus: nearly 15,000.
Cyrenaica and Tripoli: several thousands.
Jordan: one armoured regiment, one rifle company
Kenya: three battalions.
Korea and Japan: 5,000.
Hong Kong: 11,000.
Malaya and Singapore: at least 12,000.
Jamaica and British Guiana: two battalions.
Aden: one battalion.

Alongside this may be set the list of United States overseas military bases published in the magazine *Fortune* in January, 1952. It is worth noting that *Fortune* described the listed bases as an "under-statement."

Table 35

UNITED STATES LAND, SEA AND AIR BASES IN JANUARY, 1952

Saudi Arabia	Greenland	Formosa
Morocco	Canada	Okinawa
Libya	Alaska	Japan
Trieste	The Aleutians	Korea
Austria	Kodiak Island	Guam
Germany	Bermuda	The Ryukus
France	Panama	Marshall Islands
Britain	Cuba	Midway Island
Iceland	Puerto Rico	Johnston Island
The Azores	Trinidad	Hawaiian Islands
Newfoundland	Philippines	

In 1955 the United States had 1,370,000 combat troops—nearly half of the total forces—stationed at 950 bases outside the continental United States (Statement of United States Defence Department, February 15, 1955).

This was a considerable military spread across the world by the two "pacific" powers engaged in heavy rearmament professedly only for "defence."

But there is an important difference in the situation of these two leading world imperialist powers with their extensive military commitments circling the globe.

The United States, with its enormous economic resources, accumulation of wealth, and productive power, was in a stronger position to carry the burden of these world military commitments, and even in addition to subsidise and arm a host of satellite countries to the tune of billions of dollars every year. Nevertheless, even for the United States this meant devoting no less than 77 per cent. of its Budget of 1952-3 to military purposes (60 per cent. direct military expenditure; 13 per cent., "foreign aid," predominantly military or for strategic purposes; and 4 per cent., atomic projects); or, with the inclusion of service pensions and debt interest, over nine-tenths of the Budget to wars, past, present and future; leaving only 3 per cent. for social services, health and welfare in the federal Budget.

But Britain, with one-third of the population of the United States, with a crippled economic situation, a chronic deficit on the balance of payments, and dwindling reserves, was subjected to a fatal strain on its resources and man-power in the endeavour to maintain its gigantic burden of world military commitments associated with an empire extending over one-quarter of the globe.

6. British Military Overstrain

The consequences showed themselves equally in the crisis of man-power and in economic deterioration. Increasing numbers were required for the armed forces, and for their supply, and still the complaint was raised that there was not enough. The Western colonial powers found themselves compelled to dispatch hundreds of thousands of European soldiers alongside their Gurkhas, Senegalese and Dyak head-hunters to conduct their wars against the liberation struggle of the peoples in Asia. At the same time the American demands were insistently pressed for a rapid increase in the number of divisions in Western Europe. In vain the Western European Governments pleaded their inability to meet these multiple demands. The demands continued to be increased. With bitterness the complaint was repeatedly sounded from Western politicians and generals that not a single Soviet soldier was fighting, while the Western powers had to dispatch troops to a whole series of

fronts. They were so deeply enmeshed in the dilemmas of their position that they did not realise the full significance of this curious "complaint."

In 1950 the British Prime Minister, Mr. Attlee, in a broadcast on July 31, emphasised how British military forces were "stretched" to the limit, in order to explain the difficulties in sending a contingent to Korea:

"We ourselves have to keep forces in various parts of the world, garrisoning key points such as Hong Kong or the Middle East, forming part of the occupation forces in Germany, Austria and Trieste, or engaged in actual fighting against Communist banditry in Malaya.

"Therefore our military forces are stretched."

Nevertheless, the contingent had to be sent to Korea; and in 1951 additional forces were dispatched to Egypt and the Middle East.

On July 30, 1952, Mr. Churchill informed Parliament: "The units of our army are almost all overseas."

On March 5, 1953, Mr. Attlee stated in Parliament: "Never before in all our history have we had so many divisions overseas in peace time."

On January 27, 1954, Lord Alexander, Minister of Defence, emphasised the danger of the absence of any mobile strategic reserve, as a result of the heavy commitments overseas:

"I can see no immediate prospect of reducing the present period of two years National Service. There are four divisions in Germany, including three armoured divisions, there is a garrison of 80,000 in the Suez Canal Zone and hundreds in other parts of the Middle East. We provide half the Commonwealth Division in Korea and we have substantial forces engaged against the Communists in Malaya.

"We have forces in Hong Kong, Kenya, Trieste, Austria, Malta, Gibraltar and the West Indies.

"Britain's armed forces, about 860,000 strong, account for one in sixty of the population. If we take those working on armaments and similar work it is one in eleven. Our military spending per head is larger than any other West European country, and allowing for price increases, war spending has gone up by two-thirds since 1950."

(EARL ALEXANDER, Speech at the Constitutional Club, London, January 27, 1954.)

This heavy strain on Britain's resources for overseas military

commitments was primarily for imperial purposes of colonial wars and garrisons. This was admitted when the Prime Minister, then Mr. Churchill, gave the reasons for opposing a proposal to reduce the two years' period of military service in a statement in Parliament on March 5, 1953:

"The Government would regard a decision to reduce the two year period as a disaster of the first order . . . to cut the period to eighteen months would reduce the period which a national serviceman could spend in Korea from eleven months to five, in Malaya from sixteen months to ten, and in the Middle East from nineteen months to thirteen."

Previously it had been easy for the British Empire rulers to use the Indian Army for the purposes of colonial wars or to dispatch to threatened points for the reinforcement of local garrisons. In the new conditions this expedient ceased to be available. As General Sir William Morgan lamented in a speech in New York on March 28, 1951, with reference to the crisis in Iran:

"There was not nearly enough British military strength in the Middle East. They might get a very serious situation in the Persian oilfields, and he did not know where they could find the necessary troops. . . . 'In the old days we just sent up an Indian Brigade. We cannot do that now. . . . We must get Pakistan and probably Indian help too.'"

Similarly, Mr. Churchill referred to the same loss of the use of the Indian Army with reference to the crisis in Egypt (speech in Parliament on January 30, 1952):

"Now that we have no longer available the former Imperial armies which existed in India, the burden of maintaining the control and security of the international waterway of the Suez Canal is one which must be shared more widely."

In the same speech Mr. Churchill estimated the total armed forces of the Atlantic Powers engaged in Eastern Asia and the Middle East as equivalent to twenty-six divisions:

"The facts are so serious that they should not be overlooked. There are the equivalent of ten divisions, including a most important part of the American Army and our one Commonwealth division, in Korea. . . . Let us count the diminution of the French Army in Europe (by the war in Vietnam) as ten divisions. That is certainly a moderate estimate. Then there are the British forces which are spread about the East and the Far

East . . . in Hong Kong, Malaya and to some extent in the Canal Zone of the Middle East. These amount to at least six divisions, far more costly in resources to maintain than if they were at home or in Europe. This makes a numerical total of twenty-six divisions. But the equivalent in war power, measured by divisions employed in Europe, might well be thirty or even thirty-five."

Yet on top of this the Atlantic Plan called for fifty divisions in "combat readiness" in Western Europe by the end of 1952, to be eventually increased to 100. And these gigantic armed forces were to be maintained alongside a no less staggering and onerous rearmament programme.

It is not difficult to see here, in these consequences of imperialist policy, the decisive operative factors aggravating and intensifying the economic deterioration and crisis in Britain and the Western European countries.

7. American War Strategy and Britain

The ruinous cost of the imperialist war policy for Britain is not confined to the immediate economic and military strain to which Britain has been subjected.

Indisputably greater perils would menace Britain in the event of the type of nuclear world war which was openly envisaged and prepared by the planners of the Atlantic War Alliance.

The policy of endeavouring to maintain the existing domination of colonial and dependent countries all over the world inevitably led to the subordination of British foreign and strategic policy to the United States. Britain no longer rules the seas; yet sea power had been the indispensable basis of the maintenance of the Empire. To-day the United States holds strategic sea and air supremacy. In consequence, Britain can only continue to hold its overseas Empire by permission of and under the control of the United States. This is the key to the British foreign policy which has been pursued during the years since the second world war, alike under the Labour Government and under the Tory Government.

United States imperialism, however, has its own war plans in which Britain is allocated a subordinate and costly part. These plans were made sufficiently clear in the documents and declarations of the American General Staff and military, naval

and air chiefs and ministerial heads. Thus General Bradley, United States Chief of Staff in charge of the combined staff arrangements under the Atlantic Treaty, outlined his conception to the House of Representatives Foreign Affairs Committee on July 29, 1949:

"Their strategy was based on five assumed factors.

"First, the United States would be charged with strategic bombing. The first priority of the joint defence was ability to deliver the atomic bomb.

"Second, the U.S. Navy and the Western Union naval Powers would conduct essential naval operations, including keeping the sea lanes clear. The Western Union and other nations would maintain their own harbours and coastal defence.

"Third, the joint Chiefs of Staff recognised that the hard core of ground power in being would come from Europe, aided by other nations as they mobilised.

"Fourth, Britain, France and the closer countries would have the bulk of the responsibility for short-range attack, bombardment and air defence. The United States would maintain a tactical air force for their own ground and naval forces and for the defence of the United States.

"Fifth, other nations, depending upon their proximity or remoteness from the possible scene of conflict, would lay emphasis on appropriate special missions."

This was clear enough. The United States would carry out the strategic bombing with the atom bomb. Britain, France and the other Western European countries would provide "the hard core of ground power." The U.S. tactical air force was only to be "for their own ground and naval forces and for the defence of the United States," i.e. not for defence of Europe.

This was the same conception which found classic expression in the declaration of the Chairman of the House of Representatives Appropriations Committee, Clarence Cannon, in April, 1949:

"The United States must be prepared to equip the soldiers of other nations and let them send their boys into the holocaust, so that we won't have to send our boys. That's what the atom bomb means to us."

It is true that in the subsequent endeavours to build up a so-called "European Army" under American command the United States found itself compelled to agree to the dispatch and maintenance of six divisions in Europe, as a minority

component of the planned total of fifty to 100 (even so with a promise to the Senate that they would eventually be withdrawn). But the principle of United States strategy, officially and publicly proclaimed, remained to endeavour as far as possible to fight with the soldiers of other nations. This principle was explicitly set out by General Eisenhower, General Marshall, Mr. Taft and other authorities:

“It is cheaper to fight with soldiers of foreign nations even if we have to equip them with American arms, and there is much less loss of American life.”

(R. A. TAFT, Senate Republican leader, speech at Washington, May 19, 1951.)

“It takes a man and a gun to fight. The United States is providing the gun, Europe the man.”

(GENERAL EISENHOWER, speech to United States senators in Paris, August, 1951.)

“Europe must provide the bulk of the foot soldiers. Ours is to be the small fraction, not the great fraction of the troops.”

(GENERAL EISENHOWER, statement to the Senate Armed Services Committee, February 2, 1951.)

“We are proposing dollars to arm men other than our own men. We are contributing dollars rather than men.”

(GENERAL MARSHALL, statement to the Senate Foreign Affairs Committee, August 1, 1951.)

This was the old familiar principle of the British ruling class in the days of its world supremacy until 1914. The principle of subsidising, arming and equipping the soldiers of other nations, while providing only a small token contingent, was still maintained by the Asquith-Grey-Haldane Government in the building of the Entente, when it was anticipated that the British contribution in the field would be confined to the expeditionary force of six divisions of the Regular Army. But the experience of the first world war smashed this principle for Britain and revealed the end of its world supremacy. Britain has now become one of the “other nations” to be subsidised and armed and flung “into the holocaust” by the new dominant world imperialist power.

Britain was accordingly required by American strategic policy, to which both the Labour and Conservative Governments since the war equally agreed:

(1) to provide the base for the American nuclear bombing offensive in Europe; and therefore to be the main target in the event of war;

(2) to provide a mass land army for use in Europe.

In its immediate effect this policy placed a crushing burden upon Britain. In addition to the already vast military overseas commitments of empire, and of existing colonial warfare, Britain was required to provide and hold in readiness a continental land army, that is, to become a continental land power.

Napoleon said of old that Britain could never become a continental land power, and that if it made the attempt, that change would mark the downfall of Britain. But that was still in the days of Britain's strength and ascendancy. It has remained for the present rulers of Britain to make the attempt in the days of the decline of capitalist Britain, economic exhaustion and impoverishment, and stringency of man-power.

Such have been the immediate decisive factors of the war policy in causing Britain's present critical situation.

8. Menace of Nuclear War for Britain

In its ultimate effect the American nuclear strategy brought into view even more menacing prospects for Britain.

Britain was designed in this strategy as the principal American nuclear bombing base in Europe—the “unsinkable aircraft-carrier.” For this purpose Britain was brought under American military occupation. American air bases and supply bases were spread over the face of Britain.

These American bases in Britain could not be regarded as bases for defence or for the protection of Britain. They were bomber bases, i.e. offensive bases. They were designed to use Britain as a jumping-off ground for dispatching atom bombs or hydrogen bombs or other weapons of mass destruction against the countries of socialism and popular democracy. But the United States has no monopoly of nuclear weapons. If the Soviet proposals for the prohibition and destruction of all nuclear weapons continue to be rejected by the Western powers, and if the United States puts into operation its officially proclaimed strategy of using the nuclear weapon first, with Britain as the main launching base, then it is evident that retaliation must follow to destroy the launching base, and Britain would inevitably be the main target in such a war. The American

bases in Britain, so far from representing a protection for Britain, place Britain in the deadliest danger.

This effect of the American nuclear bombing bases to place Britain "in the front line" of a future war was openly admitted and even repeatedly emphasised by Mr. Churchill:

THE PRIME MINISTER: What I have called the most formidable step taken by the late Government was the establishment in July, 1948, of the great and ever-growing American air base in East Anglia for using the atomic weapon against Soviet Russia should the Soviets become aggressors. . . .

I have on several occasions pointed out to the House the gravity of the late Government's decision and have quoted publicly the expression used in Soviet publications that our island has become an aircraft-carrier. Certainly we must recognise that the step then taken by the Leader of the Opposition places us in the front line should there be a third world war. . . .

MR. ATTLEE: We certainly agreed to the stationing of American bombers in this country as part of Atlantic defence, but it was never put forward specifically as a base for using the atomic bomb against Russia.

THE PRIME MINISTER: That is the impression which, however misunderstanding, they (the Russians) seem to have derived.
(House of Commons, December 6, 1951.)

Similarly in his broadcast on August 8, 1950:

"By establishing the American bomber base in East Anglia we have placed ourselves in the front line of targets in the event of war."

And again in the House of Commons on July 27, 1950:

"Two years ago the Government agreed that the Americans should establish bombing bases in East Anglia from which they could use the atom bomb on Russian cities and key points."

And again in the House of Commons on February 15, 1951:

"We must never forget that by creating the American atomic base in East Anglia we have made ourselves the target, and perhaps the bull's-eye, of Soviet attack."

Along the same lines the Labour Government Minister, Mr. Dugdale, stated that England would become the "Malta" of a third world war:

"In a future war the Atlantic would become like the Mediterranean was in the last war, with England taking the place of Malta."
(J. DUGDALE, Parliamentary Secretary to the Admiralty, speech on March 9, 1949.)

To appease British alarms, the pledge was given by President Truman to Mr. Attlee, and subsequently in written form to Mr. Churchill, that the use of the American bases in Britain for purposes of war would be a matter for "joint decision" by the two Governments, i.e. that the British Government would have the honour of being "consulted" before the American bombers left British soil on their mission of death:

"Under arrangements made for the common defence, the United States has the use of certain bases in the United Kingdom. We reaffirm the understanding that the use of these bases in an emergency would be a matter for joint decision by His Majesty's Government and the United States Government in the light of the circumstances prevailing at the time."

(Truman-Churchill communiqué, January 9, 1952.)

However, the effectiveness of this pledge might prove very limited in practice, so long as the existing policy of the Atlantic War Alliance is maintained. A consideration of the governing factors point inescapably to this conclusion.

First, the experience of the workings of the North Atlantic Treaty Council and of the Anglo-American alliance have already indicated the extent to which United States influence is dominant in the "joint decisions."

Second, it is worth noting that the pledge of consultation is confined to the use of "these bases," i.e. the bases in the United Kingdom, and not to the use of the nuclear weapon. This means that at any moment the United States could unloose a nuclear world war from bases outside the United Kingdom, with the result that in such an international situation the United Kingdom would be drawn in by the obligations of the Atlantic Alliance, and the use of the bases in the United Kingdom would automatically follow.

Third, the promised consultation might prove very much of a formality in the moment of emergency, if we are to trust the accompanying interpretations published in the American Press:

"Consultation would be a matter of a telephone call as United States planes with atom bombs took off for targets."

(*United States News and World Report*, December 21, 1951.)

Fourth, and most important, the entire United States

strategy has been openly based on launching an atomic offensive at the outset of a war—not as a weapon of retaliation in the face of an atomic attack, but to *use the atom bomb first*. This was the ground of the violent antagonism to the call of the Stockholm Petition, signed by over 500 million people, that the power which first used the illegal weapon of the atom bomb should be branded as a war criminal. During the first years after the war the United States and other Western powers professed to agree with the principle of the prohibition of the atom bomb as a criminal and impermissible weapon, and only to disagree with the details of the Soviet proposals for such a prohibition, and to advocate as an alternative the Baruch Plan for the monopoly ownership of all sources of atomic power and of atomic weapons in the hands of a Board independent of the United Nations and controlled by the United States. This pretext was later abandoned. It was openly declared that any proposal to prohibit atomic weapons represented an attempt to deprive the Western powers of their main weapon. United States strategy was stated by General Eisenhower to be based on using the atom bomb first, irrespective of whether it was used by any other power:

“General Eisenhower said that he was concerned at the apparently growing opinion that the United States should never drop the atom bomb first. ‘To my mind the use of the atom bomb would be on this basis: Does it advantage me or does it not, when I get into a war? If I thought the net gain was on my side, I would use it instantly.’”

(GENERAL EISENHOWER’S evidence to the Senate Foreign Affairs and Armed Services Joint Committee, March 11, 1951, *Daily Telegraph*, March 13, 1951.)

Similarly President Truman:

“I made up my mind that the best way to save the lives of those young men—and those of the Japanese soldiers—was to drop those bombs [on Hiroshima and Nagasaki] and end the war. I did it. And I would say to you I would do it again if I had to.”

(PRESIDENT TRUMAN, speech at Pocatello, May 10, 1950.)

“He would not hesitate to use the atom bomb if it were necessary for the welfare of the United States.”

(PRESIDENT TRUMAN reported in *The Times*, April 8, 1949.)

Nor was the viewpoint of the legitimacy of the use of the atom bomb confined to American official quarters. It was equally reflected in British official quarters (thus rendering nugatory any illusion of protection through the pledge of "consultation"), and even in the most "respectable" and "Christian" quarters. Thus the Archbishops' Commission on "The Church and the Atom" reported in 1948:

"On the assumption that to-day the possession of atomic weapons is genuinely necessary for self-preservation, a government, which is responsible for the safety of the community committed to its charge, is entitled to manufacture them and hold them in readiness. The Commission, believes, moreover, that in certain circumstances defensive necessity might justify their use against an unscrupulous aggressor."

(The Church and the Atom: Report of a Commission appointed by the Archbishops of Canterbury and York at the request of the Church Assembly to consider the report of the British Council of Churches entitled "The Era of Atomic Power" and to report: Summary of Conclusions, No. 6.)

The Report further stated:

"Would the abandonment of atomic weapons by the peace-loving powers that possess them contribute anything to the success of a world order founded on justice? It is difficult to think that it would."

(p.106.)

It will be noted that this official clerical justification of the use of the atom bomb was not made subject to its being previously used by another power, but was a justification of using the atom bomb *first* as a "defensive necessity" against an "unscrupulous aggressor" (a definition which applies to the official account of all wars in which Britain has ever taken part). This is, of course, no new story. There is no social crime or wickedness through all the ages which the high prelates of the Christian Churches have not been in the front rank to justify and uphold in the interests of maintaining class domination and the exploitation of man by man.

It was on the basis of this Archbishops' Commission Report that Mr. Attlee was enabled to tell the Americans, as recorded in the *Forrestal Diaries* (see pp. 523 and 491), that there was no

division in the British public mind about the atom bomb and that even the Church in recent days had taken a positive view of its use.

It is therefore necessary for British opinion to recognise plainly that the present American strategy of the Atlantic Alliance carries with it the prospect of the unloosing of an atomic war from the American bases in Britain, with all the consequences that this would bring for Britain.

What would be the consequences of an atomic war for Britain? On this there has been from the outset no question of the extreme vulnerability of this island, even before the advent of the hydrogen bomb brought the whole issue to a new and even more menacing perspective.

“If war should come, and, as seems inevitable in that event, widespread bombardment including atomic bombardment should follow, we have to face the possibility that our great cities will be reduced to smoking radio-active ruins and our people—at least those of them who survive—reduced to a standard of subsistence unknown since the dawn of civilisation.”

(DR. E. H. S. BURHOP, *The Challenge of Atomic Energy*, 1951, p. 76.)

“As a result of a bomb exploded in the Thames, for example, a very great area of the docks and the City could be rendered uninhabitable for years as a result of contamination by radio-active spray.”

(*Ibid.*, p. 55.)

These warnings were not confined to scientists, but were expressed equally by military experts:

“An advanced base is always an exposed spot. With ruthless candour American defence memoranda have described Britain as America’s shock absorber in another war. The position of a shock absorber in the atomic and rocket age is a fatal one.”

(CAPTAIN LIDDELL HART, *Defence of the West*, 1950.)

In the current American official strategy, Britain was regarded as “expendable.”

This prospective rôle and fate of Britain in the American War Plan was set out with unquestionable precision in the U.S. Navy Department Memorandum, quoted by Professor Blackett in his *Military and Political Consequences of Atomic Energy* (1948, pp. 75-6):

"What is necessary to reach the target is a launching base relatively near the target—to put it literally, within five hundred miles.

"... Under the conditions of war in which atomic bombs are available to a possible enemy, the importance of depriving the enemy of bases near one's own shore and preferably of acquiring and maintaining bases close to his territory remains as great as before. The logic supporting this proposition derives from the characteristics of atomic bomb carriers presently known or conceivable. . . . The outlying base, if properly placed, is also a tremendous advantage to the defence as a further measure of protection against long-range bombing aircraft. For such bases provide means of advance protection and interception which greatly augments the obstacles to penetration of vital territories by attacking bombers. These bases may themselves be vulnerable to atomic bomb attack, but so long as they are there, they are not likely to be by-passed. In this respect the advanced base may be likened to the pawns in front of the king on a chessboard; meagre though their power may be individually, so long as they exist and the king stays severely behind them, he is safe."

"The King" is Wall Street. Britain is "the pawn." Such was the glorious outcome of the imperialist war strategy.

The development of the hydrogen bomb since 1952 brought a new and even more serious phase to this whole strategy. The hydrogen bomb opened up the prospect of universal destruction on an immeasurable scale. Indeed, many prominent scientists expressed the view that its consequences could lead to the destruction of all life on earth.

For a short period the Western strategists endeavoured to advocate the theory of the hydrogen bomb as the "great deterrent" in the illusory belief that it represented a Western monopoly. This illusion was soon shattered by the facts; for in February, 1955, the Soviet Foreign Minister gave the warning that "with reference to hydrogen weapons, the United States and not the Soviet Union is among those who are lagging behind." For a further short period the Western strategists endeavoured to console themselves with the reflection that at any rate they had unquestioned superiority in the production of long range transcontinental bombers to deliver the bomb. This illusion was shattered by the Soviet air display in July, 1955, after which the United States General Phillips had mournfully to admit that "the Soviets have succeeded in getting into production in advance aircraft in any one type two or

three years ahead of the West" and "in every type faster and in greater numbers than the United States."

Nevertheless, in spite of the undeniable fact that there was no monopoly of nuclear weapons, and that the launching of atomic and hydrogen bomb warfare would inevitably be met with retaliation, the N.A.T.O. Council in December, 1954, took the grave decision of officially adopting nuclear strategy for a future major war. This decision was further endorsed in the British Defence White Papers of 1955 and 1956. The *Statement on Defence, 1956*, even envisaged the use of nuclear weapons in "limited wars" and "localised conflicts." The Defence White Paper of 1957 planned the complete reorganisation of the armed services for the purpose of nuclear war.

9. *Advance of the Fight for Peace*

The increasing gravity of the international situation and of the visible menace of a nuclear world war, did not develop without the most active counter action of the peoples of all countries to check the menace and turn the course from the policy of rearmament and cold war to a policy of peaceful co-existence.

Already in relation to the war in Korea pressure of international public opinion played an important part in checking the plans for the extension of the war and for the use of atomic weapons, and finally succeeded, following the military failure of the imperialist invading armies, in winning a cease-fire by 1953.

In 1954 this victory for peace was followed up by the further victory of the cease-fire in Vietnam. The plans for a combined imperialist intervention at the beginning of 1954 were defeated, both by the resistance of the Western European peoples, including the official refusal of Britain to fall in with the American plans, and by the strength and heroism of the fight of the Vietnam people, culminating in the victory of Dien Bien Phu. The role of India and the Conference of the Colombo Powers also helped to prepare the way for peace. The Geneva Conference in the summer of 1954, despite the refusal of the United States to participate, achieved agreement for a cease-fire in Vietnam. This was the second great victory for peace.

A significant part in this change in the world situation was played by India under Premier Nehru and by the co-operation

of India and the Chinese People's Republic for peace. The visit of the Chinese Premier, Chou En-lai to India in the autumn of 1954, and the subsequent visit of Premier Nehru to China and to the Soviet Union in 1955, resulted in the adoption of the Five Principles of Peace agreed by China and India and endorsed in the declaration of India and the Soviet Union.

In the spring of 1955 the Afro-Asian Conference at Bandung assembled the representatives of states with a population comprising the majority of the people of the world, and, despite all attempts at disruption, ended in unanimous agreement for the policy of peaceful co-existence, opposition to colonialism and to the imperialist war plans and sectional military alliances, and for the peaceful solution of all issues.

The World Peace Movement developing from the Wroclaw Conference in 1949, through succeeding world conferences at Paris in 1949, Warsaw in 1950, Peking in 1952 and Helsinki in 1955, helped to draw in hundreds of millions of people in all countries of the world, without division of religion, colour, race or political outlook, in the common struggle for peace. The strength of support was shown in the 482 million signatures won for the Stockholm Appeal in 1950 against the use of atomic weapons, the 612 million signatures won during 1951-2 for a Five Power Peace Pact, and the 650 million signatures won in 1955 for the Appeal against atomic war.

The development of the hydrogen bomb, and the decision of the N.A.T.O. Council at the end of 1954 to adopt nuclear strategy in a future war, shocked public opinion throughout the world and gave a new impetus to the struggle for peace, drawing in still wider sections which had not previously taken a stand. The demand for a meeting of Heads of States, which had been continuously pressed by the peace movement, and which had been echoed by Sir Winston Churchill in May, 1953, won such overwhelming popular support as to overcome the prolonged resistance of the Western strategic and political leaders. The bankruptcy of the "policy of strength," as soon as it was realised by the beginning of 1955 that there was no Western nuclear monopoly or superiority, and the pressure of public opinion, compelled the Western leaders to abandon their former resistance to this project. The role of public opinion was shown by the fact that the British Prime Minister, Sir

Anthony Eden, in the midst of the General Election in May, 1955, reversed his own previous statement of a few weeks earlier and placed in the forefront the aim of an immediate meeting of the Heads of States, while the United States, which had previously been most insistent in opposing this prospect, concurred.

The Geneva meeting of President Eisenhower and Premiers Bulganin, Eden and Faure in July, 1955, marked an important turning point in the international situation. This was the first meeting of the Heads of States of the Four Powers since the Potsdam Conference ten years before. The Geneva Conference reached positive results, not yet in the solution of specific questions but by the contacts established, the conciliatory character of the speeches from all sides, the universal acceptance in principle of the aim of peaceful co-existence, and the consequent relaxation of international tension and preparation of the ground for the serious attempt to reach a peaceful solution on the various questions at issue in the international situation.

In this way the Geneva Conference opened the doors to a new perspective for peace. This very success, however, led to a renewed offensive of the most aggressive sections of imperialism to reverse the trend. The danger of war remained acute, as the aggressive Suez war in 1956 demonstrated. Nevertheless, the favourable opportunity had been opened out by the Geneva Summit Conference of 1955, provided the pressure of the people for peace was maintained and carried forward, to replace the disastrous policies of cold war, rearmament and the preparation of nuclear war by the alternative policies of peaceful co-existence, reduction of armaments, banning of nuclear weapons and international co-operation. Further development along this path will depend on the strength and activity of the supporters of peace and the peoples of all countries to overcome the resistance of the powerful forces which still cling to the policies of imperialist colonial wars, sectional military alliances, the cold war and the strategy of nuclear war.

CHAPTER XIV

LABOUR AND EMPIRE

“You cannot rob other people and hold the loot by means of sermons on brotherhood and prayers for peace.”

ROBERT BLATCHFORD in 1908.

THE survey of the present crisis of Britain and the British Empire leads straight to a peculiar problem. This problem is the heart of the present British political situation.

It is inescapable on any objective survey that the imperialist policies, which were so gaily proclaimed half a century ago as the path to prosperity and the triumphant alternative to socialism, have landed Britain in a morass, in a desperate economic situation, worsening conditions and lowered standards, subjection to American domination, costly and shameful colonial wars, and the menace of a catastrophic nuclear war.

Yet, if we examine the surface picture of British politics, as expressed in the official programmes of the two dominant major parties, there has been no trace of any attempt during these critical years to change the policies which have led to this ruinous outcome.

How is it possible that these disastrous and menacing policies of present-day British imperialism have up to the present been accepted with relative acquiescence by the majority of the British people, so far as their wishes are reflected through the major parties?

Why is it—as representatives of the colonial peoples often ask with justifiable indignation—that the masses of the British people, humane and progressive as they are in their outlook on all matters close to them, can permit such infamous actions to be perpetrated in their name as the brandishing of severed heads in the war in Malaya, the price of £30,000 on a patriot insurgent, the collective punishment of impoverished villages, the poisoning of food crops, the herding of hundreds of thousands behind barbed wire, or all the long record of brutality and barbarity in the colonial sphere?

Why has the outcome of a half a century of development of the Labour Party, which was founded by the pioneers of the socialist movement with the hope of establishing the instrument for the ending of capitalism and realisation of socialism, ended up to the present in the frustration of the hopes of these pioneers, the practical acceptance of ruling-class policies, and indefinite postponement or even repudiation by the dominant leadership of the aim of socialism?

Why has the working-class movement of countries of much later capitalist development, and therefore with more recent origins of the working-class movement, been able to outstrip the country that was the cradle of the working-class movement, and completely clear out the domination of the big capitalists and landlords and take possession of the wealth of their country, while finance-capital and landlordism remain entrenched in Britain?

These are questions which go to the heart of the British political situation and of the modern development of the British labour movement. They lead straight to the central problem of the British labour movement and of British politics—the problem of Labour Imperialism.

1. The Anti-Imperialist Tradition

The true traditions of socialism and the working-class movement have always been anti-imperialist.

Chartism proclaimed its outlook on the colonial question in the declaration of the Fraternal Democrats in 1846: .

“There is no foot of land, either in Britain or the colonies, that you, the working class, can call your own. . . . They, your masters, will take the land—they will fill all the higher situations, civil and military, of the new colonies—your share will be the slaughter of the combat and the cost of winning and retaining the conquest. The actual settlers on and cultivators of the soil, these are the rightful sovereigns of the soil, and should be at perfect liberty to choose their own form of government and their own institutions.”

(Northern Star, March 7, 1846.)

Similarly, Bronterre O'Brien wrote in 1838, on the occasion of a declaration of support for the Irish people, signed by representatives of 136 Chartist and workers' associations in England, Scotland and Wales:

“Ireland has no possible means of extricating herself from the

frightful state of destitution and bondage in which her oppressors hold her, without the assistance of the men of Great Britain. The converse of this proposition applies with almost equal force to the impoverished people in England and Scotland. . . . Well, then, seeing that the productive classes of the two islands have the same wants and the same enemies; why should they not look forward to the same remedy, and make common cause against the common oppressor?"¹

(BRONTERRE O'BRIEN, article on the "Address by the Radical Reformers of England, Scotland and Wales to the Irish people," *Operative*, November 4, 1838.)

✓ George Julian Harney proclaimed the principles of working-class internationalism in 1846:

✓ "I appeal to the oppressed classes of every land . . . to unite . . . for the triumph of the common cause. . . . The cause of the people in all countries is the same—the cause of labour, enslaved and plundered labour. . . . In each country the tyranny of the few and the slavery of the many are variously developed, but the principle in all is the same. . . . The men who create every necessity, comfort and luxury, are steeped in misery. Working men of all nations, are not your grievances, your wrongs, the same? Is not your good cause, then, one and the same also? We may differ as to the means, or different circumstances may render different means necessary, but the great end—the veritable emancipation of the human race—must be the one aim and end of all. . . ."

(G. J. HARNEY, speech to the German Democratic Society for the Education of the Working Masses, *Northern Star*, February 14, 1846.)

Ernest Jones' *Revolt of Hindustan*, written in 1848–50, and republished in 1857, remains a classic of the democratic anti-imperialist tradition, with many passages of prophetic insight.¹ Of the Indian Revolt of 1857 he wrote:

"There ought to be but one opinion throughout Europe on the Revolt of Hindustan. It is one of the most just, noble and necessary ever attempted in the history of the world."

(*People's Paper*, September 5, 1857.)

¹ This same poem contains a very striking prediction of the future militarist and expansionist role of capitalist democracy in the United States, with its foundation in the subjection of the Negro:

"But, when thy natural limits once possessed
Thou too shalt seek to colonise a west,
Round coral girt Japan thy ships shall fly
And China's plains behold thine armies die."

Of the colonial system of the British Empire he wrote:

“On its colonies the sun never sets, but the blood never dries.”

(*Notes to the People*, May, 1851.)

Ernest Jones, who had the advantage of contact with Marx and Engels, reached an understanding of the political importance of an alliance between the peoples of a ruling country and of a subject country, and the firm recognition that the division between the two is the key to their common oppression. In an Address “To the Men of Ireland” in 1856 he wrote:

“Such a division has existed between the Irish and English nations—and to that division Ireland owes its sufferings—the English people owe their political and social serfdom. Irish bayonets were massed in England to coerce the British; Saxon bayonets were ranged in Ireland, to coerce the Celt—and mutual animosities and hatreds were the result. Nay! our mutual oppressors made their own iniquities their safeguard. Men of Ireland! *our* rulers, who oppressed *us*, oppressed you—and you hated us for that which should have made you sympathise with us and hate them!”

In vivid words, which have their significance to-day for the relationship of British and Malayan or British and African working people, he described the common oppression and sounded the call to the common struggle:

“Grievously, indeed, has Ireland suffered at the hands of England, but who inflicted that suffering? Was it the English people? Never! Those who slew you at Rathcormac, slew us at Peterloo; those who imprisoned you in the DUBLIN Newgate, imprisoned us in the LONDON one. Those who passed the curfew laws for you, passed the six-acts for us. Those who robbed you of your lands robbed us as well. Those who ejected the cottar in Ireland, created the pauper in Great Britain. . . .

(*People's Paper*, March 8, 1856.)

This tradition of working-class internationalism and anti-imperialism was carried forward through the participation of the British working-class movement in the First International, or International Working Men's Association, and its support for the Irish national liberation movement.

The re-birth of socialism in Britain during the 'eighties was accompanied by a renewed intensity of the anti-imperialist fight. The pioneers of modern socialism in Britain began their

work in the period when the former industrial world monopoly had begun to weaken, and when the violent aggressive and expansionist tendencies of the so-called "new imperialism," most prominently associated with Chamberlain and Rhodes, but already initiated under Disraeli and Gladstone's second ministry, were dominating the political scene.

✓ Inheriting the old radical tradition, and with the teachings of Marx and Engels to guide it, the early socialist movement of the 'eighties was vigorously anti-imperialist. ✓ The *Manifesto on the Sudan*, issued by the Socialist League in March, 1885, and signed by William Morris, Eleanor Marx Aveling, Bax and others, may be regarded as the first historic declaration of British Socialism against imperialism and its colonial wars. The *Manifesto* opened:

"A wicked and unjust war is now being waged by the ruling and propertied classes of this country, with all the resources of civilisation at their back, against an ill-armed and semi-barbarous people whose only crime is that they have risen against a foreign oppression which those classes themselves admit to have been infamous. Tens of millions wrung from the labour of workmen of this country are being squandered on Arab slaughtering; and for what: (1) that Eastern Africa may be 'opened up' to the purveyor of 'shoddy' wares, bad spirits, venereal disease, cheap Bibles and the missionary; in short, that the English trader and contractor may establish his dominion on the ruins of the old simple and happy life led by the children of the desert; (2) that a fresh supply of sinecure Government posts may be obtained for the occupation of the younger sons of the official classes; (3) as a minor consideration may be added that a new and happy hunting ground be provided for military sportsmen, who, like the late lamented Colonel Burnaby, find life boring at home and are always ready for a little Arab shooting when occasion arises. All these ends determine the dominant classes, though in different proportions, to the course they are pursuing."

The conclusion declared:

"We ask you to consider who it is that have to do the fighting on this and similar occasions. Is it the market-hunting classes themselves? Is it they who form the rank and file of the army? No! but the sons and brothers of the working classes at home. They it is who for a miserable pittance are compelled to serve in these commercial wars. They it is who conquer for the wealthy, middle and upper classes, new lands for exploitation, fresh populations for pillage, as these classes require them, and who have, as their reward, the assurance of their masters that they are 'nobly fighting for their Queen and country.'"

Nor was this anti-imperialist outlook confined to the Marxist socialists who initiated the modern socialist movement in Britain. It was common to all sections of the working-class socialist movement (the Fabians, representing the liberal middle-class outlook, remained apart, and later became the channel of imperialist influence). Anti-imperialism was at first equally expressed by the later more vague and emotional schools of socialism which developed after the initial impulse given by Marxism.

Keir Hardie fought the corruption of Fabian Imperialism at the time of the South African war and wrote:

“In the transition stage from commercialism to socialism there must be much suffering. . . . A great extended Empire lengthens the period required for the change, and thus prolongs the misery, and it follows that the loss of the Empire would hasten the advent of socialism. The greater the Empire, the greater the military expenditure, and the harder the lot of the workers. Modern imperialism is in fact to socialists simply capitalism in its most predatory and militant phase.”

(Quoted in *The Life of Keir Hardie*, by William Stewart.)

In 1907 the old Socialist International at its Congress at Stuttgart adopted its resolution on the colonial question (after a sharp controversy against the revisionists who advocated compromise with imperialism in the name of a so-called “socialist colonial policy”):

“The Congress declares that capitalist colonial policy in its innermost essence of necessity leads to the enslavement, forced labour or extermination of the native population of the colonised areas. The civilising mission which capitalist society professes serves only as a cover for the thirst for exploitation and for conquest. Only socialist society will first offer all nations the possibility of full cultural development.” ✓

The close association of the militant working-class and socialist movement with anti-imperialism has continued to be demonstrated, also in the post-1914 period of open Labour Imperialist domination of the official leadership and policy, in all periods of heightened militancy.

In 1925 the Trades Union Congress at Scarborough adopted the following resolution by 3,082,000 to 79,000 votes:

“This Trades Union Congress believes that the domination of

non-British peoples by the British Government is a form of capitalist exploitation having for its object the securing for British capitalists (1) of cheap sources of raw materials; (2) the right to exploit cheap and unorganised labour and to use the competition of that labour to degrade the workers' standards in Great Britain.

It declares its complete opposition to imperialism and resolves (1) to support the workers in all parts of the British Empire in organising trade unions and political parties in order to further their interests, and (2) to support the right of all peoples in the British Empire to self-determination, including the right to choose complete separation from the Empire."

These declarations embody the abiding anti-imperialist traditions of the working-class movement and socialism. Labour Imperialism expresses only the temporary corruption of an upper stratum, which holds back the advance of the movement and delays the victory of socialism.

2. Labour Imperialism

In nineteen hundred appeared a book entitled *Fabianism and the Empire*. This was the first manifesto of what came to be known as Fabian Imperialism. Its thesis was set out in the declaration:

"The problem before us is how the world can be ordered by Great Powers of practically international extent, arrived at a degree of internal industrial and political development far beyond the primitive political economy of the founders of the United States and the Anti-Corn Law League. The partition of the greater part of the globe among such Powers is, as a matter of fact that must be faced, approvingly or deploringly, now only a question of time; and whether England is to be the centre and nucleus of one of those Great Powers of the future, or to be cast off by its colonies, ousted from its provinces, and reduced to its old island status, will depend on the ability with which the Empire is governed as a whole."

The conclusion from this analysis was ruthlessly drawn in the interest of Western imperialism, presented as "international civilisation":

"The State which obstructs international civilisation will have to go, be it big or little. That which advances it should be defended by all the Western Powers. Thus huge China and little Monaco may share the same fate, little Switzerland and the vast United States the same fortune."

On the basis of this thesis the leaders of Fabianism supported

the mission of Chamberlain, Milner and British High Finance in the predatory South African War as representing the supposedly "progressive" aim of the incorporation of a backward smaller unit in a more advanced larger unit.

"The majority of the Society recognised that the British Empire had to win the war."

(E. R. PEASE, *History of the Fabian Society*, revised edition, 1925, p. 128.)

At the time this open adoption of imperialism by a professedly "socialist" body—even though only a very tiny middle-class group of 800 members, with no basis in the working class—aroused an outcry of indignation throughout the working-class and socialist movement. Ramsay MacDonald (later to be distinguished by the violence of his Government's repressive measures in India, Burma and Iraq), G. N. Barnes (later to become a member of Lloyd George's War Cabinet), Mrs. Pankhurst (later to found the ultra-jingo "Women's Patriotic Union") and others resigned from the Fabian Society as a protest. Yet in fact Fabianism, as in most of its work, was only expressing and setting out in black and white with shameless clarity the outlook and policy of the special relatively privileged social strata (administrative civil servants, professional and salaried groupings, and the upper levels of the labour bureaucracy) closely allied with the ruling capitalist class in the new conditions of development towards state monopoly capitalism and imperialism. It is symptomatic of this relationship that Sidney Webb, the founder of Fabianism, was originally an official of the Colonial Office.¹

Already in the nineteenth century Marx and Engels had shown how the key to the special character of the British Labour Movement lay in the world monopoly and colonial monopoly of British capitalism (see Chapter IV, § 3, on the "Outcome for the British Labour Movement," pp. 85–8). They showed how a "small privileged minority" of the working class and its leadership was corrupted by sharing in the spoils of Britain's world monopoly, and how this was the economic basis of the "liberal-labour" politics of alliance with capitalism and opposition to socialism—what Engels referred to as the

¹ In his later years, Sidney Webb revised his former views in the light of experience (see p. 495 n).

“bourgeois labour party.”¹ Against this acceptance of capitalist politics and alliance with capitalism the early socialists, like Tom Mann and Keir Hardie, strove to wage a tireless fight, and met with the same vilification and opposition from the older “Lib.-Lab.” leadership, as the Communists receive to-day in their similar fight at the hands of the leaders of Labour Imperialism.

“Neither Marx nor Engels lived to see the imperialist epoch of world capitalism which began not earlier than 1898-1900. But already in the middle of the nineteenth century, the peculiar feature of England was that it revealed at least *two* of the outstanding characteristics of imperialism: (1) vast colonies; (2) monopoly profit (due to a monopolistic situation on the world market). In both respects the England of that time was an exception among the capitalist countries; but Marx and Engels, analysing that exception, clearly and definitely indicated its *connection* with the (temporary) victory of opportunism in the English labour movement.”

(LENIN, *Imperialism and the Split in Socialism.*)

Lenin carried forward this analysis in the twentieth century and gave close attention to the special characteristics of the labour movement in Britain. He showed how in the era of imperialism the old Labour Reformism had ripened into Labour Imperialism—the open alliance of reformism with imperialism.

“On the one hand, there is the tendency of the bourgeoisie and opportunists to convert a handful of the richest, privileged nations into ‘eternal’ parasites on the body of the rest of mankind, to

¹ An early symptom of the attempt to associate the trade union movement directly with colonial exploitation is recorded in the proceedings of the 1879 Trades Union Congress. A Mr. James Bradshaw described as a Manchester merchant was introduced by the platform to open a discussion on “Africa—The Remedy for the Trade Depression in England.” He claimed that he had the backing of the Duke of Manchester and Lord Shaftesbury as well as a group of capitalists in London who were good for £1,000,000. He said the trade unions should invest in an African trading corporation. He explained that “the securing of Africa was the best way of paying off old scores with America for her protective tariffs.” He was cheered by some delegates when he drew a graphic picture of the immense commercial possibilities of the African continent. He said “Centuries of commercial development could not exhaust the necessities of 350,000,000 of population. The question was how Africa could best be utilised for the benefit of British industries.” H. Crompton (Liverpool lawyer and Positivist) passionately opposed him. J. D. Prior (Carpenters and Joiners and successor to Applegarth) supported by Burtwistle (Accrington and described as “a representative of factory operatives”) said “that in Africa there was a large field for British enterprise.” Shipton (London T.C. and Painters) opposed saying: “How could the scheme be accomplished except by the sword?” A rather non-committal resolution was finally adopted.

'rest on the laurels' of the exploitation of Negroes, Hindus, etc., by keeping them in subjection with the aid of the excellent technique of destruction of modern militarism. On the other hand, there is the tendency of the *masses* who are more oppressed than formerly and who bear the brunt of the misfortune caused by imperialist wars, to throw off that yoke, to overthrow the bourgeoisie. The history of the labour movement will from now on inevitably develop as the history of the struggle between these two tendencies: for the first tendency is not accidental, it is 'founded' on economics. The bourgeois has already begotten, nurtured, secured for itself 'bourgeois labour parties' of social chauvinists in *all* countries. . . . The important thing is that the economic desertion of a stratum of the labour aristocracy to the side of the bourgeoisie has matured and become an accomplished fact. And this economic fact, this change in the relations between classes, will find political expression in one form or another without much 'difficulty.'

"On the economic basis referred to, the political institutions of modern capitalism—press, parliament, trade unions, congresses, etc.—created *political* privileges and sops for the respectable, meek, reformist and patriotic office employees and workers, corresponding to the economic privileges and sops. Lucrative and easy berths in the Ministries or war industries committees, in Parliament and on various commissions, on the editorial staffs of 'respectable' legal newspapers, or on management boards of no less respectable and 'bourgeois, law-abiding' trade unions—these are the means with which the imperialist bourgeoisie attracts and rewards the representatives and adherents of the 'bourgeois labour parties.'"

(LENIN, *Imperialism and the Split in Socialism.*)

This was written before the creation of the new "super-aristocracy" of the Labour movement serving with Tories and big monopolists on the Boards of "nationalised" industries, Colonial Development schemes, etc., on a level of salaries and emoluments equivalent to Big Business directors, and thus carrying forward the process described by Lenin to a scale undreamed of in his day.

The economic basis of Labour Imperialism thus lies in the temporary superior privileged conditions of a section of the working class and its leadership sharing in a fragment of the super-profits obtained from the exploitation of the vast mass of the workers on a world scale, and especially of the impoverished and heavily exploited colonial and semi-colonial peoples. This provides the economic basis for the alliance of this section with the ruling capitalist class to hold down the impoverished unprivileged majority.

This relationship is most clearly and sharply expressed in the gulf between the conditions of white workers and colonial workers in a colonial country. Thus on the North Rhodesian copper belt in 1953, 36,147 African workers earned £4,842,633 (including rations and bonuses) and 5,879 white miners and employees earned £9,965,780 (including bonuses). Thus the African worker earned an average of £134 over a year, while the white worker earned £1,678, or over twelve times as much. The white workers secured and sought to maintain an agreement with the mining companies which originally debarred Africans in practice from all skilled and much semi-skilled work, and, even when this had to be modified in a very slight degree, placed heavy obstacles in the way of their advance.

Here the division of the working class is open and uncoerced. The narrow organisations of the privileged white labour aristocracy strive tenaciously to maintain their position from being swamped and undercut by cheap colonial labour, and so uphold policies which find expression in the colour-bar or such slogans as "White Australia." In consequence the resentment of the oppressed colonial workers is directed against the privileged white workers as the favoured allies of their oppressors. The monopolists are able to take advantage of this division in order to maintain their power and the exploitation of all the workers.

√ The political reflection of this colour-bar basis of labour organisation has been shown in an extreme form in the record of the South African Labour Party, which in 1911 helped to carry the Mining and Works Act, designed to impose restrictions on the grounds of colour in skilled occupations, and in 1924 combined with the reactionary racialist Nationalist Party to form a Coalition Government under General Hertzog and helped to sponsor the Colour Bar Act.

In the metropolitan imperialist country the contrast between the relative privileged situation of the workers, and especially of the better-off upper sections of skilled workers, and the misery of the colonial masses is less obvious and open in daily life. The majority of the workers in an imperialist country share *unconsciously* in the exploitation—and for the vast majority, in a very small fragment of the exploitation—of the colonial peoples. The "plums" go to the upper section of the labour bureaucracy, who receive very direct material advantages

("lucrative and easy berths" associated with the operation of state monopoly capitalism, lavish payments from the millionaire press, and many "pickings," apart from direct corruption), and reach a standard bringing them socially close to the bourgeoisie. It is in this stratum that the alliance with the capitalist class reaches full consciousness and open theoretical expression in the shape of Labour Imperialism or Right-wing Social Democracy.

All the literature of Reformism—of the so-called "British School of Socialism" or "Evolutionary Socialism" or "Democratic Socialism"—without exception rests on the permanent assumption of the Empire. The vast overseas tribute income is taken for granted. The problem is seen as one of "distribution." Just as Churchill, when Chancellor of the Exchequer, openly proclaimed the social services to be based on the overseas investment income, so Reformism assumes the same permanent basis for its social services and proclaims the outcome as the "Welfare State."

When the instability and impermanence of this basis is revealed in Britain's deficit in the balance of payments, Reformism is thrown into a panic of impotence and bankruptcy, desperately turns to the conventional emergency measures of capitalism in crisis at the expense of the workers, and feverishly strives to rebuild the basis of empire tribute. This is the history in a nutshell of the Third Labour Government—the demonstration of the bankruptcy of Labour Imperialism.

To-day, in the era of the deepening crisis of the imperialist system, the function of Labour Imperialism or Right-wing Social Democracy takes on special importance.

The plans of imperialist policy and strategy are so directly contrary to the interests of the British people in the present situation, place such crushing burdens upon them, and hold out such menacing and destructive future prospects, that the task of winning support or acceptance for them from the mass of the working people can no longer be accomplished by the imperialist financial oligarchy alone—even with all their gigantic apparatus of control of the Press, radio, schools, etc. ✓

A special agency is needed to reach into the heart of the working class movement and popular opinion, and to conceal or distort the realities of empire and the crisis and the policies being pursued behind popular-sounding or even "socialist"

slogans. This is the role of Labour Imperialism in the era of the crisis of the imperialist system. Right-wing Social Democracy has become in the present phase the main propagandist, and, when in office, executor of the colonial policies of imperialism.

Attlee and Bevin dispatching Spitfires and Gurkhas and Dyak head-hunters to spread massacre in Malaya; Blum crippling the French Budget to turn fire and sword against the freedom struggle of Vietnam; or the barbarous war of Mollet in Algeria—here is revealed the true picture of “democratic socialism” and “socialist humanism.”

It will be necessary to examine more fully the current expressions of official Labour policy in the Empire in order to get closer to the essence of Labour Imperialism and its methods of covering imperialist practice with “socialist” phrases.

3. *Arguments of Empire:*

In 1948 the former Editor of the *Daily Herald*, Mr. Francis Williams, who had occupied the position of Press Officer to Mr. Attlee as Prime Minister, published a study entitled *The Triple Challenge*, in which he sought to prove that the Labour Government of Mr. Attlee had represented a triple challenge: (1) to Tory economic policy; (2) to Tory foreign policy; and (3) to Tory colonial policy. Unfortunately for the author, the *Daily Telegraph*, the organ of Toryism, in reviewing the book, blandly stated that the last two at any rate were nonsense, since there was no difference in policy.

The outlook of “Social Democracy” or Labour Imperialism on the colonial question has found its current theoretical expression in such publications as *Fabian Colonial Essays* (1945), with contributions by A. R. Creech Jones, who became Colonial Secretary in the Labour Government, and others; Dr. Rita Hinden’s *Empire and After* (1949); and the various pamphlets and booklets of the Fabian Colonial Bureau.

An elaborate attempt is made to construct a special “socialist colonial theory” and “socialist colonial policy.”

Is there in reality a special Social Democratic colonial theory? An examination of the facts will show that the distinction has no solid foundations. Social Democratic colonial theory and policy is, in essence, identical with colonial theory and policy. It is the theory and policy of modern imperialism decked out

with phrases to give it a "progressive" and "socialist" appearance.

The essential line of Social Democratic colonial propaganda is to declare:

(1) That capitalist exploitation and imperialism belong to the past and a new enlightened policy is now pursued in the colonies.

(2) Colonial policy is for the benefit of the colonial peoples and represents a civilising mission (*a*) to prepare them for self-government, (*b*) to assist their economic, social and cultural development.

(3) No tribute is taken from the colonies; the British Government pays out money for the benefit of the colonies, thus running them at a loss for philanthropic reasons.

All these lines of argument, which are the staple of official Labour Party propaganda on the Empire, are equally the staple of official Tory propaganda on the Empire. The eloquent pleas of Mr. Creech Jones and Mr. Griffiths, when in charge of the Colonial Office for the Labour Government, could be quoted word for word in almost exactly identical terms from the previous Tory Colonial Secretary, Mr. Stanley. It is, of course, always possible that the same senior civil servant wrote them. The arguments of Labour Imperialism and Toryism on the colonial question are in all essentials identical, with, at the most, occasional variations in phrasing to adapt the same line to different types of audience.

It is true that for polemical purposes, and especially at election times, the Labour Imperialists are accustomed to denounce "Tory Imperialism" as an "obsolete" "nineteenth-century" "Victorian" survival.

"The Tory still thinks in terms of Victorian imperialism and colonial exploitation."

(Labour Party Election Manifesto, October, 1951.)

Similarly, Mr. Morrison in his election broadcast in 1951, answering Mr. Churchill's criticism of his policy in Iran (where his original bellicose preparations and threats had been followed by a sudden retreat as soon as the United States refused support) made great play with the out-of-date outlook of Mr. Churchill in relation to the Empire as representing "the nineteenth-century mind" and equivalent to the Duke of

Wellington caught in the hubbub of modern traffic. Unfortunately for this line of argument, the United States Ambassador in Iran at the time, Mr. Grady, writing subsequently in 1952 in the *Saturday Evening Post* on "What Went Wrong in Iran," roundly blamed Mr. Morrison's "Victorian" outlook in relation to the Empire, and stated that the British policy of Mr. Morrison as Foreign Secretary in relation to Iran—

"springs from a colonial state of mind which was fashionable and perhaps even supportable in Queen Victoria's time, but is not only wrong and impractical to-day, but positively disastrous."

In this triangular contest of recrimination between twentieth-century imperialists, the pot indeed calls the kettle black, and the cauldron finds both sooty.

In this connection it is worth recalling what Engels said about ruling-class hypocrisy:

"The more civilisation advances, the more it is compelled to cover the evils it necessarily creates with the cloak of love and charity, to palliate them or to deny them—in short, to introduce a conventional hypocrisy which was unknown to earlier forms of society and even to the first stages of civilisation, and which culminates in the pronouncement: The exploitation of the oppressed class is carried on by the exploiting class simply and solely in the interests of the exploited class itself; and if the exploited class cannot see it and even grows rebellious, that is the basest ingratitude to its benefactors, the exploiters."

(ENGELS, *The Origin of the Family*, Ch. IX.)

A survey of the characteristic utterances of official Labour Party spokesmen on the Empire reveals that there are certain familiar themes which are repeated with wearisome iteration. These themes are, however, mutually inconsistent and contradictory—a sure sign that we are here in the realm of apologetics rather than of serious argument. To demonstrate this, it will be worth while to set out and illustrate the most typical themes.

Theme I: The "End of Imperialism": "There is no Imperialism"

This is the most familiar theme (it is, in fact, common also to the late General Smuts and Tory imperialists). As an illustration we may examine some of the characteristic utterances of Mr. Attlee or Mr. Bevin during the period of the third Labour Government.

On July 3, 1949, Mr. Attlee, Labour Prime Minister of Britain, delivered a speech at Manchester to attack the menace of Communism:

"Let me give you another example of Communist hypocrisy. The Communists are fond of accusing the Labour Party of imperialism.

"During these years we have had to face momentous decisions with regard to the British Commonwealth.

"Burma decided that she wished to leave the Commonwealth. We were sorry, but we accepted that decision.

"India and Pakistan wished to be free to govern themselves. . . . We agreed and the change was effected. The same with Ceylon, which is now a full member of this great community of nations.

"Never before has there been such a handing-over of sovereignty freely given."

Within forty-eight hours of Mr. Attlee's declaration of the renunciation of imperialism, new Supplementary Estimates for £21 million were presented to an astonished House of Commons on July 5, 1949, to add to the already overburdened British Budget. These £21 million Supplementary Estimates included:

	£	
Malaya	6,000,000	(military operations extra costs)
Burma	11,250,000	(compensation to British monopolies)
Cyrenaica, Tripoli, Somaliland, Eritrea	1,500,000	
Borneo	600,000	(for the British North Borneo Co.)
Transjordan	500,000	(subsidy for King Abdullah and the Arab Legion)
Middle East	245,000	
Greece	145,000	(aircraft for Greek Government)
	<hr/>	
	£20,240,000	

Out of £21 million Supplementary Estimates, additional to all that had been already voted, £20 million were required for the expenses of Empire and overseas military commitments in the most far-flung quarters of the globe. For a Power which is supposed to have abandoned imperialism the burdens of Empire appear to be still considerable.

Mr. Bevin, Foreign Secretary, addressed the National Union of Manufacturers on October 14, 1948, and proclaimed:

"We have ceased to be an Imperialist race; we dominate nobody." In the same speech he proceeded to outline his modest programme (report and italics from the *Daily Herald*):

"I believed and still believe that

"If we can organise Western Europe with its direct connection with the Middle East,

"If we can use the great resources of our Colonial Empire in Africa,

"If we can work out co-operation with our great Dominion of South Africa,

"If we can arrange matters correctly with Pakistan and India,

"If we can maintain a correct position in South-east Asia, and

"If we can make our proper contribution to the revivification of China,

then with a little planning we somehow occupy the position of a great balancing factor as between East and West, and may provide the correct equipoise and the correct equilibrium for the maintenance of peace and prosperity in the world."

"The Middle East." "Our Colonial Empire in Africa." "Pakistan and India." "South-east Asia." "China." It is evident that the renunciation of imperialism must not be confused with isolationism or the abandonment of commitments all over the world.

Mr. Alexander, Minister of Defence, explained to the House of Commons on March 3, 1949, in greater detail the character of these commitments:

"We have to cover risks, including Hong Kong and Malaya.

"We have to think of the difficult position in the Middle East and the Mediterranean.

"Our commitments in Greece have to be maintained. . .

"We have to watch developments in East and West Africa, and in places as far apart as Honduras and in the extreme South."

In view of these commitments, it is not surprising that Labour Britain, having abandoned imperialism, found it necessary to raise armaments expenditure (£1,090 million in 1951, as against £186 million in 1936) to nearly six times the level, in money terms, or three times in value, of the pre-war Tory Government a decade and a half earlier, which was still maintaining the Empire. The "abandonment of imperialism" must evidently be understood in a Pickwickian sense.

Theme II: End of the "Old Imperialism": "There is no Exploitation"

This is a variant of the first theme. In the words of the *Labour Speaker's Handbook: 1948-9*:

“In all the areas under our control we have abandoned the old type of capitalist imperialism.”

Similarly at the Africa Colonial Conference in October, 1948, Mr. Herbert Morrison said:

“We must wipe out the word ‘exploitation.’ It is no longer a question of capitalist exploitation or imperialism.”

This was the same year 1948 in which—to illustrate Mr. Morrison’s “wiping out” of “capitalist exploitation”—Rhokana Copper raised its dividend for fortunate investors to 100 per cent., as against 60 per cent. in 1946. By 1950 Rhokana Copper dividends had risen to 120 per cent. and by 1951, including bonus, to the equivalent of 200 per cent.

However, let us do justice to Mr. Morrison. His ambitious programme is to “wipe out the *word* ‘exploitation.’” He wishes to relegate the ugly *word* to the museum of the bad old past. Of course the reality of capitalist exploitation and imperialism continues to exist, and also of violent warfare against the colonial peoples which was being conducted by Mr. Morrison and his colleagues with tanks and bombers and the burning down of villages at the same time as he was speaking of the end of imperialism. ↓

Theme III: “Jolly Old Empire” and the Maintenance of Empire

On other occasions the same Labour Government Ministers were no less concerned to proclaim aloud their devotion to the non-existent Empire and their determination to maintain it. Thus Herbert Morrison announced in January, 1946:

“We are great friends of the jolly old Empire and are going to stick to it.”

These words, almost exactly echoing the famous “We love our Empire” declaration of J. H. Thomas in the First Labour Government, caused no little distress to the imperialist philanthropists of the Fabian Colonial Bureau, who issued a disclaimer under the signatures of their Chairman and Secretary:

“It makes a travesty of our work, a mockery of our sincerity and a hypocrisy of our professions, if the policy of the Labour Party is to be judged by these irresponsible words of Herbert Morrison. We hope Mr. Morrison will find the opportunity of putting the world right on this speech of his, and not undermine the backbreaking work the rest of us are putting in, in order to

'convince' millions of hostile and suspicious Indians and Africans that we are not all hypocrites and liars."

Not the deeds, it will be noted, of imperialist suppression and exploitation arouse the protests but only the inconveniently downright words which make difficult the "backbreaking" task of whitewashing imperialism or striving to hoodwink "millions of hostile and suspicious Indians and Africans."

Theme IV: The "Sacred Trust" and the "Civilising Mission"

The "backbreaking" task of the philanthropic apologists of empire requires different methods to justify the maintenance of the empire than the crude "We love our Empire" or "Jolly Old Empire" slogans of a Thomas or a Morrison.

For their use the alternative line of the "White Man's Burden," already familiar in Tory imperialist propaganda, has been devised. In answer to anti-imperialist critics, it is insisted that it would be a crime and retrograde step to "throw off" the Empire (i.e. liberate the colonial peoples), since this would mean to "betray the trust" which these dependent backward peoples place in their benevolent British protectors. Thus Mr. Creech Jones, who later became Labour Colonial Secretary, wrote in his Introduction to *Fabian Colonial Essays* in 1944:

"Socialists . . . cannot stop their ears to the claims of the colonial peoples and renounce responsibility towards British territories because of some sentimental inclination to 'liberation' or internal administration. To throw off the colonial empire in this way, would be to betray the peoples and our trust. . . .

"Colonies must therefore be the avowed concern of Socialists. It matters little how they were acquired, the predatory and possessive character of imperialism in the past, or indeed, the ugly episodes and exploitations many of them experienced in the past."

Observe that imperialism always belongs to the past.¹ He admits that it is difficult to make a distinction between this policy and the policy of Tory Imperialism:

"The dividing line between socialists and others is often blurred in the constructive work being done on colonial policy to-day."

¹ A charming example of this relegation of imperialism and exploitation to "the past" may be quoted from an article by Gilbert McAllister in the official Labour organ, the *Daily Herald*, in 1949:

"It may be that in the course of fifty years there has been, here and there, an isolated case of exploitation of the African native. . . .

"We have no right to allow British ex-Servicemen to invest their capital in buying a farm in Kenya if after twenty years any British Government is going to yield to a specious plea of Africa for the Africans." (*Daily Herald*, June 9, 1949.)

But he triumphantly concludes:

“Escapism into the philosophy of Lenin or socialist monasticism will not bring better nutrition or the rearing of cattle in the tsetse forest belt.”

Here the very system which entails the plunder of the resources of the colonial peoples, the degradation of their standard of life, and the prevention of economic development, is solemnly held up as the “constructive” alternative to the Leninist policy which in a generation has enabled the formerly most backward Central Asian peoples to advance to the highest levels of industrial and cultural development on a basis of complete equality and freedom.

On this sanctimonious cant of the “civilising mission” and “trustee’s role” of the European conquerors, it is sufficient to bear in mind that in ordinary legal relations a “trustee” who appropriated to himself the best land, the best mineral and natural resources, the best jobs, the best education and medical services, and at the same time pocketed a colossal annual fortune from his “ward’s” estate, and lived lavishly on the proceeds, while leaving his “ward” in abject poverty and deprivation of the most elementary needs, would be speedily sent to prison as a fraudulent trustee.

Theme V: The Old Labour Imperialist Line: “Empire is Essential for the Economic Interests of the British Workers”

Simultaneously with the proclamations of the philanthropic aims of the Empire, the practical aims of economic exploitation constantly protrude in official Labour speeches, and used to be most openly brought out in the declarations of such an outspoken Labour Imperialist as Ernest Bevin.

The most brutal assertions of the traditional classic outlook of Labour Imperialism, directly identifying the economic interests of the working class in the metropolitan imperialist country with the maintenance of colonial exploitation, are to be found in the speeches of Ernest Bevin. Thus he proclaimed in Parliament on February 21, 1946:

“I am not prepared to sacrifice the British Empire, because I know that if the British Empire fell . . . it would mean that the standard of life of our constituents would fall considerably.”

And again in his speech to Parliament on May 16, 1947, with reference to British interests in the Middle East:

“His Majesty’s Government must maintain a continuing interest in that area if only because our economic and financial interests in the Middle East were of vast importance to us. . . . If these interests were lost to us, the effect on the life of this country would be a considerable reduction in the standard of living. . . . British interests in the Middle East contributed substantially not only to the interests of the people there, but to the wage packets of the workpeople of this country.”

Herein is revealed the classic outlook of Labour Imperialism, as long ago analysed and exposed by Marx and Lenin.

The fallacy of this line of argument, based on a shameless appeal to supposed economic self-interest to maintain higher standards on the backs of exploited and poverty-stricken colonial peoples, is sufficiently demonstrated in Britain’s present crisis. In place of economic advantage and higher standards, the cost of maintaining the Empire of domination and exploitation is imposing on the masses of the British people ever heavier burdens of taxation, higher prices and lowered standards, colonial wars and the menace of a new world war.

The same Ernest Bevin, who boasted so grandiloquently of imperialism as the basis of the superior standard of living of the British people, also and at the same time, as in his speech to the American Legion at the Savoy Hotel on September 10, 1947, pledged his efforts to his American masters to *reduce* the standard of living of the British people in the sacred cause of maintaining imperialism:

“My dear Americans, we may be short of dollars, but we are not short of will. . . . We won’t let you down.

“Britain is a great bastion in Europe. Our Western civilisation cannot go unless Britain falls—and Britain will not fall.

“Standards of life may go back. We may have to say to our miners and to our steel workers: ‘We can’t give you all we hoped for. We can’t give you the houses we want you to live in. We can’t give you the amenities we desire to give you.’ But we won’t fail.”

Herein is expressed the inherent *contradiction* of the arguments of the Labour Imperialists in the period of the crisis of the imperialist system.

In these five main lines of mutually inconsistent and contradictory argument we see the familiar propaganda of Labour Imperialism.

4. *Bankruptcy of Labour Imperialism*

Labour Imperialism developed first in Britain in the form of Fabian Imperialism. Its earliest open and fully conscious expression may be dated from the appearance of *Fabianism and the Empire* in 1900, although the foundations had already been laid in the nineteenth century. Thus Labour Imperialism has developed continuously and in close association with the imperialist era, that is, during the twentieth century.

Herbert Morrison has described the change in the attitude of the upper leadership of the reformist labour movement towards the empire during this half century, from the days of "thirty or forty years ago" (he was speaking in 1943) when as a lad he picked up the current traditions of socialist anti-imperialism which he proudly claims to have outgrown. Speaking to the Anglo-American Press Association on October 6, 1943, in answer to critics of the British Empire, he said:

"The point of view of the genuine critics is very like that of our own Liberals and Labour men thirty or forty years ago. I think of the anti-imperialist tirades and exposures of John A. Hobson, of Henry Noel Brailsford, or for that matter of David Lloyd George in the Boer War and afterwards. The ideology, the high-minded emotion, the sympathetic recoil at the very mention of words like Empire and Imperialism—these are things with which I grew up, and which to a considerable extent I shared. This helped me and many other Labour men who believe in the British Empire to understand our critics to-day.

"They think that the very idea of an Empire is out of date. The only mild retort that I would make is that their idea of an Empire certainly is. They are idealists and they profoundly believe that their political ideas are thirty or forty years in advance of the British Empire. I think their political information is thirty or forty years behind it. Every community in the British Empire capable of exercising self-government has had it."

It will be noted that this full acceptance of imperialism ("Labour men who believe in the British Empire") was made in 1943, *before* the advent of the Labour Government of 1945 and its supposed "new era" of the "end of imperialism," under a Government still dominated by Toryism. The change, according to Mr. Morrison, between 1943 and "thirty or forty

years ago," was a change in the character of the colonial system. It is possible that less kind critics would find that the change was a change in the outlook and political position of Mr. Morrison and his colleagues.

But the twentieth-century imperialist era, within which Labour Imperialism has developed, is the era of capitalist decline, of decaying capitalism, of dying capitalism, breaking out into the general crisis of capitalism. Hence Labour Imperialism has been from the outset tied to a sinking ship. Herein lies the essential contradiction and increasingly manifest bankruptcy of Labour Imperialism. Professing to represent a new enlightened outlook and vision for progressive advance and prosperity on the basis of the Empire, it has had in practice to become the representative and apologist for imposing ever heavier burdens, sacrifices and privations upon the working people alike in Britain and in the colonial countries, for an unprecedented arms race, for violence and colonial wars and world wars, for horrors without equal.

Already during the first decade and a half of the century, preceding 1914, the burdens of imperialism were making themselves felt in the rising cost of living, the arms race and the preparation of the first world war.

During this period the outlook of Labour Imperialism, originating in Britain, began to manifest itself and extend its influence in the leading circles of all the social democratic parties of the imperialist countries of Western Europe. In Britain the offensive of Fabian Imperialism was openly conducted against Marxism, that is, in fact for monopoly capitalism against socialism. In the other countries of the old Second International, where Marxism was more strongly established, the corresponding offensive was conducted in the form of "Revisionism," that is, nominally for the "revision" of Marxism. But the leader of the revisionist offensive, the German Social Democrat, Bernstein, had in fact learned his arguments in London at the feet of Sidney Webb, the founder of Fabianism.

Reformism or revisionism, that is, the representative of imperialist penetration and corruption in the labour movement, conducted its offensive in the old pre-1914 Second International in favour of support of the colonial system. The German Right-wing Social Democrat, David, declared:

"Europe needs colonies. She does not even have enough.

Without colonies, from an economic point of view, we should sink to the level of China."

The controversy on the colonial question came to a head at the International Socialist Congress at Stuttgart in 1907; and it was at this Congress that David made the above brutally frank and shameless statement for the possession of colonies as an "economic" necessity for the workers of the rich imperialist countries, on precisely the same lines as the corresponding more recent declarations of Ernest Bevin on behalf of the Third Labour Government.

At the Stuttgart Congress a resolution was introduced by the advocates of a "socialist colonial policy," that is by the Labour Imperialists, declaring:

"The Congress does not in principle and for all time reject any and every colonial policy, which under a socialist régime could work as a civilising influence."

Needless to say, this resolution, which half a century ago anticipated the "new discoveries" of Mr. Herbert Morrison, Mr. James Griffiths and the Fabian Colonial Bureau, was ardently supported by Ramsay MacDonald. But the fight, led by the Bolsheviks and the revolutionary Marxists of all countries, against this betrayal of socialism and the colonial peoples, was victorious at the Congress. The final resolution of the Stuttgart Congress of the Socialist International, which was in the end adopted unanimously, with one abstention, explicitly and without qualification condemned all "capitalist colonial policy" as leading to "the enslavement, forced labour or extermination of the native population of the colonised areas," rejected the false conception of a so-called "socialist colonial policy" within capitalist society, and repudiated the advocacy of the supposed "civilising mission" of the colonial system as "only a cover for the thirst for exploitation and for conquest" (see p. 350 for the text of the main section of this resolution).

The anti-imperialist principles of international socialism were thus still victorious and accepted with formal unanimity in 1907. But in practice the corruption of imperialism was already penetrating the majority of the leading circles of the old Social Democratic Parties. Marxism was accepted in words. In practice the old Second International was confined mainly to the imperialist countries and their satellites, and made no

attempt to link up the fight of the working class with the colonial revolution. As Stalin declared:

“In the era of the Second International it was usual to confine the national question to a narrow circle of questions relating exclusively to the ‘civilised nations.’ The Irish, the Czechs, the Poles, the Finns, the Serbs, the Armenians, the Jews and a few other European nationalities—such was the circle of non-sovereign peoples whose fates interested the Second International. The tens and hundreds of millions of the Asiatic and African peoples suffering from national oppression in its crudest and most brutal form did not as a rule enter the field of vision of the ‘Socialists.’ The latter did not venture to place the white peoples and coloured peoples, the ‘uncultured’ Negroes and the ‘civilised’ Irish, the ‘backward’ Indians and the ‘enlightened’ Poles on one and the same footing. It was tacitly assumed that although it might be necessary to strive for the emancipation of the European non-sovereign nationalities, it was entirely unbecoming for ‘decent socialists’ to speak seriously of the emancipation of the colonies, which were ‘necessary’ for the ‘preservation’ of ‘civilisation.’ These apologies for socialists did not even suspect that the abolition of national oppression in Europe is inconceivable without the emancipation of the colonial peoples of Asia and Africa from the oppression of imperialism, and that the former is organically bound up with the latter.”

(STALIN, *Marxism and the National and Colonial Question*, pp. 111-12.)

This system of the old Second International, of Labour Imperialism, reached its bankruptcy and collapse in the imperialist world war of 1914. This was the first major, plain and already decisive demonstration of the bankruptcy and fatal outcome of Labour Imperialism.

The old Second International, having surrendered to imperialism, went to pieces. The main forces of the international socialist movement went forward to build the Communist International which was formed in 1919.

The Communist International corrected the errors and deficiencies of the old bankrupt Second International, and established for the first time an international union of workers without distinction of race or colour. For the first time the unity of the struggle of the working class in the “advanced” imperialist countries with the national liberation struggle of the colonial peoples received full recognition equally in theory and in practice.

In the surviving imperialist countries of Western and Central Europe and America after the first world war, following the defeat of the working class revolutionary struggles and the restoration of a weakened and unstable capitalism and imperialism, the remnants of Right-wing Social Democracy gathered together again to found the inter-war Second International or so-called "Labour and Socialist International," established at Hamburg in 1923. This broke up before the assault of fascism and finally collapsed in the second world war. Through the experience of the common struggle against fascism a number of the socialist parties within it moved over to co-operation with Communism and to unification with the Communist Parties.

The deepening bankruptcy of Labour Imperialism in the period of the general crisis of capitalism and of the imperialist system has been demonstrated in the experience of the three Labour Governments.

✓ The first Labour Government of 1924 conducted the Cawnpore Conspiracy Trial against the Communist Party of India and carried out the air-bombing of Iraq.¹ After the failure of an attempted Communist prosecution in Britain (whose withdrawal was enforced by the pressure of the working-class movement), and MacDonald's scandalous handling of the Zinoviev forgery to stoke up the anti-Soviet campaign, it handed over to Toryism at the end of nine months.

The second Labour Government of 1929-31 carried forward the Meerut Conspiracy Trial against the Communist Party and trade union leadership of the Indian working class, organised mass arrests in India of 60,000 to suppress the Civil Disobedience campaign of the National Congress, and crushed the Burma revolt with bloodthirsty violence. The second Labour

¹ Earl Attlee wrote one-third of a century later in placid reminiscence of this episode:

"I was Under-Secretary for War in a junior post, but I cannot remember any serious discussion of defence. . . . Willy Leach, the Under-Secretary for Air, had some trouble over bombing in Iraq, but that was about the extent of it."

(EARL ATLEE, "The Nation's Defence," *Socialist Commentary*, June, 1956.)

With regard to this R.A.F. bombing of Arabs in the Middle East the comment of T. E. Lawrence in a letter to Liddell Hart, dated June 26, 1930, may be worth recalling:

"It is of course infinitely more merciful than police or military action, as hardly anyone is killed—and the killed are as likely to be negligible women and children as the really important men."

(*Letters of T. E. Lawrence*, ed. David Garnett, p. 695.)

Government collapsed ignominiously in the world economic crisis and gave way to Toryism. The principal leaders of Labour Imperialism, represented by MacDonald, Snowden and J. H. Thomas, passed over openly into the Tory camp. In the sight of all sections of the labour movement, which had previously accepted the leadership of MacDonald, Snowden and Thomas, Labour Imperialism was revealed as open betrayal of the working class. The remaining lesser Labour Imperialist leadership, represented by the Attlees, Morrisons, etc., who continued in practice with the same policies as MacDonald—after a short period of confused “socialist” and “pacifist” phrasemongering to appease the anger of the workers—could only endeavour to cover up the lesson of that betrayal by treating it as a purely accidental “individual” betrayal by the principal leaders of the Labour Party, instead of as the outcome of a political system. They could not face the political lesson of that betrayal as the outcome of Labour Imperialism, since they were continuing to practise the same policy themselves.

This was the second major demonstration of the bankruptcy of Labour Imperialism, after 1914.

The third Labour Government of 1945–51 excelled the two previous Labour Governments, equally in the hypocrisy of its professions of a “new era” and the “end of imperialism,” and of its noisy proclamations of a “civilising mission” of “development and welfare” in the colonies, and in the violence and brutality of its military measures of suppression and colonial wars against the liberation struggles of the colonial peoples.

Every measure of enforced retreat or manœuvre on the part of a weakened imperialism was presented as the fruit of a new enlightened outlook and the “renunciation of the old imperialism.”

Simultaneously the same Government conducted the most savage and barbarous colonial war of modern times in Malaya, involved Britain in a ruinous deficit through costly overseas military commitments, sold out Britain to the United States as an atomic war base, and inflicted heavy economic hardships and worsened standards on the British people to pay for rearmament.

While boasting lavishly of projects of “development” and “welfare” for the colonial peoples (fraudulent labels taken over directly from previous Tory legislation and administration

to cover policies of "steal a pound and give a penny for charity"), the Attlee Labour Government intensified colonial exploitation more heavily than any preceding Government of any political colour. This intensified exploitation was demonstrated in the doubling of the sterling balances of the dependent overseas territories from £454 million at the end of 1945 to £908 million by June, 1951—an increase of £454 million in five and a half years, representing goods taken by the "trustee" from the defenceless "ward" without current payment.

In proportion as Britain's crisis deepened, as a result of the Government's spendthrift imperialist war policy, the programme of the Attlee Labour Government to meet Britain's growing economic deficit and difficulties, became more and more openly based on plans to increase the colonial plunder. Thus the Government's Four Year Economic Plan for 1949-53, submitted to the Marshall Plan organisation ("Organisation for European Economic Co-operation") in December, 1948, directly set the aim of building economic recovery and balancing Britain's deficit on the basis of intensified colonial exploitation. "The plans described," the Report declared, "contemplate a large increase in the contribution of the Colonies to European recovery."

How much of "a large increase" was sufficiently evident from the accompanying Tables submitted in the document, which indicated the plans for increased output of typical colonial raw materials.

Table 36

OUTPUT FIGURES AND PLANS, 1936 TO 1952-3, FOR
COLONIAL RAW MATERIALS

(in thousand metric tons)

	1936	1946	1952-3 (forecast)	Planned increase on 1946 Per cent.
Sugar	980	895	1,400	56
Rubber	400	435	830	90
Tin	78	27.5	94.5	243
Copper	158	202	356	76

Thus rubber was to be brought to more than double the pre-war level; tin was to be brought to more than three times the level of 1946; and copper to more than double pre-war. It was

further stated that oil production of British companies was to reach by 1953 "double the 1947 output."

✓ Most striking in this Four-Year Plan for *Britain's* "economic recovery" was the assumed increase in "invisible earnings." "Net invisible earnings," the document declared, "are expected to make a very large contribution." The accompanying table illustrated the extent of this "very large contribution."

Table 37

NET INVISIBLE EARNINGS PLAN, 1948-9 TO 1952-3
(Plan for Increase, 1948-9 to 1952-3)

(£ million)		
1947 ✓ (Current prices) -193	1948-9 ✓	1952-3 ✓ (Programme prices) +263
	+35	

Economic Co-operation: Memoranda submitted to the O.E.E.C. relating to Economic Affairs in 1949-53: 1948, Cmd. 7,572, p. 41.

✓ Thus between 1948-9 and 1952-3 net invisible earnings were to be multiplied over sevenfold. Such was the simple method of "solving" Britain's deficit—on paper (though even these contributions still finally left a dollar deficit, which, the document cheerfully declared, could be covered by "the dollar earnings of the rest of the sterling area"—once again the colonial empire) ✓

These rapacious plans for solving Britain's economic problems on the basis of intensified colonial exploitation could not exorcise the crisis. It returned in intensified form in the devaluation crisis of 1949. While the temporary soaring rise in the price of colonial raw materials, as a result of American stockpiling and the Korean war, brought about a short-lived surplus of the balance of payments of the sterling area during 1950 and the first half of 1951—which was promptly hailed by the propagandists of the Labour Government as a triumph of "socialist recovery"—this surplus soon gave place to new and deeper deficit by the second half of 1951.

To meet the deepening crisis, the Attlee Labour Government found itself compelled to direct its offensive, not merely against the colonial workers and peasants, but also against the

British workers. After the initial extension of the social services (in fact, more than paid for by increased taxation of the workers), the programme of "austerity," retrenchment, increased taxation on consumption, and capital cuts was introduced in 1947. The White Paper of 1948 on "personal incomes" brought in the wage-freeze. Profits and prices soared, while real wages fell. Even on the basis of the Government's official figures, between June, 1947, and October, 1951, men's wage rates in money terms rose by 20 per cent. while the index of retail prices rose by 29 per cent., and of food prices by 43 per cent.—equivalent to a fall in real wages of 7 per cent. in relation to all prices, or 16 per cent. in relation to food prices. These official figures very much understated the real fall.

Thus the outcome of Labour Imperialism not only meant ruin and misery for the colonial peoples, and the burden of armaments and wars both for the British people and the colonial peoples. Labour Imperialism proved unable even to produce dividends, on the lowest, most sordid, supposedly "practical" (falsely "practical") economic calculation of advantage, to the workers in the privileged imperialist country who were still tied to its support. In place of improving or even maintaining standards and conditions, Labour Imperialism found itself compelled to impose cuts and sacrifices and worsened conditions in order to pay the costs of its policy of maintaining imperialism.

Thereby it demonstrated in practice that the economic foundation of the whole structure of Labour Imperialism was becoming undermined.

In face of the accelerating economic deterioration in the second half of 1951, and the rising discontent and militant resistance of the mass of the organised workers, shown in the defeat of the wage freeze, and the proceedings of the Blackpool Trades Union Congress and agenda of the Scarborough Labour Party Conference, the Attlee Labour Government dissolved Parliament and held the election of October, 1951, in order to hand over to a Tory Government to carry forward the offensive against the British workers and the colonial peoples.

This experience and outcome of the Labour Government of 1945-51 was the third major demonstration of the bankruptcy of Labour Imperialism.

The crumbling of the economic basis of British Imperialism

in the present stage is preparing the way for the downfall of the domination of the Right-wing Social Democratic leadership in the working-class movement.

Whereas previously Social Democracy could claim (however falsely, when the full balance is taken into account) that its Empire policy brought "practical results" in the shape of social concessions, privileged standards and extending social reforms for considerable sections of the working class, it is now becoming increasingly clear to wider and wider sections that the reverse is the case. The prosecution of the imperialist policy requires cuts at the expense of the working class, worsened standards and retrenchment of the programme of social reform. The balance sheet ends in a visible deficit. So far from "contributing substantially to the wage packets of the working people of this country" (in the late Ernest Bevin's phrase), the imperialist policy so closely associated with Ernest Bevin has been responsible for lowering the value of real wages, inflicting crushing burdens on the people and carrying the country along the path leading to economic catastrophe and to the menace of a new world war.

Just as the present period has seen the collapse of the basis of Social Democracy in the majority of European countries, so the conditions are rapidly developing for a corresponding collapse in Britain.

✓ The imperative necessity is beginning to be understood for a basic change in policy of the labour movement, away from the disastrous inheritance of Labour Imperialism, towards the alliance of the British working class and the colonial peoples in the common struggle against imperialism and war, and for the aims of national independence, peace and the advance to socialism.

CHAPTER XV

SOCIALISM AND COLONIAL LIBERATION

“The equality of the rights of citizens of the U.S.S.R., irrespective of their nationality or race, in all spheres of economic, state, cultural, social and political life, is an indefeasible law.

“Any direct or indirect restriction of the rights of, or, conversely, the establishment of direct or indirect privileges for citizens on account of their race or nationality as well as the advocacy of racial or national exclusiveness or hatred and contempt, is punishable by law.”

Constitution of the Union of Soviet Socialist Republics, Article 123.

THE alternative to the path of colonial domination and exploitation is the path of colonial liberation.

Many eloquent pleas have been made in the past on the wrongs of the colonial and subject peoples and their claim to freedom.

To-day the history of our era has materially changed the context of this question.

1. Alliance for Freedom

The past three and a half decades have abundantly demonstrated that all the colonial and semi-colonial, oppressed and exploited peoples under imperialism without exception, in every continent and every part of the globe—even the most “backward” or before seemingly quiescent—are on the march. Over immense areas many formerly subject nations, once held down to the lowest levels of poverty and oppression, as the nations of the old Tsarist colonial system in Asia a generation ago, or the Chinese and Indian peoples until recently, have thrown off the yoke of imperialism and are advancing with giant strides on the basis of their triumphant emancipation. Four-fifths of the former colonial and dependent peoples have established their independent states during the past decade. Among the remainder the liberation battle advances at an accelerating pace.

Thus the history of our era has already indisputably proved that the system of imperialist domination of other nations is doomed. The national liberation of all the present subject and dependent peoples is certain. Even the hypocrisy of the present-day imperialist rulers is a symptom of this situation. In the majority of cases they have changed their tune from the old language of brutal domination to "enlightened" professions of the aim of ultimate self-government or independence. They seek to shore up their colonial régime with the aid of colonial constitutions framed within the still continuing system of colonial dictatorship; to make alliances with local reactionary upper-class strata; or, where they have been compelled to recognise the independence of new states, to seek to shackle that independence with the military and economic forms of domination of the "new colonialism." These complex manoeuvres, characteristic of the present phase, are themselves testimony to their consciousness of the approaching downfall of their system.

What is not yet as clearly understood, and what is above all important for the peoples in the imperialist countries, and especially in Britain, is the recognition of the life-and-death necessity of their *unity* and *active alliance* with the liberation struggles of all the colonial and dependent peoples against imperialism, as the essential condition for their own salvation, for the solution of their own problems, for their survival after the downfall of the old imperialist structure, for their own victory over their capitalist imperialist rulers and exploiters, and for the achievement of their own advance to the aims of socialism.

It was the alliance of the Russian working class, guided and led by the teachings of Lenin and the Bolshevik Party, with the liberation struggle of all the subject nations oppressed under Tsarism, which opened the way to their common victory over their common oppressor, Tsarism, made possible the liberation of the subject nations, and opened the way to the mighty fraternal association of nations in the Union of Soviet Socialist Republics.

It was the alliance of the international working class, with the Soviet Union at its head, with the heroic struggle of the Chinese people, which made possible the victory of the Chinese People's Republic.

History has called the British working class and the

British people to fulfil a great and responsible role in relation to the freedom struggle of all the peoples of the British Empire.

Only such an active fraternal alliance and practical solidarity in the common struggle against imperialism to-day can make it possible to replace the present relationship of oppressor and oppressed nations by a new fraternal relationship, based on national independence and equal rights, which will be of vital and historic importance, not only for the advance of the international working class and world liberation, but also for the solution of the imperative problems of Britain's present crisis.

2. *Marx and Engels on Colonial Liberation*

Marxism has always taught that the liberation of the colonial peoples represents, not only the interests of the colonial peoples themselves as the first condition for their own social and economic advance, but equally the interests of the masses of the people in the ruling imperialist country, and especially of the working class for the achievement of socialism.

Marx and Engels in the nineteenth century gave the closest attention to the question of the relations of Britain and Ireland, which at that time was the foremost expression of the colonial question.

The Resolution of the First International in 1869, drafted by Marx, and adopted by the General Council with the participation of the representatives of the British trade unions (though not till after a sharp preceding struggle with the "Lib.-Lab." leadership, represented by Odger, Applegarth and Mottershead), declared:

"A people which enslaves another people forges its own chains. In this way the viewpoint of the International Working Men's Association on the Irish question is very clear. Its first task is the speeding on of the social revolution in England. For this end the decisive blow must be struck in Ireland. . . .

"The essential preliminary condition of the emancipation of the English working class is the turning of the present compulsory union, that is slavery, of Ireland with England, into an equal and free union, if that is possible, or into full separation, if this is inevitable."

In the most vivid fashion Marx showed, in a letter to Meyer and Vogt in the United States on April 9, 1870, how the

capitalist class plays on divisions between the workers of a ruling country and of a subject country:

“Every industrial and commercial centre in England now possesses a working-class population *divided* into two *hostile* camps, English proletarians and Irish proletarians. The ordinary English worker hates the Irish worker as a competitor who lowers his standard of life. In relation to the Irish worker he feels himself a member of the *ruling* nation and so turns himself into a tool of the aristocrats and capitalists *against Ireland*, thus strengthening their domination *over himself*. He cherishes religious, social and national prejudices against the Irish worker. His attitude towards him is much the same as that of the ‘poor whites’ to the ‘niggers’ in the former slave States of the U.S.A. The Irishman pays him back with interest in his own coin. He regards the English worker as both sharing in the guilt for the English domination in Ireland and at the same time serving as its stupid tool.

“This antagonism is artificially kept alive and intensified by the Press, the pulpit, the comic papers—in short, by all the means at the disposal of the ruling classes. It is the secret of the impotence of the English working class, despite their organisation. It is the secret by which the capitalist class maintains its power. And of this that class is well aware.”

Thus Marx found in the attitude to colonial policy the decisive test of the working class movement. It was here that he found “*the secret by which the capitalist class maintains its power.*” It was here that he found “*the secret of the impotence of the English working class, despite their organisation.*” That lesson remains, not less, but even more important to-day.

In 1882 Engels, in a letter to Kautsky, discussed the future of the colonies in the event of the working class winning power in England:

“In my opinion the colonies proper, i.e. the countries occupied by a European population, Canada, the Cape, Australia, will all become independent; on the other hand, the countries inhabited by a native population, which are simply subjugated, India, Algiers, the Dutch, Portuguese and Spanish possessions, must be taken over for the time being by the proletariat and led as rapidly as possible towards independence. How this process will develop is difficult to say. India will perhaps, indeed very probably, produce a revolution, and as the proletariat emancipating itself cannot conduct any colonial wars, this would have to be given full scope; it would not pass off without all sorts of destruction, of course, but that sort of thing is inseparable from all revolutions. The same might also take place elsewhere, e.g. in Algiers and

Egypt, and would certainly be the best thing *for us*. We shall have enough to do at home."

This was at a time when the national movement had hardly yet appeared or taken organised form in the extra-European colonial countries. But the principles of Engels' approach are remarkably clear. "*The proletariat emancipating itself cannot conduct any colonial wars.*" The development of the national revolution in the subject colonial countries is "the best thing *for us*" and should be "given full scope." Here, too, are lessons whose principles have, not less, but overwhelmingly greater force to-day, in the present enormously more developed stage of the national revolutionary struggle in all colonial countries without exception.

3. *Lenin on Colonial Liberation*

Lenin carried forward this teaching of Marxism on the national and colonial question in the era of imperialism, when the national liberation movements of the subject peoples were rapidly advancing in strength, alongside the rising challenge of the socialist working-class movement to imperialist rule. In the era of imperialism, and especially in the era of the general crisis of capitalism, the question of national and colonial liberation, and its relationship to the world socialist revolution, took on the most urgent practical importance.

Lenin emphasised "the characteristic feature of imperialism" as the division of the world into a handful of rich oppressor nations and a vast majority of oppressed nations:

"The characteristic feature of imperialism is that the whole world, as we see, is at present divided into a large number of oppressed nations, and an insignificant number of oppressing nations possessing colossal wealth and powerful military forces. The overwhelming majority of the population of the world . . . belongs to the oppressed nations, which are either in a state of direct colonial dependence or belong to the outlying colonial states such as Persia, Turkey and China, or else, after being conquered by the armies of a big imperialist power, have been forced into dependence upon it by treaties."

(LENIN, Report on the National and Colonial Question at the Second Congress of the Communist International, July, 1920.)

Hence the struggle of the working class in the minority of advanced imperialist countries for victory over capitalism and

for the aims of socialism requires as an essential condition of victory, alliance with the national liberation movement of the oppressed peoples, representing the overwhelming majority of mankind, in the common battle against imperialism.

Utilising the example of the Irish rebellion of 1916, and answering the critics who saw in this only a *putsch* and dismissed the role of James Connolly as a surrender of socialist aims to petty bourgeois nationalism, Lenin showed how the development of the socialist revolution must draw in the struggle and uprising of all oppressed and exploited strata, including national and colonial revolts:

“To imagine that a social revolution is *conceivable* without revolts of small nations in the colonies and in Europe, without the revolutionary outbursts of a section of the petty bourgeoisie *with all its prejudices*, without the movement of non-class-conscious proletarian and semi-proletarian masses against the oppression of the landlords, the church, the monarchy, the foreign yoke, etc.—to imagine that is tantamount to *repudiating social revolution*. Only those who imagine that in one place an army will line up and say ‘we are for socialism’ and in another place another army will say ‘we are for imperialism’ and believe that this will be the social revolution, only those who hold such a ridiculously pedantic opinion could vilify the Irish rebellion by calling it a *Putsch*.”

“Whoever expects a ‘pure’ social revolution *will never* live to see it. Such a person pays lip-service to revolution without understanding what it is.”

(LENIN, *The Discussion on Self-determination Summed Up*, 1916.)

Expounding these principles of Leninism, Stalin emphasised the key significance of the question of *allies* for the victory of the working class, and showed how indifference to the winning of allies is equivalent to indifference to the victory of socialism:

“Those who are afraid of revolution, who do not want to lead the proletarians to power, cannot be interested in the question of allies for the proletariat in the revolution—to them the question of allies is a matter of indifference, a question of no immediate significance.”

(STALIN, *Foundations of Leninism*, 1925.)

The development of the general crisis of capitalism, with the outbreak of the first world war and the victory of the Russian socialist revolution, powerfully confirmed these teachings of

Lenin. A new era was opened, not only in the general stirring of the colonial peoples under the stimulus of the victorious Russian Revolution, but in the relationship of the colonial revolutions to world socialism.

Carrying forward the teachings of Marx in relation to the British working class and Ireland, Lenin laid down the duty of socialists to support the right of self-determination of all colonial and dependent peoples and to give them practical support in their struggle:

“Socialists must not only demand the unconditional and immediate liberation of the colonies without compensation—and this demand in its political expression means nothing more nor less than the recognition of the right to self-determination—but must render determined support to the more revolutionary elements in the bourgeois-democratic movements for national liberation in these countries and assist their rebellion—and if need be, their revolutionary war—*against* the imperialist powers that oppress them.”

(LENIN, *The Socialist Revolution and the Right of Nations to Self-determination*, March, 1916.)

The right of self-determination carries with it the right of secession, without which it would be meaningless. The recognition of the right of secession does not imply a judgment in a concrete particular case of the desirability or otherwise of secession.

“The right of nations freely to secede must not be confused with the expediency of secession of a given nation at a given moment. The party of the proletariat must decide the latter question quite independently in each particular case from the standpoint of the interests of the social development as a whole and of the interests of the class struggle of the proletariat for socialism.”

(Resolution of the Seventh Conference of the Russian Communist Party on the National Question, April, 1917.)

On this question of the advocacy of the right of self-determination, including the right of secession, Lenin drew a distinction between the task of socialists in an oppressor country and in an oppressed country:

“The Social Democrats of the *oppressing* nations must demand the freedom of separation for the oppressed nations, for otherwise

recognition of the equal rights of nations and international solidarity of the workers in reality remains an empty phrase, a hypocritical gesture. The Social Democrats of the *oppressed* nations, however, must view as foremost the demand for the unity and the *fusion* of the workers of the oppressed nations with the workers of the oppressing nations, because otherwise these Social Democrats involuntarily become the allies of one or the other national bourgeoisie, which *always* betrays the interests of the people and of democracy, and which in its turn is *always* ready for annexations and for oppressing other nations.

(LENIN, *The Revolutionary Proletariat and the Right of Nations to Self-determination*, November, 1915.)

Does this mean that the Communist principle implies the fragmentation of the world into innumerable petty independent states, at a time when economic and political conditions more and more imperatively call for large-scale organisation and combination, and for increasing international association and co-operation? On the contrary. The Communist immediate objective of complete national liberation and national independence of all nations is seen as the essential step towards the aim of closer international co-operation and association, developing at a future stage, under the conditions of world communism, to the final outcome in the merging or fusion of nations. But such co-operation and association, developing eventually to fusion, must be at every stage *voluntary*. It is first necessary to end the imperialist forced association of ruler and ruled, in order to advance to such voluntary association.

Hence Lenin insisted that the demand for the right of self-determination, including the right of secession, did not by any means imply the advocacy of the desirability of the formation of separate small states:

“The right of nations to self-determination means only the right to independence in a political sense, the right to free, political secession from the oppressing nation. Concretely, this political, democratic demand implies complete freedom to carry on agitation in favour of secession, and freedom to settle the question of secession by means of a referendum of the nation that desires to secede. Consequently, this demand is by no means identical with the demand for secession, for the partition and for the formation of small states. It is merely the logical expression of the struggle against national oppression in any form. The more closely the democratic system of state approximates to complete freedom of secession, the rarer and weaker will the striving for

secession be in practice; for the advantages of large states, both from the point of view of economic progress and from the point of view of the interests of the masses, are beyond doubt, and these advantages increase with the growth of capitalism. The recognition of self-determination is not the same as making federation a principle. One may be a determined opponent of this principle and a partisan of democratic centralism and yet prefer federation to national inequality as the only path towards complete democratic centralism. It was precisely from this point of view that Marx, although a centralist, preferred even the federation of Ireland with England to the forcible subjection of Ireland to the English."

(LENIN, *The Socialist Revolution and the Right of Nations to Self-Determination*, 1916.)

On the question of small states or larger associations Lenin wrote:

"Marx never was in favour of small states, or of splitting up states, or of the federation principle. Still he considered the separation of an oppressed nation as a step towards federation, consequently not towards a splitting of nations but towards concentration, towards political and economic concentration, but concentration on the basis of democracy. . . .

"We demand the freedom of self-determination, i.e. independence, i.e. the freedom of separation for the oppressed nations, not because we dream of an economically atomised world, nor because we cherish the ideal of small states, but on the contrary because we are for large states and for a coming closer, even a fusion of nations, but on a truly democratic, truly internationalist basis, which is *unthinkable* without the freedom of separation."

(LENIN, *The Revolutionary Proletariat and the Right of Nations to Self-Determination*, 1915.)

The ultimate aim is seen as the merging or fusion of nations, under the conditions of world communism, in a single world culture:

"The aim of socialism is not only to abolish the present division of mankind into small states, and all-national isolation, not only to bring the nations closer to each other, but also to merge them. . . . Just as mankind can achieve the abolition of classes only by passing through the transition period of the dictatorship of the oppressed class, so mankind can achieve the inevitable merging of nations only by passing through the transition period of complete liberation of all the oppressed nations, i.e. their freedom to secede."

(LENIN, *The Socialist Revolution and the Right of Nations to Self-determination*, 1916.)

Stalin further defined this conception of Leninism in his Political Report to the Sixteenth Congress of the Communist Party of the Soviet Union in 1930:

“Lenin sometimes expressed the thesis of national self-determination in the form of a simple formula ‘Disunion for the purpose of union.’”

On the lines of this principle he dealt with the question of the fusion of nations in this same Report:

“Lenin never said that national differences must disappear and national languages be fused in one common language within the boundaries of a *single state, before the victory of socialism all over the world.* Lenin, on the contrary, said quite the opposite, namely, that ‘the national and state *distinctions* between peoples and countries . . . will exist for a *very long time even after the establishment of the dictatorship of the proletariat on a world scale.* . . .’

“We must let the national cultures develop and expand and reveal all their potential qualities, in order to create the necessary conditions for merging them into one common culture with one common language.”

In the later discussion on Marxism and Linguistics Stalin further elaborated this question. Referring to his earlier Report to the Sixteenth Congress, he said:

“In the section dealing with the merging of languages into one common language, here another epoch is meant, namely, the epoch after the victory of socialism on a world-wide scale, when world imperialism no longer exists, the exploiting classes have been overthrown, national and colonial oppression is abolished, national isolation and mutual distrust of nations are replaced by mutual trust and reapproachment of nations, national equality is realised, the policy of the suppression and assimilation of languages has been abolished, the co-operation of nations is organised and national languages are able freely to enrich each other by way of co-operation.

“It is clear that in these conditions there can be no talk of the suppression and defeat of some languages and the victory of other languages. Here there will be not two languages, one of which suffers defeat and the other emerges victorious from the struggle, but hundreds of national languages from which, as a result of the prolonged economic, political and cultural co-operation of nations, at first the most enriched, common, zonal languages will emerge, and then zonal languages will merge into one common international language, which of course will not be German,

Russian or English, but a new language, which has absorbed the finest elements of the national and zonal languages."

(STALIN, Reply to A. Kholopov, with reference to the discussion on his *Concerning Marxism in Linguistics*, June, 1950; Reply published in the *Bolshevik*, No. 14, 1950.)

The guiding practical conclusions arising from this analysis of the national and colonial question in the era of imperialism were summarised by Stalin:

"The imperialist war has shown, and the revolutionary experience of recent years has again confirmed:

- "(1) That the national and colonial questions are inseparable from the question of emancipation from the power of capital;
- "(2) That imperialism (the highest form of capitalism) cannot exist without the political and economic enslavement of non-sovereign nations and colonies;
- "(3) That the non-sovereign nations and colonies cannot be emancipated without the overthrow of the power of capital;
- "(4) That the victory of the proletariat cannot be a lasting one unless the non-sovereign nations and colonies are emancipated from the yoke of imperialism.

"If Europe and America may be called the front, the scene of the main engagements between socialism and imperialism, the non-sovereign nations and the colonies, with their raw materials, fuel, food and vast store of human material, should be regarded as the rear, the reserve of imperialism. In order to win a war one must not only triumph at the front but also revolutionise the enemy's rear, his reserves. Hence the victory of the world proletarian revolution may be regarded as assured only if the proletariat is able to combine its own revolutionary struggle with the movement for emancipation of the toiling masses of the non-sovereign nations and the colonies."

(STALIN, *The National Question Presented*, 1921.)

These principles received a powerful demonstration in practice in the victory of the Russian socialist revolution and in the Constitution of the Union of Soviet Socialist Republics.

4. Fulfilment in the U.S.S.R.

The decisive example and inspiration in the great sweep forward of colonial liberation after the first world war was the victory of the socialist revolution in Russia in 1917.

Under the leadership of the Bolshevik Party, the new Soviet régime liberated all the subject nationalities which had been oppressed under Tsarism. No distinction was made between "advanced" and "backward" peoples. No concession was made to theories of "tutelage" and "gradual advance to self-government" of primitive peoples at a low stage of development. On the contrary, emancipation was seen as the *first step* in order to overcome the backward or arrested development. All without exception received at once full equality of rights, and complete national freedom, including the right to secede. The Declaration of the Third All-Russian Congress of Soviets on January 24, 1918, proclaimed:

"The Soviet Republic is established on the basis of a free union composed of free nations. In order to avoid misunderstanding on this question, the declaration offers to the workers and peasants of every nationality the right to make their own decision in their own authorised Soviet Congress: do they wish, and on what grounds, to participate in the federal government and other federal Soviet institutions?"

The reality of this right of secession was demonstrated in practice in the case of Finland in 1918, which, under a reactionary government, demanded and at once received complete independence at the hands of Lenin, after this had been refused by Kerensky.

Formal recognition of national freedom and equality of rights was, however, only the first step. For this equality to become real in practice, it was essential that material and cultural conditions in the regions hitherto backward and held down to a low level of retarded development by the colonial system should be rapidly carried forward to the level of the most advanced. Every aid was given from the more developed industrial regions to speed this transformation, and especially to speed industrialisation, not on the basis of capitalist investment and interest, but of socialist co-operation. The principle was laid down by Stalin at the Twelfth Congress of the Russian Communist Party in 1923:

"Apart from schools and language, the Russian proletariat must take every measure to establish centres of industry in the border regions, in the Republics which are culturally backward—backward not through any fault of their own, but because they were formerly looked upon as sources of raw materials."

Here, indeed, we see the contrast to Sir Stafford Cripps' "It is not possible to contemplate much in the way of industrial development in the colonies," or Rees-Williams' "It is no part of our purpose to try and set up everywhere small Lancashires."

This programme of industrial, economic and cultural development has been fulfilled in practice. Previously, in the Tsarist Empire, industry was concentrated in the area of Moscow, Leningrad, the Ivanov region, etc.—a tiny limited area where industrial capital originated and developed, holding the huge lands of agriculture and raw materials subject to the industrial centre. To-day the colossal industrial development is spread over the entire area of the Soviet Union. The Central Asian Republics, whose peoples were contemptuously dismissed in the *Russian Yearbook* of 1914 as "native tribes" at the lowest level, are now advanced centres of civilisation, of mechanised agriculture and industry, and of high social and cultural achievement.

Particularly significant is the industrial development of these Republics, as can be seen from the following figures:

Table 38

GROSS OUTPUT OF INDUSTRY IN SOVIET REPUBLICS OF CENTRAL ASIA, 1913-55

(Per cent. increase)

	1913-55	1940-55
Uzbekistan . . .	1,300	194
Kazakhstan . . .	3,200	322
Turkmenia . . .	1,400	157
Tajikistan . . .	2,300	176
Kirghizia . . .	3,700	282

(U.S.S.R. Economy Statistical Abstract, 1956)

This development has completely transformed the conditions and standards of those countries on a scale that cannot be paralleled by any other former colonial countries.

From backward colonies under Tsarism they have become progressive self-governing republics with a level of development in proportion to the population comparable with the European

part of the U.S.S.R. or any industrialised country of Europe. Already by 1946 industrial output in Kazakhstan constituted 66 per cent. of the total production, while in Uzbekistan it was 75 per cent., despite the enormous parallel increase in agricultural output.

By 1952 the electric power output of these Central Asian Soviet Republics, with a population of 17 millions, was three times that of Turkey, Iran, Iraq, Syria, Afghanistan and Pakistan combined, with a population of 156 millions. In other words, the electric power output per head in the Central Asian Soviet Republics was twenty-seven times that of these other once comparable countries in the imperialist orbit. This is a measure of the practical achievement which has been made possible by liberation from imperialism and by socialist construction.

The scientific development of agriculture in the Central Asian Republics has been equally striking. With the growth of irrigation, electric power stations and up-to-date agricultural machinery big advances are registered each year in the production of food and industrial crops.

The degree of mechanisation of agriculture is demonstrated by the fact that by 1952 there were 121,000 tractors in the co-operative and state farms, 23,000 harvester combines, 102,000 machines for sowing, cultivating and picking cotton, and hundreds of thousands of other agricultural machines and implements. The proportion of tractors in use in Soviet Uzbekistan was 1 per 176 acres under crops, as against 1 per 353 in France, 1 per 32,000 in India, or 1 per 45,000 in Iran. The total of harvester combines in Britain in 1952, with three times the population, was 16,000.

The yield of raw cotton in the Central Asian Soviet Republics in 1951 averaged 16.7 cwt. per acre, as against 9.1 cwt. in Egypt, 6.6 cwt. in the United States, and 2.7 cwt. in India. The total cotton crop was equal to the combined crop of India, Egypt, Iran, Turkey and Afghanistan.

Immense irrigation works have been undertaken and still greater projects are under way. In Kirghizia, for example, in four years 250,000 acres of desert land have been transformed into wheatfields, cotton and fibre plantations, orchards, etc.

One of the greatest construction projects of all is that for a

700-mile canal in Turkmenia, which will bring under cultivation over 3 million acres of hitherto barren desert.¹

All these great developments have involved corresponding social and cultural developments.

While in neighbouring India, after close on two centuries of British rule, 84 per cent. of the population were illiterate in 1951, in the Central Asian Republics, which started at an even lower level with only 1-3 per cent. literate in 1913, illiteracy has now been almost entirely eliminated.

In Uzbekistan, not more than 2-3 per cent. were literate before the Revolution. In 1950 literacy was 100 per cent. In Kazakhstan less than 2 per cent. were literate in 1914, in 1950 about 90 per cent. were fully literate and only 1-2 per cent. wholly illiterate (a lower proportion of illiteracy than the 2.7 per cent. in the United States). In Turkmenia under Tsarism only 1 per cent. were literate; now there is practically 100 per cent. literacy; only a few persons too old to learn have remained illiterate.

There has been a parallel growth in education and culture.

Before 1917 there was no tuition in Uzbekistan for the children of peasants and workers. In 1955 the primary and secondary schools were attended by 1,339,000 pupils. In addition there were 65,500 full-time students in higher educational institutions.

In Turkmenia 10,000 specialists had graduated between the end of the war and 1950 from the higher educational institutions and technical colleges. In 1955 the Republic, with a population of 1,400,000, had primary and secondary schools attended by 232,000 pupils, and higher educational institutions with 12,200 full-time students.

In Kazakhstan, with a population of eight and a half millions, the number of school pupils in 1955 was 1,356,000, and there were 49,200 full-time students in higher educational institutions.

Similarly in Tajikistan in 1955, with a population of 1,800,000, there were 334,000 pupils in the schools, and

¹ It is on the basis of these practical results of Leninist policy in the most backward colonial areas that it is possible to savour to the full the characteristic Fabian "practical wisdom" of Mr. Creech Jones' dictum, already quoted, that "escapism into the philosophy of Lenin will not bring better nutrition or the rearing of cattle in the tsetse forest belt." Kazakhstan after the war supplied 500,000 head of cattle to the liberated area, and finished 1945 with 4,200,000 more head of cattle than in 1940.

14,400 full-time students. In Kirghizia, with a population of 1,900,000, there were 326,000 school pupils, and 13,600 full-time students.

All the Soviet Republics of Central Asia have their own Academies of Science, universities, research institutions and the like.

In 1955 there were 155,000 full-time students in higher educational institutions in these five Central Asia Soviet Republics, with a population of 21 millions, or nearly double the total of under 80,000 in Britain with a population of over 50 millions. The proportion of students in relation to population reveals a thought-provoking contrast, not merely with backward colonial, dependent or under-developed countries, but with the most advanced capitalist countries.

Table 39

PROPORTION OF FULL-TIME STUDENTS TO POPULATION

(Number per 10,000 population)

Tajikistan	80	Iran	3	United Kingdom	16
Turkmenia	87	India	9	Sweden	21
Kirghizia	72	Egypt	12	Italy	32
Uzbekistan	89	Turkey	12	Denmark	34
Kirghizia	58			France	36

In the British colonial territories in 1954 the number of students in the three universities (Hong Kong, Malaya and Malta) and the seven University Colleges (West Indies, Nigeria, Gold Coast, Sierra Leone, Sudan and East Africa) totalled 4,284, equivalent to 1 per 20,000 of the population or less than 1 per cent. of the level in the Central Asian Soviet Republics.

Or take the measure of health. In Tajikistan, with a population of close on 1,500,000 the number of doctors rose from 13 in 1914 to 440 in 1939, or over thirty times; the number of hospital beds from 100 in 1914 to 3,615 in 1939, or more than thirty-six times. Let us compare this with Nigeria (see table below).

Thus the initial conditions in Tajikistan under Tsarism were at a level worse than an African colony to-day under British rule. With one generation of Soviet liberation they reached a level comparable with advanced European countries. What country in the world outside the Soviet Union, let alone what colony, can show a comparable advance?

Table 40

HEALTH PROVISION IN NIGERIA AND TAJIKISTAN

Hospital Beds

Nigeria (1953), 1 hospital bed for 2,606 inhabitants.

Tajikistan, 1914 (under tsarist colonial rule), 1 hospital bed for 13,000 inhabitants.

Tajikistan, 1939 (after two decades of Soviet freedom), 1 hospital bed for 408 inhabitants.

Doctors

Nigeria, 1953 1 doctor for 66,000 inhabitants

Tajikistan, 1914 1 doctor for 100,000 inhabitants

Tajikistan, 1939 1 doctor for 3,400 inhabitants

By 1952 the number of doctors in Uzbekistan was 1 per 895 inhabitants, contrasting with 1 per 4,350 in Egypt, and also exceeding the proportion in France, with 1 per 1,000, or in Holland, with 1 per 1,160.

More recent figures would make the contrast even more striking. In the five Central Asian Soviet Republics the number of doctors within the same frontiers in 1913 totalled 493. By 1955 the number had increased fifty times over to 24,827. Similarly the measure of the provision of hospital beds shows a corresponding increase. In 1913 the number of hospital beds was 3,300. By 1955 the number was 132,600, or an increase forty times over.

No less revealing has been the method of financing this gigantic transformation. Under imperialism a vast annual tribute is drawn from the poverty-stricken backward peoples under colonial domination by the wealthy exploiting class of the possessing Powers. The humbug of returning a few pence per head for "colonial development and welfare" only emphasises the real spoliation from which these few pence of charity are cheaply drawn. Under socialism the extra cost involved in rapidly helping forward the economic and cultural development of the backward peoples has been met by allotting to them consistently a disproportionate share of the total U.S.S.R. budget expenditure, so that during this transitional period they have continuously received more than they have given—a reverse "drain."

Thus, for example, in the Soviet Union Budget for 1927-28, before the development of the Five Year Plans, the allocation for financing economic development was 1.65 roubles per head

in the Russian Soviet Republic, and 8·9 roubles per head in Turkmenia; the allocation for social-cultural needs was 2·16 roubles per head in the Russian Soviet Republic, and 3·84 roubles per head in Turkmenia. Similarly, the separate Budget of the Russian Soviet Republic received 18·8 per cent. of the revenues derived in its territories, the budget of Tajikistan received 100 per cent.

In this way the former ruling Russian nation, wealthier and more developed, received less and gave more. The former exploited colonial people, having greater needs, gave less and received more, until they could catch up. The surplus of economic benefit went, no longer to the former ruling country, but to the former colonial country—and freely, without any piling up of debt.

Such is the reversal of capitalist economy by socialist economy. We see here the miracle which has indeed made the desert bloom and the hungry well fed. In short, we see here in living practice the contrast between imperialist colonial exploitation and the socialist fulfilment of the equality of nations, with the most backward rapidly helped forward to the level of the most advanced.

Is it surprising that this demonstration exercises its powerful influence among the colonial peoples throughout the world? The contrast between the complete absence of colour and racial discrimination in the Soviet Union, where the propagation of colour or racial hatred is a criminal offence, with the horrors and cruelties of the colour bar in the United States and the British Empire, must inevitably have its effect among the coloured majority of the human race, and gives to them a different understanding of the controversies on “democracy” and “human rights” from that so easily assumed by the tiny handful of White imperialists who imagine themselves the spokesmen of “civilisation” and “liberty.”¹

The picture of equality and rapid advance of the former colonial territories of the old Tsarist Empire, and especially of the Central Asian Republics, cannot but give cause for furious thought to all colonial peoples. It is a picture which inevitably arouses bitter comparison with the stagnation and

¹ It is amusing to note that the Declaration of the Strasbourg so-called “European Assembly” (more correctly, museum of reactionary antiquities and American puppets from a fragment of Europe) on “Human Rights” specifically excluded the “overseas territories.”

exploitation of every colony under imperialism. But it is a picture which also holds out glowing hope and confidence for the future advance which can be achieved in every colonial territory everywhere without exception, once the imperialist yoke has been thrown off and the colonial people have become masters of their own country.

5. *Socialist Economic Aid*

The demonstration of the role of socialism in solving the problems of colonial and national liberation and making possible the most rapid advance from a backward colonial economy to the highest economic and social levels was first established through the experience of the Soviet Union in relation to the peoples of the former Tsarist colonial empire.

Since the second world war this demonstration has been carried very much further forward. As a result of the victory of the peoples over fascism in Europe and the victory of the Chinese People's revolution, socialism developed from its former limitation within the framework of a single country to a world system embracing the Chinese People's Republic and the new People's Democracies in Eastern Europe, alongside the Soviet Union. All these countries, whose peoples had newly won freedom and entered on the path of socialist construction, had been previously held backward in economic development by imperialism. China had been a semi-colonial country in the grip of the imperialist exploiters and their collaborators within China. The countries of Eastern Europe had been relegated to the role of agrarian appendages of the industrial countries of Western Europe.

Hence in all these countries the need to overcome the inherited backward economies and enter on the path of industrialisation and modern technical development raised the most urgent problems. It was here that the capacity of a fully developed socialist economy and a socialist state to give aid for the rapid overcoming of the backwardness of an underdeveloped country was further shown. During the five years 1951-5, the Soviet Union helped the Chinese People's Republic and the People's Democracies in Eastern Europe to build no less than 547 complete industrial enterprises and over 100 separate workshops, with long-term credits totalling 26.6 billion roubles, or £2,660 million.

In the most recent period this principle of socialist economic aid has been carried further. The economic strength of the countries of socialism and people's democracy have been able to supply economic aid to the newly independent, previously colonial, countries, which have won freedom from imperialist rule or domination, but which have inherited the retarded colonial economy maintained by imperialism and are now entering on the tasks of economic reconstruction.

This new development was first brought to general attention by the Indo-Soviet Steel Agreement finally signed in March 1956, for the construction of a great steel works, with a capacity of one million tons rising to one and one-third million, on the basis of the aid of Soviet industrial equipment, technicians and cheap long-term credits.

Further examples of this new development, both from the side of the Soviet Union and also from Poland, Czechoslovakia and other People's Democracies of Europe, and from China, were shown in the ensuing period. Such examples were the agreement for Soviet aid for Indian oil exploitation and diamond mining; the equipment of a technical institution in Burma and projects for a steel plant and factories in Burma; the agreement to build grain silos, flour mills and bakeries in Afghanistan; and parallel proposals in relation to Ceylon, Indonesia, Turkey and other countries.

This socialist economic aid to under-developed countries introduced a new principle in the relation of advanced industrial countries to under-developed countries whose economy has been kept backward by imperialism. Socialist economic aid has differed in a number of fundamental respects from the type of "aid" or "development," capital export, grants or credits afforded by imperialist states or financial interests to such countries:

First, socialist economic aid has been made without military or political "strings." In contrast, the vast arithmetical total of United States "foreign aid" proposed for appropriation in 1956 and amounting in the original estimate to 4,860 million dollars, was officially declared to be 83 per cent. for "military aid," while the remaining one-sixth for "economic aid" was declared to be subservient to the political and strategic purposes of United States foreign policy, and was in fact mainly allocated for bolstering up the bankrupt regimes of Chiang

Kai-shek, Syngman Rhee and Diem. Similarly the private loans of the International Bank or similar institutions were accompanied by conditions for supervision of domestic economic policy.

Second, socialist economic aid was directed to assist the independent economic development of the countries helped, especially by promoting industrialisation, the key to an independent economy. This was a completely new feature. The old familiar type of export of capital, investment, loans, credits or grants from imperialist countries to colonial or under-developed countries was directed, not to make possible the independent economic development of the country in question, but to maintain its dependence, facilitate commercial penetration and pump out its raw material resources while leaving the population in abject poverty.

Third, socialist economic aid has been provided on terms which have not involved the receiving countries in falling into economic dependence on the creditor country. Socialism is not interested in the export of capital for the purpose of investment corresponding to the export of capital by the investors of imperialist countries in order to draw tribute. The long-term credits have been made available at 2 per cent., in contrast to the 4 per cent. demanded by the International Bank, and the considerably higher rates of private foreign financial interests. Arrangements for payment have been made in forms which suit the country concerned by accepting payment in local currency or in surplus primary commodities, in place of demanding payment in foreign currency which eats up the reserves. Thus the Burmese Minister for Industry declared in 1956 that the Soviet Union had offered to assist Burma in her plans for industrialisation and rural electricity, and to take payment in the form of Burmese surplus rice, whereas Britain had required payment in foreign exchange at a time when Burmese foreign reserves had already fallen to £30 million or two-fifths of the total in 1951.

It is not surprising that socialist economic aid under these conditions has aroused the keenest interest of the governments and peoples of all under-developed countries which are engaged in the tasks of national reconstruction.

It is further worth noting that the example of socialist economic aid has compelled the imperialist countries to endeavour

to enter into competition. Thus the Indo-Soviet Steel Agreement of March, 1956, was followed a month later by the announcement of a steel agreement of India with a British consortium; and the British consortium was forced to amend its terms in the light of the Soviet terms, to reduce its costs and to offer a grant at $6\frac{1}{2}$ per cent. In this way the new revolutionary principle of aid from an advanced industrial country to an under-developed country to enable that country to establish its own independent economy by industrialisation has now begun to go forward, not only with socialist aid, but also, under its stimulus, with what the Soviet leader, N. S. Khrushchev, ironically and not unjustly described as "indirect Soviet aid" from the imperialist countries.

The capacity of the socialist world to export the most advanced capital goods for large-scale industrial development has had to be recognised by the capitalist world. Thus the Report of the Secretariat of G.A.T.T. (the General Agreement on Trade and Tariffs) for 1955, published in June, 1956, stated that "the countries of Eastern Europe may have a competitive advantage in the supply of capital goods over the major western industrial countries as a result of a more advanced technical integration."

These new developments are opening out a new perspective for world economic and political advance.

Socialism has not only shown the way forward for the liberation of subject nations from imperialism, and given the greatest stimulus to the victory of the national liberation struggle in all countries. Socialism has also now shown the possibility for socialist economic aid to assist the most rapid development of newly independent countries to throw off the inheritance of a backward colonial economy and achieve their economic as well as political independence. This is opening a new future for the world.

CHAPTER XVI

NEXT STEPS OF COLONIAL LIBERATION

Brothers in suffering, fellow soldiers in resistance! Your foes are our foes, your oppressors are our oppressors, your hopes are our hopes, your battle is our battle.

People's Paper, March 8, 1856

SINCE the first victories of colonial liberation through the Russian Revolution of 1917 nearly four decades have passed.

These four decades have seen an enormous development in the world situation and in the whole advance of national and colonial liberation, which makes essential a new assessment of the next steps and the immediate tasks along the path of national and colonial liberation within the general principles of the socialist approach outlined in the previous chapter.

The victory of the Chinese Revolution; the establishment of Indian independence; the formation of new states of free peoples such as the Korean People's Republic and Vietnam People's Republic; the advance of victories of national independence in an extending series of countries in Asia and the Middle East; and the extension of the range of the liberation movement in all colonial countries; all these new factors have brought profoundly new conditions in the struggle for the liberation of the peoples from the yoke of imperialism.

No less important for the new perspective is the shift of the balance of forces in the world situation. The development of the camp of socialism and peace, with the participation of twelve states of socialism or people's democracy, embracing over one-third of the world's population; the restriction of the area of imperialism, with the domination of American imperialism within the restricted imperialist camp; the active military and strategic measures of imperialism to endeavour to maintain its hold or even to increase its aggression through military pacts and colonial wars; the extending association and unity of the Asian and African peoples in the common struggle against imperialism and its war plans, as expressed in

the Bandung Conference, drawing together the representatives of the majority of mankind; and the advance of friendly relations between the countries of socialism and people's democracy and the newly independent countries of Asia and Africa for peace and economic co-operation, with the extension of socialist economic aid—all these developments have brought further new conditions and a new perspective in the national liberation struggle.

This new perspective affects especially the relation of the struggle for national independence with the struggle for peace; the new features in the fight for national independence and in the conception of national independence; the formation of the united national front and the role of the Communist Parties in colonial and dependent countries; and the tasks of the alliance of the working class in the metropolitan country with the colonial liberation movements in the common struggle against imperialism, and for peace, national independence, democracy and social and economic advance.

1. National Independence and Peace

The advance of the fight for peace and peaceful co-existence; the relaxation of international tension; and the extension of resistance to the war plans of imperialism, as well as the new balance of forces within the imperialist camp, expressed in the dominance of American imperialism—all these have brought important new conditions in the struggle for national liberation.

The fight for peace is the common interest of all peoples in all countries of the world, equally in the imperialist countries, in the newly independent countries and in the colonial countries.

In former times the view was widely held in militant circles of the national movement that the divisions and even wars of the imperialist powers created the most favourable conditions for the advance of the struggle for national freedom. The advance of the tremendous colonial upsurge which followed the first and second world wars has been quoted in support of this view, which could be used to point to a conclusion that the outbreak of a third world war would represent a menace only to imperialist countries, but an opportunity for the colonial and dependent peoples. Such a conclusion would be profoundly dangerous, and contrary to the real interests of the struggle for national independence.

It is true that in the past, when imperialism ruled the entire world, before the victory of socialism and the formation of the world camp of peace and democracy, in that past period the divisions of the imperialists represented in a certain measure the opportunity for those oppressed by them to revolt. But this is no longer true in the same way of the present world situation. The world to-day is divided between the camp of imperialism and war and the camp of socialism, democracy and peace. The interests of all peoples, equally in the imperialist countries and in the colonial and former colonial countries, are bound up with the camp of socialism, democracy and peace, headed by the U.S.S.R. and the Chinese People's Republic, and with the victory of the aims of peaceful co-existence.

It was not the fact of the first world war, the outbreak of which was a disaster for all peoples without exception, but the victory of the first socialist revolution, born of the fight against the imperialist war, which led to the mighty colonial upsurge following the war. It was not the fact of the second world war of Hitlerite aggression, the outbreak of which was equally a disaster to all peoples, but the victorious anti-fascist struggle of all the peoples of the world, with the socialist Soviet Union in the forefront, and the subsequent victory of the Chinese People's Revolution which gave the impetus to the present mighty upsurge of the colonial peoples throughout the world.

The menace of a new world war threatens all peoples without distinction. No corner of the globe, no territory, is immune or even remote from its menace. The strategic war plans of imperialism have been especially concerned with the colonial and ex-colonial areas of the world. This has been seen in the concentration of attention on the Middle Eastern countries to forge a chain of military alliances of puppets and dictators under Western imperialist control. It has been seen in the lavish expenditure to develop Africa as a war base. It has been seen in the American moves to draw Pakistan into its military network not only because of the key character of the position of Pakistan from a strategic point of view but in order to put pressure on India.

Africa, the Middle East, India, Pakistan and South-east Asia are all seen as key strategic areas from the standpoint of the aggressive war-making forces of imperialism. Further, the economic burdens of the war drive and rearmament fall with

merciless severity on the colonial and dependent peoples. Here are seen the decisive areas of strategic raw materials required for rearmament. The spoliation and plunder of the colonial peoples is intensified to supply the needs of the war drive. The cost of the drive to war is paid for above all with the ceaselessly intensified exploitation of the colonial peoples.

As against this menace of the imperialist war drive to all peoples, the victory of the aims of the peace camp, of peaceful co-existence and of co-operation of the powers, and the consequent reduction of international tension and limitation of armaments, would provide the most favourable conditions for the advance of the struggle of the colonial and dependent peoples for national independence. The main basis for the present inflated level of armaments and of armed forces, which in practice are principally used at the present time against the colonial peoples and national liberation movements, would be removed; and the incentive would be increased to seek a peaceful settlement with the national demands of the colonial peoples. The functioning of the United Nations would be transformed from its distortion during the cold-war phase as a rubber-stamp machinery for imperialist aggression into its proper role as a machinery for peace and for the rights of nations. The victory of the peace camp against the most reactionary war-making imperialist sections would mean the powerful advance of the democratic and progressive forces in all countries.

Thus the peoples of the colonial and dependent countries have an equal and common interest alongside the peoples of the imperialist countries in the victory of the struggle for peace.

The fight for peace and the fight for national independence are not identical, but are closely interlinked. Just as the fight for peace is of necessity closely bound up with the fight for national independence, since the main wars in the present decade have been and still are colonial wars, and the main driving force of imperialism to war is for the redistribution of the world, so the fight of the colonial and dependent peoples for national independence is an integral part of the front of the fight for peace. The revolt of the Kenya African people has heavily hampered the British war plans to make Kenya a main base for the whole region of the Indian Ocean, the Middle East and Africa. Similarly the resistance of the Cypriot people has hampered the plans to make Cyprus a war base for

the domination of the Middle East. The advance of the struggles of the Vietnam and Malayan peoples, alongside the liberation war of the Korean people, held up the openly proclaimed plans to make these conflicts the starting point for a major war in the Far East. Above all, the example of India, has shown how a nation that has won independence from imperialist rule can play a foremost role in the struggle for peace.

Thus the fight for peace can truly be described as a joint struggle in which all the peoples of all countries can play their part to win the victory for peace.

2. New Features in the Fight for National Independence

The new world situation with the dominant role of American imperialism in the imperialist camp has also brought further important new factors in the struggle for national independence. Previously the struggle of the peoples of the British Empire for national independence was essentially a struggle against British imperialism alone, just as the struggle of the people of French North Africa was against French imperialism, or of Puerto Rico and the Philippines against American imperialism. This situation is now changed. American imperialism has established its predominance in the imperialist world and to a considerable degree drawn the British and French empires into its orbit. Hence the struggle of the peoples of the British Empire for independence is not only a struggle against British imperialism but simultaneously a struggle against American and British imperialism.

Failure to recognise this new stage of the struggle could lead to the destruction and defeat of the aims of the national liberation movement, if its leadership fell into the trap of regarding American imperialism, because of its rivalry with their own enemy and oppressor, as therefore a potential ally to be welcomed. Just as the camp of Axis fascism before and during the second world war, of German, Italian and Japanese imperialism, used every method of corruption and demagoguery, and of pretended sympathy with national aspirations, to seek to penetrate the national movement in colonial countries, and thus facilitate conquest, so to-day American imperialism pursues the same methods. The American imperialists are ceaselessly active to seek to insert their agents or buy or win over a section of the reactionary leadership of the national

movements in all colonial and dependent countries. The battle for national independence in the subject countries of the British Empire is a combined battle against the immediate domination and oppression of the British imperialists and against the penetration of the American imperialists.

A further new feature consequent upon the new world situation is a deepening of the understanding of the meaning of national independence. There has already been occasion to emphasise that the formal juridical or diplomatic recognition of independence of a given state does not necessarily mean that full independence has in all cases been achieved. The formal recognition of sovereignty may be accompanied by heavy limitations in the shape of military treaties, acceptance of imperialist bases, or economic intervention, which have to be overcome in order that the formal independence may become effective. The examples of Iraq, Jordan or Libya have demonstrated this. This analysis can now be carried further if it is seen against the background of the real relations of the modern world situation.

In the new world situation the decisive test of full national independence requires to be measured, not only in the actual relationship to the former ruling imperialist power, but in the relationship to the whole camp of imperialism. The inclusion of a state in the imperialist military blocs has meant in practice the more or less considerable limitation of national independence of that state.

Conversely, in proportion as the people of any state have been able to ensure a separation from the imperialist war camp and an alignment in support of peace, they have thereby carried forward and strengthened their own independence. This has been most clearly seen in the case of India, which emerged in 1947 as a politically independent state, but still in many respects within the economic and strategic orbit of British imperialism, despite the winning of political independence. But since the victory of the Chinese revolution in 1949, with its far-reaching effects on the balance of forces in Asia, and the increasing advance of India to a foremost role in the cause of world peace, this has most powerfully reinforced the independence of India's position in world politics, and at the same time has strengthened advance in the internal situation towards the completion of economic independence through industrialisation.

3. *People's Democracy and National Independence*

The experience of the modern period and especially of the Chinese People's Republic, has further deepened the understanding of the most effective form of real national independence.

Previously the conception of the aim of national independence found expression in the aim of the independent bourgeois democratic republic, having won separation from the former ruling imperialist power. But a series of experiences, as in the case of the Latin American Republics, has shown how the closeness of economic and other ties of the upper sections of the bourgeoisie in such a country with the imperialists can result in the bourgeois democratic republic under their leadership becoming not the fulfilment of real national independence, but only a more skilfully hidden form of dependent association with imperialism.

The final fulfilment of independence therefore requires the defeat of those upper sections of the bourgeoisie, or feudal, or other exploiting sections which are linked up with imperialism, and the breaking of the grip of imperialism on the economic resources of the former colonial country. This can only be reached, not under the leadership of the reactionary sections of the bourgeoisie allied to imperialism, but through a united national front linking all sections of the national bourgeoisie opposed to imperialism with the working class and peasantry and urban petty bourgeoisie in the common struggle against imperialism. In the highest stage of such a united national front the leading role needs to be fulfilled by the working class in alliance with the peasantry, in order to complete the democratic anti-feudal and anti-imperialist revolution, and carry forward the advance to the victory of complete economic and political independence from imperialism.

This final stage for the completion of economic and political independence from imperialism does not exclude the possibility of transitional stages during which the national bourgeoisie, despite contradictions in its role, maintains leadership of the national front for the initial conquest and defence of independence, and for the interests of peace and the beginning of internal economic reconstruction. Such a stage can, however, only be transitional.

The most favourable form for this final stage of the united

national front for the completion of economic and political independence from imperialism has been demonstrated during this period, especially since the experience of the Chinese People's Republic, as the form of People's Democracy. The Chinese People's Revolution and the Chinese People's Republic, under the leadership of the Chinese Communist Party, have shown the way to build the united national front of the four classes, the working class, the peasantry, the intellectuals and urban petty bourgeoisie, and the national bourgeoisie, for the victory of the democratic, anti-feudal, anti-imperialist revolution, and for the establishment of the new type of state of People's Democracy upon this basis. They have shown how, on this foundation, to carry forward the reconstruction of the country, to begin to solve the problems of backwardness arising from feudal and semi-colonial conditions, to complete the agrarian revolution, to enter on large-scale industrialisation, to raise living standards, to draw the entire people into democratic activity for rebuilding their country, and so to prepare the conditions for the future advance to socialism. The People's Democratic Republic is revealed as the most favourable form, equally for full national independence and for progressive internal development.

The programmes of the Communist Parties of India, Indonesia, and other countries, have formulated this long-term perspective of People's Democracy for the realisation of their aims of full national independence, democratic advance and economic and social reconstruction.

4. United National Front and the Communist Party

Important lessons flow from this for the development of the national liberation movement. These lessons point the way to the building of the broadest democratic national front, with the leadership of the working class, and the alliance of the working class and the peasantry as its core, and drawing in the widest sections for the victory of national liberation against imperialism.

Experience in a wide series of countries in the most recent period since the victory of the Chinese Revolution, has shown the path of development of such a broad democratic national front, with the leading role of the working class. Experience has shown how in certain conditions the development of the

struggle along this path of advance can open the way to the formation of provisional coalition governments of democratic unity, based on a broad democratic front, for the furtherance of immediate aims in the struggle for democracy, peace, economic and social demands, and national liberation, as a transitional stage on the road to full national liberation and the establishment of People's Democracy.

At the heart of such development is the role of the working class and of the Communist Parties. Modern imperialist development has inevitably brought the increasing formation and extension of the working class in all colonial and semi-colonial countries. Also in the conditions of Africa this advance has been markedly demonstrated in West Africa, in South Africa, in the Rhodesias, in Kenya. In the face of every obstacle the colonial working class has carried forward its struggle, built up trade unions and political parties, striven for elementary economic and social demands and democratic rights, and played its active part in the national liberation struggle as the most consistent and courageous anti-imperialist fighter.

A stage has thus been reached in a very wide series of colonial and dependent countries in which the role of the working class stands out more and more clearly as that of the most consistent leader of the struggle for national liberation and for all the interests of the majority of the people, in opposition to the compromising actions of the upper strata of the colonial bourgeoisie.

The successful fulfilment of this role requires above all the formation and development of Communist Parties, of political parties of the working class, drawing in the most militant sections of the peasantry and of the national liberation movement, and based on the principles of Marxism-Leninism, such as can lead the struggle of the colonial and dependent peoples to final victory.

From this follows the general conclusion at the present stage for the development of the national liberation movement. Wherever the conditions of class differentiation have reached a considerable stage, with the emergence of a colonial working class, there the most effective organisation and leadership of the struggle for national liberation requires not only the broadest unity of the national front against imperialism but also within this the fulfilment of the leading role of the working class

and its political party in building up the alliance of the working class and its political party in building up the alliance of the working class and peasantry as the core of the broadest united national front embracing the working class, the peasantry, the intellectuals and urban petty bourgeoisie, and the national bourgeoisie. Within the framework of this general principle, particular developments will need to correspond closely to the actual forms and stages of the particular development in the given territory.

But the national liberation movement in any given territory cannot conquer in isolation. The struggle against imperialism is international in its character. And in the case of the struggle against the domination of British imperialism, it is of especial importance that the closest alliance should be built up between the British working class and the national liberation movement in all the colonial and dependent countries.

5. Practical Solidarity

In the new developing world situation, with the deepening of the crisis of the British imperialist system, and the accelerating advance of the revolt of all the colonial and dependent peoples still subject to British rule, the responsibility of the British labour movement to take the lead in fighting actively and in the forefront on the side of the subject peoples and building up a firm alliance with them for a common victory over imperialism, has become of more vital importance than at any previous time for the whole future of Britain and of socialism in Britain.

The new predominance of American imperialism in the imperialist camp, and the measure of surrender by British rulers during the past decade to this predominance, has meant the visible diminution of the former national sovereignty of Britain in the face of the extensive American intervention, economic and political pressure, and direct military occupation. As a result of the policy of their rulers, the British people have been brought into a state of considerable political, economic and military subordination to the rulers of the United States. The same has applied during this period to the peoples of Canada, Australia and New Zealand.

Hence the battle for the national independence of the peoples of the British Empire has taken on a new and extended significance. Previously the struggle for national independence was

expressed only in the struggle of the colonial and dependent peoples of the British Empire and it was the true interest and responsibility of the British working class, and the working class in the older Dominions, to give support in this struggle. But now the struggle for national independence, whatever the variations of form and stage of development, has become the common struggle of all the peoples of the British Empire, including that of the British people, and of the Canadian, Australian and New Zealand peoples. The links are drawn closer. The old declaration of Marx that a nation which enslaves other nations forges its own chains has been proved true in a new and developed fashion. At the end of the road the price of imperialism has led to the weakening of national independence of the British people. These conditions are deepening the understanding among the British people of the meaning of the fight for national independence.

The alliance between the British working class and the national liberation movement of the colonial and dependent peoples can only be effectively built up to the extent that the British working-class movement openly opposes the policies of their imperialist rulers, takes a firm stand on the side of every national struggle and revolt of the subject peoples, and fulfils the tasks of practical solidarity and aid, and of special assistance to the struggle of the working class in the colonial and dependent countries.

Such a policy requires in practice ceaseless daily activity in response to the manifold issues as they develop on the colonial front. The interests of the British working-class movement call for vigorous opposition to the colonial wars and to the régime of imperialist violence, typified in the recent period by the wars in Malaya, Kenya and Cyprus, the repression in British Guiana or other colonial territories, or the support of terrorist dictatorships as in Iraq.

6. Trade Unionism in the Colonies

For the fulfilment of the tasks of practical solidarity it is especially important to give every assistance to the development of the trade union and working-class movement in the colonial countries. Wherever regulations and penal laws are imposed which either prohibit strikes or restrict the elementary rights of trade unionism—and in one form or another this is the

case in every colony under British rule—it is the elementary duty of trade unionists in Britain to practise solidarity with trade unionists in the countries oppressed by Britain, and to fight for the repeal of these discriminatory regulations and anti-trade union laws here in Britain where is the seat of authority which imposes them.

It is here, above all, that the World Federation of Trade Unions, representing, with its 85 million members, the majority of trade unionists throughout the world, and with the affiliation of the trade union movements in the majority of colonial and dependent countries, has played its key role for international trade unionism. The breakaway of the British Trades Union Congress and American unions, under the influence of the aggressive policy of the American-led imperialist bloc, and the endeavour to conduct disruptive splitting tactics in the trade union movements of other countries has been a blow against international trade union solidarity; and every effort needs to be directed to end the breach and re-establish international trade union unity.

The mass of trade unionists in Britain have little opportunity of information of the way in which the British imperialist rulers, with the active assistance of the right-wing leadership of the British trade unions, attack and suppress elementary trade union rights and activities in the colonies, and even utilise special officials, drawn from the circles of the right-wing leadership, to disrupt colonial trade unionism. Apart from the direct Government expenditure, and the lavish American finance poured out for this purpose and administered through the right-wing leadership of the American unions, funds are also drawn from the subscriptions of trade unionists in Britain, and administered through the General Council of the Trades Union Congress, nominally to “assist” colonial trade unionism to develop on “sound” lines, in reality to combat militant trade unionism in the colonies.

Prior to the second world war trade unionism in the colonies was in practice almost completely illegal. In 1930 there were only three registered trade unions in all the colonial territories, and these were only tolerated because they were docile and ineffective. The colonial workers fought to build up their trade union organisation in the face of ceaseless repression, arrests of their leaders and armed violence. Nevertheless, despite

this repression, the strike movement and the beginnings of organisation advanced.

Hence the imperialist rulers were compelled to modify their methods. Having failed to suppress the growth of trade unionism in the colonies, they turned to the alternative policy of endeavouring to establish close government control of permitted trade union organisation, while continuing ruthless suppression of genuine independent and militant trade unionism. This new policy was formulated in a series of official reports during the later 'thirties and after, notably in the report of the Moyne Commission of 1938-9 on the West Indies strikes and demonstrations of 1937; the report of the Commission on the 1941 strike of the African copper miners in Northern Rhodesia; the *Report of the Commission of Enquiry into the Disturbances of the Eastern Provinces of Nigeria* in 1949, and a series of similar official documents. The policy was defined in a memorandum on *Trade Unionism in African Colonies* by R. E. Luyt, who later became trade union adviser in Northern Rhodesia and then Labour Commissioner in Kenya:

"African workers, growing rapidly aware that it is in their interests to organise and act collectively . . . will organise and will act collectively whether governments or employers or anybody else wish to permit it or not. And such non-permitted, possibly illegal, collective action and organisation, by virtue of being illegal or without recognition, tends to be led by men more revolutionary and more irresponsible and less reasonable than the accepted and recognised Trade Union leaders have been."

Similarly, the report of S. S. Awbery, M.P., and F. W. Dalley on "Labour and Trade Union Organisations in the Federation of Malaya and Singapore" (1948), explained why the policy of "encouraging responsible Trade Unions" had become inevitable, in view of the development of independent, militant trade unions organised by the workers:

"In the first place organisations claiming the right to represent the workers were already in being. It was therefore just a question whether (a) responsible Trade Unions for collective bargaining should be encouraged or (where not in being) established under a proper system of registration; or (b) the field should be left entirely to the Malayan Communist Party; or (c) the whole Movement be driven underground. The Secretary of State for the Colonies and the Malayan Government chose the first course and, we are convinced, chose wisely."

In practice the method followed in Malaya, operated through the despatch of John Brazier (educated at Ruskin College, a former organiser of the National Union of Railwaymen, a magistrate and Borough Councillor in the Isle of Wight and a member of the Colonial Bureau of the Fabian Society) as Industrial Relations Officer to Lord Mountbatten, and later as Government Trade Union Adviser, was characteristic of the new approach. The attempt was first made to build up approved "non-political" trade unions in opposition to the established militant Pan-Malayan Federation of Trade Unions with its 300,000 members. This attempt failed, despite legislative and administrative measures to hamper the independent unions; the Government-sponsored unions only won 9 per cent. of the organised workers. Then the power of the colonial dictatorship was invoked to suppress directly the Pan-Malayan Federation of Trade Unions and thus to leave a clear field for the Government-sponsored unions. In this way the operation of the Government "Labour Officer" or "Trade Union Adviser" went hand in hand with the violent suppression of independent trade unionism.

By 1954 the system of Government "Labour Officers" or "Trade Union Advisers" operated in sixteen colonies, with a staff of over 400.¹ The practical role of these Government Labour Departments and Officers was, under cover of giving "assistance" to "sane and responsible trade unionism," to work hand in hand with the Government and the employers, oppose strikes, help to put through wage cuts, and spy on militant workers and militant working-class activities in order to report them to the government for appropriate action. Thus the official Government directive to the Trade Union Adviser in Malaya, issued in 1950 included:

12. To keep the Government constantly informed of all developments in the Trade Union Movement within the Federation by means of regular, up-to-date and factual reports.

13. To bring immediately to the notice of the Government any events or activities which are observed, whether on the part of individuals or organisations, whether inside or outside the trade union movement, which are considered to be prejudicial to the development of sound trade unionism in the Federation.

¹ See Jack Woddis *The Mask is Off* (1954) for a fuller description of the operations of the Government Labour Departments in the colonies, as well as for further information on Government policy and trade unionism in the colonies, from which much of the material in this section has been taken.

14. To inform the Government of any behaviour on the part of the members or officials of trade unions, or on the part of any persons in any way connected with the trade unions, which may give rise to a suspicion that their activities may be prejudicial to the Government or the welfare of the country.

15. To co-operate at all times with the Department of Labour, the Registry of Trade Unions and other Government Departments in the joint furtherance of Government's policy.

Similarly the Kenya Government Labour Department Report for 1950 showed the close connection with the Government's action for the suppression of the East African Trade Union Congress. Referring to the 1950 General Strike, the Report stated:

"the strike broke down due to careful preliminary planning. . . . For some time past, the whole question of lack of industrial organisation had been undergoing examination in the light of the policy that the Trade Union Movement should be encouraged to develop slowly. With the disappearance of the Trades Union Congress and its Communist leader off the scene, the field was left clear for this policy to take shape."

In the Gold Coast the Labour Department published a booklet under the engaging title *Your Trade Union* to warn African workers against the fallacy of strikes:

"Experience shows that the strikes are not of any benefit either to the worker or to the employer."

(*Your Trade Union*, Public Relations Department, Accra.)

It should be clearly understood that this pearl of great wisdom, worthy of the Economic League, was put out under the official auspices of the Labour Government, owing its existence to the trade unions, whose foundations have been built by strike action.

In Kenya, another Labour Officer, James Patrick, issued a similar series of booklets on trade unionism (*What is a Trade Union? The Organisation of Trade Unions, Trade Union Rules*, etc.), published by the Labour Department of Kenya (i.e. by the British Labour Government), warning African workers against allowing trade unions to have political aims or against associating trade unions with strikes:

"A trade union is not an organisation with political aims.

"Some people seem to think that trade unions are chiefly

concerned with strikes. This is not true. Trade Unions are formed so that strikes can be avoided."

*(What is a Trade Union?,
Labour Department of Kenya.)*

The same Mr. Patrick informed a meeting of European settlers in Nairobi that he was there "to preach the gospel of content and friendliness," and that he had been obliged "to restrain a number of people (quarry workers, painters and so forth) who wanted to be recognised as trade unions" because "the encouragement of trade unions without the necessary quality would mean that they would be material for agitators and exploiters" (*East African Standard*, January 14, 1949).

If that condition had been laid down for the formation of the British trade unions, there would be no trade union movement to-day. Yet this kind of anti-trade union propaganda is put out with the support of the British trade union and labour movement.

This Government policy of "encouragement" of trade unions with "the necessary quality" by no means excludes the parallel method of violent suppression of independent trade unionism and militant working-class activity. As the examples from Malaya and Kenya have demonstrated, the two sides are complementary aspects of a single policy.

The activities of the British ruling authorities in violently suppressing strikes and trade union organisation in the colonies may be instanced from a few random examples taken from *one year under the Labour Government*:

GRENADA. In February, 1951, a strike took place for increased wages. The average wage of a labourer was only 12s. a week. The cruisers *Devonshire* and *Belfast* were ordered to Grenada and landed Marines, and police were flown in. The strikers were fired on. Six were shot, including one woman, and several were injured. Mr. Eric Gairey, President of the Manual and Metal Workers' Union, and Mr. Gascoigne Blaize, General Secretary, were deported to another island.

NIGERIA. In August, 1950, the workers employed by the United Africa Company at Lagos struck for a cost-of-living increase of 12½ per cent., a pension scheme, and a thirty-seven-hour week. They were forcibly prevented from picketing, and many strikers were arrested, including the General Secretary

of the Amalgamated Union of United Africa Company Workers.

UGANDA. In 1950, a Bill was introduced declaring that any person organising a strike in an "essential service" could be sent to prison for a year and fined £250. Anyone supporting the strike could be imprisoned for six months or fined up to £50. It was in Uganda in 1950 that police, armed with rifles and clubs, were called out against 1,000 African strikers.

TANGANYIKA. Early in 1950, 1,500 members of the Dockworkers and Stevedores Union went on strike in the port of Dar-es-Salaam for higher wages and against the registration of dock workers. Police attacked the pickets and fired on them. One African was killed and seven wounded, and eighty-six dockers arrested. Troops of the King's African Rifles were ordered to stand by, and were used to patrol the dock area.

EAST AFRICA. In February, 1950, police banned all meetings organised by the East African Workers' Federation. Mr. Daudi Unda, Acting President, and Mr. Japhet Banks, General Secretary, were arrested, and charged with being "rogues and vagabonds." They were later sentenced to four and six months' hard labour respectively. At the same time, police raided the office of the Union and seized all account books and membership forms.

In March, 1950, Mr. Fred Kubai, President of the East African T.U.C., was refused a passport to visit Europe to study trade unionism. In May, 1950, Mr. Fred Kubai, together with the General Secretary, were arrested after a police raid on their office. The result was a General Strike in Nairobi (May, 1950) in which there were baton charges against strikers, use of tear gas, police aircraft, a Royal Air Force plane, armoured cars and armoured trucks. Over 300 workers were arrested, and their leaders sent to prison for twelve month's hard labour.

It is evident that there is abundant need for the activity of British trade unionists to bring to an end such flagrant anti-trade union measures conducted in their name, and to fulfil the elementary duties of international trade union solidarity in relation to the colonial workers.

7. *Democratic Rights in the Colonies*

It is essential to combat every infringement of democratic rights, denial of civil liberties, suppression of the press, discriminatory racial regulations, and the operation of the colour

bar, and fight for the same democratic rights for colonial citizens as the British people demand for themselves.

In almost every British colony there are the most extreme restrictions on democratic rights, denial of civil liberties, suppression of newspapers, and racial discrimination. Bans are imposed on the importation and circulation, not only of Communist literature, but all progressive newspapers, pamphlets, books and journals expressing opposition to imperialism and the colonial system. Communists, and even those merely "suspected" of Communist views, are refused entry to British colonies despite their legal possession of passports.

Even in West Africa, despite the more advanced political development, there has been maintained bans on Communist and other progressive literature, and "suspected" Communists have not been allowed to leave the country, and their passports cancelled. The Nigerian Federal Government has banned no less than thirty-four Communist and progressive journals, and in the northern and eastern regions regulations imposed to prevent "suspected" Communists from being employed even in minor posts in the public service and in the teaching profession.

In the West Indies militant working-class leaders are banned from travelling even from one island to another. In British Guiana this was revoked by the P.P.P. Ministers in 1953, but re-imposed after the constitution was suspended—all in the name of freedom and democracy.

8. The Great Alliance

Above all, it is essential to awaken working-class and democratic opinion in Britain to the true character of imperialism and the crisis of imperialism; to expose the illusions of the "end of imperialism" and revive the anti-imperialist traditions of the labour movement; to spread understanding of imperialist policy as the root of Britain's crisis and the main obstacle to economic progress and the victory of socialism, and to mobilise support for a decisive change of policy.

The cause of the colonial peoples is to-day more than ever indissolubly linked with the cause of the working class and of socialism in Britain. The fight for the ending of imperialism and for the defeat of the multi-millionaire combines, which have their centre in Britain, but extend their operations over

the entire world, and especially in the colonial empire, and which are the main basis of Toryism and reaction in Britain, cannot be fought within the confines of Britain alone. The victory of the British working class cannot be won without allies, and the allies of the British working class and of the entire British people against British imperialism are first and foremost the colonial peoples.

In the present conditions of the deepening crisis of British imperialism this teaching is of greater importance than ever. The alliance is the indispensable condition for victory against our common enemy, British finance-capital.

It is not only the liberation of the colonial peoples that is at stake. It is the liberation of Britain.

CHAPTER XVII

HEART OF BRITAIN'S CRISIS

“England has been made a pensioner of other lands for daily bread; we can command it still, but the hour of weakness may come: then, when we ask the nations for a loaf, they may remember that we gave them cannon balls, and pay us back in kind. . . . While we have been extending ourselves abroad, we have been undermining ourselves at home.”

ERNEST JONES, Introduction to *The New World, or The Revolt of Hindustan*, 1851.

BRITAIN has reached to-day the end of an old chapter, and the opening of a new one. But the leadership of the older established parties and institutions, including the present dominant leadership in the labour movement, cling to the old traditions, because they know no other. Therefore Britain is in great and increasing danger.

The long history of the capitalist oligarchy in Britain, which completed the establishment of its power by violent revolution in the seventeenth century, and by strangling the democratic aspirations of the people in that revolution; which extended the empire and world power of Britain through the ceaseless wars of the eighteenth century; which drew into its ranks the industrial capitalists in the nineteenth century, while crushing the revolt of the working class; and which now, in the final era of monopoly, is seeking with all its customary skill of manoeuvre to draw in and tame the leadership of the rising labour movement—this long history is visibly reaching its close. The rule of this class of landlords, traders, financiers and industrialists (finally merging in modern finance-capital), has been continued through the outward political forms of a republic, of a pseudo-monarchy as the cover of the Whig oligarchy, of Victorian parliamentarism, and of docile Labour Governments serving the interests of capitalism and imperialism in the twentieth century. Through all the changing forms the real economic, social and political structure of Britain has developed

as the centre of a world empire—a world empire reaching to an extent and scale never before equalled in history. But the foundations of this empire are to-day crumbling; and with it, the basis in Britain is cracking.

“Crisis” has become the daily food of the British people. The hour of awakening has sounded to respond to new conditions and find the path to a new future. But the dead hand of the past lies heavy on all existing institutions. The true character of the crisis is still hidden from the British people. Therefore it is urgent to speed the awakening and new advance before the continuance along the old road leads Britain to catastrophe.

1. *Myths about the Crisis*

Britain’s crisis is seen as the consequence of the blind impact of inexplicable *external* “world forces”—world wars, world economic crises, changing terms of trade, American or German competition, Russia, Communism, etc.—breaking in upon a peaceful, serene, secure and prosperous Britain of the halcyon days of before 1914.

There is no inkling of understanding that all the conditions of the future crisis were already present in a preliminary form in the corrupt parasitic imperialist structure of Britain *before 1914* (when, in the words of the 1919 Preface to the original *Fabian Essays* of 1889, “we had none of us given attention to international relations . . . we knew practically nothing of what was happening in the socialist world outside our own country”), and that all the violent explosions from 1914 onwards were the entirely explicable historic outcome of the world imperialist system of which Britain was the main centre.

Similarly the first signs of chronic crisis after the war of 1914–18, manifesting themselves in Britain especially in prolonged mass unemployment which continued unbroken, never falling below a million, from the winter of 1920 until the war of 1939, were initially ascribed entirely to “post-war unsettlement.” It was not until a decade after the war, as the problems persisted, that the falsity of this analysis and of the governmental formula of “back to pre-war” during 1919–22 became officially recognised by the expert apologists of capitalist economic blindness:

“Immediately after the war many people naturally assumed that the war and the war alone was the reason for the dislocation

that emerged in the economic relations of individuals, of nations and of continents. A simple return to pre-war conditions seemed in the circumstances the appropriate objective of economic policy. . . . Experience has shown, however, that the problems left by the war cannot be solved in so simple a manner. . . .

"The passing away of temporary financial and economic difficulties which have hitherto almost monopolised public attention now enable us to see more clearly and to study these more deeply rooted changes in the economic situation of the world; it is hopeless to try to solve such problems by striving after the conditions of 1913."

(Report of the World Economic Conference at Geneva, 1927.)

This new vision of the experts to "see more clearly" the "more deeply rooted changes" did not prevent them falling once again victims to a new set of illusions over the temporary stabilisation of the twenties and the "American economic miracle" (which was supposed to have "ironed out" crises and large-scale unemployment—so the *Encyclopædia Britannica*, Fourteenth Edition, of 1929, article on "Capitalism"), and failing completely to foresee the world economic crisis of 1929–32, which was correctly predicted by Marxism.

The second Labour Government of 1929–31, which entered into office with confident and boastful predictions on the basis of an apparent temporary improvement of the economic situation at the moment of taking office, was caught completely unawares and impotent before the onset of the world economic crisis. In the words of the abject confession of a leading Minister of that Government, Herbert Morrison: "When we went into the economic and financial smash of 1931, we did not know we were going there" (see p. 433 for the full reference). This did not prevent the third Labour Government from being caught equally unawares by the onset of the crisis of Britain's economy and balance of payments in 1947, as we shall have occasion shortly to examine in more detail.

To-day in the same way it has been customary in official and semi-official expression to explain the present crisis of Britain's economy as a consequence of the second world war, when Britain sacrificially spent all its resources in the common cause and emerged impoverished and bankrupt.

"The crisis is rooted deep in the devastation inflicted on Europe, Britain and half a dozen other countries by the most

destructive war in history—seven times more destructive than the 1914-18 War. That, in the broadest terms, is what it is all about.”

(*A B C of the Crisis*, published by the Labour Party, 1947.)

“In the war we sold most of our investments and had to allow our export trade to fall away. During the war American Lend-Lease aid freed us from anxiety. When peace returned we were faced with the stark reality of the situation.”

(CLEMENT ATTLEE, election broadcast, October, 1951.)

This explanation of the crisis as an outcome of the second world war is inadequate for obvious reasons.

First, the devastation of the second world war fell most heavily on the Soviet Union and the countries of Eastern Europe—incomparably more heavily than on Britain and Western Europe. Yet it is precisely these countries that were able to achieve the most rapid recovery and new advance in the level of production since the war, and were afflicted by no such crisis, dollar deficit or deficit on the balance of payments as Britain and Western Europe. Thus the attempt to explain Britain's crisis as an inevitable consequence of war devastation is unacceptable.

This contrast was notably admitted in the United Nations statistics of National Incomes between 1938 and 1951.

Table 41

NATIONAL INCOMES, 1938-51

(*Index numbers of National Income at constant prices: 1938=100*)

U.S.S.R.	224	U.S.A.	198
Poland	169	United Kingdom	113 (1950)
Czechoslovakia	138	France	106 (1949)

(*United Nations Monthly Bulletin of Statistics*, June, 1952.)

The contrast would be still greater for subsequent years. Between 1929 and 1955 industrial production in the capitalist world increased by 93 per cent., or rather less than double (in the United States by 134 per cent., and in Britain by 81 per cent.), and in the Soviet Union by 1,949 per cent., or over twenty times.

Second, the attempt to explain Britain's crisis through the consequences of the second world war assumes that Britain's economic position was sound before the second world war.

But the deficit in the balance of payments had begun to appear already in the 'thirties, and had reached the considerable figure of £70 million in 1938. Thus the causes were at work *before* the second world war, and were only intensified by its effects.

It is true that Britain's overseas investments were reduced during the second world war from £3,535 million in 1938 to £2,417 million at the end of 1945 (Bank of England Report on "Overseas Investments, 1938 to 1948," published in 1950)—a decline of 31·6 per cent. or a little under one-third (not quite Mr. Attlee's "sold most of our investments"); and that sterling liabilities to a very large nominal figure were accumulated, but were in fact frozen. But this is only one factor in a larger situation; and it would be completely false to isolate it as the cause.

Similarly the simplified version of the crisis for popular consumption has been repeated through ten thousand Ministers' speeches, radio broadcasts, experts' Press articles, pictorial posters, leaflets, Government propaganda booklets, and every other device known to publicity, that the simple "cause" of the crisis is that Britain is not producing and exporting enough to pay for the necessary imports of food and raw materials:

"We are not producing enough exports to pay for the imports we must have."

(*The A B C of the Crisis*, Labour Party, 1947.)

"The nation's greatest need is to export more, especially to North America, so that we can pay for enough food to eat, and enough raw materials to keep our factories running."

(*Let Us Win Through Together*, Labour Party policy statement, 1950.)

"We must export to live at all. Fifty millions of us there are living on a rock. . . . We cannot produce more than perhaps half our food. We have no raw materials except coal and iron."

(HAROLD MACMILLAN, Chancellor of the Exchequer, March 22, 1956.)

It may be noted that the same Harold Macmillan who gave this simplified picture of the balance of payments problem in March, 1956, two months later, on May 16, 1956, declared that if only the heavy burden of armaments expenditure could be halved, "it would completely transform our payments balance."

Or again, Sir Anthony Eden:

"We are buying more abroad than we are selling. This means that we are not in fact paying our way. What we have to do is to increase production in order to sell more abroad."

(SIR ANTHONY EDEN, August 27, 1955.)

Hence the simple conclusion is drawn. Produce more. Consume less. Export more. And the crisis will be solved.

It is obvious that this bland vulgarisation of an "explanation" of the crisis explains nothing. It substitutes a *description* of a deficit on the balance of payments for the *cause*. And even to do this, the glib-tongued official spokesmen have to leave out of account all the most vital factors. They have to pretend that the need for more exports is to "pay for enough food to eat and enough raw materials to keep our factories running." They dare not say: "to pay for wars in Malaya and Suez," or "to pay for keeping a quarter of a million troops spread over the world," or "to pay for a policy which refuses to import available food and raw materials, in exchange for our exports, from one third of the world."

Unfortunately for this simple official recipe for the solution of the crisis, which has been dinned into the nation with wearisome cheapjack iteration by all its governmental and governmentally inspired mentors, the nation has accepted this advice with simple trustfulness and carried out the recipe during all these years since the war.

The workers have produced more. They have consumed a diminished proportion of that increased production. They have exported more. Between 1946 and 1950 the volume of industrial production was increased by no less than 40 per cent. The volume of exports was increased by 75 per cent. over 1938. The volume of imports was cut to 88.5 per cent. of 1938. The real wage rates of the workers were cut. By October, 1951, when the Labour Government handed over to the Conservatives the index of adult male wage rates was 20 per cent. over the base of mid-1947, while the index of retail prices had increased by 29 per cent. Despite all the increase in productivity real standards showed in many respects a decline on pre-war. The consumption of meat, butter, sugar or bacon per head in 1950 was heavily below pre-war (but the consumption of potatoes showed a big increase). Consumers' expenditure in 1950, at current prices, was only 3.8 per cent. above 1938 (*National Income and Expenditure, 1955*), as against a population

increase of 6.5 per cent., equivalent to a fall of 2.5 per cent. in real consumption per head between 1938 and 1950.

After all this prolonged effort of belt-tightening, increased production and forcing up exports at an unparalleled rate for six years, the nation was informed in 1951 that the crisis was now worse than ever, and that the final exhaustion of the reserves and national bankruptcy was in sight within nine months unless still more drastic and desperate measures were taken.

Once again between 1950 and 1954, the volume of industrial production was increased by 14.7 per cent. Once again the volume of exports was forced upwards. But the proportion of the increased output received by the workers—total earnings—was diminished from 40.1 per cent. of the gross national production in 1948 to 39.3 per cent. in 1954.

And yet at the end a new instability of the balance of payments developed by the latter part of 1954, and new economy measures and desperate appeals were launched in 1955 to restrict home consumption and force up production and exports as the only solution.

It is evident that it is necessary to go more deeply into the causes of this crisis, in order to determine the best methods of dealing with it.

2. *Truth of Britain's Crisis*

The first and most elementary truth about Britain's crisis is that it is *not* simply the crisis of a "little island" of 50 millions struggling hard to produce and export enough to pay for the imports they need in a difficult modern world.

This is the fairy-tale picture beloved of the government propagandists who play on the simple unconsciousness of empire among the majority of the population.

"It is possible for so many people, on so small and relatively poor an island, to live so well and exert so great an influence, only so long as they produce enough of what the rest of the world wants to keep the British people and their machines fed and working. That is the British problem."

(Where We Stand this Year: An Official Account in Popular Form of the Economic Situation and Prospects for 1952, Central Office of Information, 1952.)

"We have 50 million people living on these crowded islands. Half of the food that we eat and most of the raw materials which our industries need and on which our people depend for work, come from abroad. If we do not export sufficient goods to pay for these, we face not only a lower standard of life but also the danger of mass unemployment."

(*Facing the Facts: An Interim Statement of Labour's Home Policy*. Labour Party, 1952.)

The essence of the truth of Britain's crisis is that it is the crisis of the *parasitic metropolis of a world empire*; that the whole economic and social structure of Britain has been built on this assumption of empire; that this basis of empire is now beginning to crack, and therefore the whole traditional economic and social basis in Britain is plunged into increasing difficulties; that the desperate efforts to maintain the basis of empire domination and exploitation are only worsening Britain's home economic situation; and that only a drastic change of policy, recognising the new conditions, can open a new and prosperous future for Britain.

One hundred years ago Engels, with penetrating foresight, predicted the future downfall of the then ascendant and triumphant British world industrial monopoly before the advance of American capitalism, and outlined the sharp alternatives which would then confront the British working class:

"If any country is adapted to holding a monopoly of manufacture, it is America. Should English manufacture be thus vanquished . . . the majority of the proletariat must become forever superfluous, and has no other choice than to starve or to rebel."

(ENGELS, *Condition of the Working Class in England in 1844*.)

To-day we are reaching a new and advanced stage of this deepening dilemma and crisis confronting British capitalism and the British working class.

Already in the last quarter of the nineteenth century American capitalism had overtaken and outstripped British in the field of industrial production. British capitalism, outdistanced by American and also by German capitalism, and falling behind in the field of industrial production, was nevertheless able to prolong its life on the basis of the accumulated reserves of its former world industrial monopoly and through

the intensified exploitation of its world colonial empire. In the era of imperialism British capitalism provided the classic example of an older, decaying and increasingly parasitic capitalism ever more heavily dependent on world tribute to balance its accounts.

But now this basis also is reaching bankruptcy. The sharp choice foretold by Engels returns with added force in the closing phase of the imperialist era.

The twentieth-century pre-1914 era of imperialism in Britain, before the onset of the general crisis of capitalism, was only *apparently* an era of tranquil prosperity and expanding success, towards which the present-day apologists of capitalism look back with mournful gaze as to a lost golden age. In reality imperialism is from the outset, as Lenin repeatedly insisted, "decaying," "putrefying," "moribund" capitalism.

"Imperialism is a specific historical stage of capitalism. Its specific character is threefold: imperialism is (1) monopoly capitalism; (2) parasitic, or decaying capitalism; (3) moribund capitalism."

(LENIN, *Imperialism and the Split in Socialism*, 1916.)

The apparently "successful," "prosperous" equilibrium and even expansion of the pre-1914 era of British imperialism concealed the reality of increasing parasitism, relative industrial and trading decline in comparison with its competitors, and increasing relative technological backwardness and even stagnation. A net imports surplus had become characteristic of Britain's trading account from the middle of the nineteenth century. But by 1913 the proportion of imports no longer paid for by exports had reached 20.3 per cent., and by 1938, 36.1 per cent. Meanwhile, Britain's proportion of world manufactures fell from one-third in 1870 to one-fifth in 1913 and one-tenth in 1938, and of world exports of manufactures from two-fifths in 1870 to one-tenth in 1938.

Thus already before 1914 twentieth-century Britain had become an increasingly parasitic metropolis, dependent more and more for its economic balance upon the world tribute closely associated with empire exploitation, and less and less upon its relatively weakening industrial and trade position. Lenin quoted Schulze-Gävernitz's *British Imperialism* written before 1914:

“Great Britain is gradually becoming transformed from an industrial state into a creditor state. Notwithstanding the absolute increase in industrial output and the export of manufactured goods, the relative importance of income from interest and dividends, issues, commissions and speculation is on the increase for the whole of the national economy. In my opinion it is precisely this that forms the economic basis of imperialist ascendancy. The creditor is more permanently attached to the debtor than the seller is to the buyer.”

On this Lenin commented:

“The rentier state is a state of parasitic decaying capitalism, and the circumstance cannot fail to influence all the social-political conditions generally of the countries affected and particularly the two fundamental tendencies in the working class movement.”

Lenin further quoted the hypothetical picture presented in J. A. Hobson's *Imperialism* of a complete development of parasitism of a federated Western Europe, assuming the successful partition of China:

“The greater part of Western Europe might then assume the appearance and character already exhibited by tracts of country in the South of England, in the Riviera, and in the tourist-ridden or residential parts of Italy and Switzerland, little clusters of wealthy aristocrats drawing dividends and pensions from the Far East, with a somewhat larger group of professional retainers and tradesmen and a large body of personal servants and workers in the transport trade and in the final stages of production of the more perishable goods; all the main arterial industries would have disappeared, the staple foods and manufactures flowing in as tribute from Asia and Africa.

“We have foreshadowed the possibility of even a larger alliance of western states, a European federation of great powers which, so far from forwarding the cause of world civilisation, might introduce the gigantic peril of a Western parasitism, a group of advanced industrial nations, whose upper classes drew vast tribute from Asia and Africa, with which they support great tame masses of retainers, no longer engaged in the staple industries of agriculture and manufacture, but kept in the performance of personal or minor industrial services under the control of a new financial aristocracy. Let those who would scout such a theory as undeserving of consideration examine the economic and social condition of districts in Southern England to-day, which are already reduced to this condition, and reflect upon the vast extension of such a system which might be rendered feasible by the subjection of China to the economic control of similar groups of financiers, investors, and political and business officials,

draining the greatest potential reservoir of profit the world has ever known, in order to consume it in Europe. The situation is far too complex, the play of world forces far too incalculable, to render this or any other single interpretation of the future very probable; but the influences which govern the imperialism of Western Europe to-day are moving in this direction, and unless counteracted or diverted, make towards some such consummation."

On this hypothetical picture drawn by Hobson, Lenin made the sharply penetrating critical comment:

"Hobson is quite right. Unless the forces of imperialism are counteracted they will lead to what he has described. He correctly appraises the significance of a 'United States of Europe' in the present conditions of imperialism. He should have added, however, that, even within the working class movement, the opportunists, who are for the moment predominant in most countries, are 'working' systematically and undeviatingly in this very direction. . . . However, we must not lose sight of the forces which counteract imperialism generally, and opportunism particularly, which, naturally, the social-liberal Hobson is unable to perceive."

(LENIN, *Imperialism*, 1916.)

And again:

"Hobson, the social-liberal, fails to see that this 'counter-action' can be offered *only* by the revolutionary proletariat and *only* in the form of a social revolution."

(LENIN, *Imperialism and the Split in Socialism*, 1916.)

During the four decades since those words were written we have been witnessing in living historical development the correctness of Lenin's critique of Hobson, and the successive stages of fulfilment of Lenin's analysis and prediction. Herein lies the secret of Britain's crisis. The *tendency*, which Hobson correctly foresaw, has gone forward towards the increasingly open attempt to build an imperialist United States of Western Europe (but under the domination of the more powerful American imperialism), resting on the exploitation of Asia and Africa, and with the open support of Western European opportunism or "Democratic Socialism" (as it now likes to term itself). But the *counteracting forces* which Lenin indicated as ultimately decisive have indeed increasingly manifested themselves, and replaced Hobson's hypothetical picture of a future imperialist parasitic "utopia" (or nightmare)

by the reality of the deepening crisis and bankruptcy of imperialist Britain and Western Europe, and the triumphant advance of the extending array of free nations of the former colonial world.

This profound change of perspective from Hobson's gloomy forecast has been governed above all by two conditions.

First, the victory of the socialist revolution in Russia, and the victorious advance of the colonial revolution has defeated the picture of a successful imperialist domination and exploitation of the entire world. In place of the partition of China envisaged by Hobson as the basis of his hypothesis, it is the Chinese People's Republic that has prevailed.

Second, the development of parasitism within Britain, and the consequent weakening of Britain's economy, alongside the increasingly violent shock of the contradictions of imperialism and successive world wars, has undermined the basis of British imperialism and brought a prolonged, visible and sharpening deterioration of Britain's economic situation, which in turn has sharpened class contradictions within Britain, exposed the bankruptcy of Britain's imperialist order and its opportunist spokesmen, and thus begun to prepare the conditions for the awakening and new advance of the British working class.

The key economic driving force of imperialism is the export of capital in the search for the highest level of monopoly profits, especially from colonial exploitation. So long as the export of capital can be successfully maintained, the economic conditions continue for the maintenance and extension of the imperialist system, even though the political contradictions ceaselessly increase and will ultimately destroy it.

The initial main basis for Britain's export of capital in the second half of the nineteenth century lay in the profits of Britain's industrial and trading world monopoly. This made possible the rapid accumulation of overseas capital investments, which multiplied fivefold between 1850 and 1880, doubled again between 1880 and 1905, and doubled again by 1914 to reach the record total of £4,000 million—a figure not since equalled in money values, and worth more like £12,000 million at present values. It is true that, since there was a net imports surplus from the middle of the nineteenth century (£30 million already in 1855-9), the "export" of capital was from the outset in reality a reinvestment of profits made on

the world market and from world exploitation. But the basis which made this possible was the world industrial, trading and shipping monopoly, and the consequent pre-eminent position of London as the financial centre of the world. In the later stages the "export" of capital became increasingly the reinvestment of a portion of the super-profit drawn from the previous overseas capital accumulation—so that the labour of the exploited colonial workers and peasants was at the same time piling up the ever-rising burden of debt upon their backs.

But the parallel effects of the increasing export of capital (with the accompanying increasing neglect of the needs of home industrial and agricultural re-equipment and development owing to the more lucrative attractions of the higher rates of colonial super-profits), and the swelling volume of world tribute as a rising proportion of the payment, in place of exports of manufactured goods, for home imports, had as their counterpart the progressive weakening and undermining of Britain's world manufacturing and trading monopoly, which had been the initial basis for the export of capital. Parasitism does not make for brisk industrial development and enterprise.

So long as the continuously rising volume of world tribute income could still pay for the simultaneously rising imports surplus *and at the same time* provide for the continued export of capital and consequent expansion of overseas capital accumulation, the system could still appear to be successfully and prosperously functioning and even expanding. The real parasitism and mortal sickness at its heart was concealed. This was the situation of the first phase of the imperialist era in Britain before 1914. Hence the illusions of the lost "golden age" of Edwardian splendour before 1914.

It is obvious that the dynamics of this system contained within it already latent crisis. The rising curve of the imports surplus, reflecting the relative weakening industrial and trade position, was eating more and more into the world tribute income as the indispensable source for maintaining an economic balance, at the expense of the requirements for the continued export of capital to keep the system going. It is this latent crisis which was violently hastened and brought to the forefront by the effects of the first world war.

So soon as the world tribute income ("invisible trade" income from the return on foreign investments, international

financial commissions and the world shipping monopoly) became entirely absorbed to meet the extending parasitism of the rising imports surplus, leaving nothing for the export of capital to maintain and develop the overseas capital accumulation, the whole development of the system could only reach a stop, and begin to move in the reverse direction. The basis for the extension of the world tribute income was drying up, at the same time as the demands on it were increasing. The result meant the passing of the imperialist system into a phase of increasingly open and acute crisis, manifested initially in a deficit in the balance of payments.

The effects of the first world war accelerated, but did not cause this process. The extension of colonial revolt began at the same time to undermine the basis for the expansion of the world tribute income, and in the later phases to lead to its actual restriction.

By the 'thirties a deficit in the balance of payments began to appear. The world economic crisis transformed a surplus of £103 million in 1929 into a deficit of £104 million in 1931, knocked Britain off the gold standard, and finally ended the attempt to restore London as the world financial centre.

Thereafter the deficit on the balance of payments showed the following gloomy picture:

Table 42
BALANCE OF PAYMENTS, 1931-8
(£ million)

1931	.	.	.	-104	1935	.	.	.	+32
1932	.	.	.	-51	1936	.	.	.	-18
1933	.	.	.	0	1937	.	.	.	-52
1934	.	.	.	-7	1938	.	.	.	-70

Total net deficit over eight years = £270 million.

Despite the high level of "invisible trade" income, reaching an average of £352 million during the three last pre-war years 1936-8, and paying for no less than 40 per cent. of the imports, it was still inadequate to cover the imports surplus. The process of overseas capital accumulation had come to a stop. The process of *disaccumulation* had begun. The total of overseas capital investments fell from £4,000 million in 1913 to £3,545 million in 1938. The economic basis of British imperialism was

visibly on the downward path already *before* the second world war.

The effects of the second world war enormously accelerated, but did not cause, this decline. The total of overseas capital fell to £2,417 million in 1945 and to £1,960 million in 1948. The deficit on the balance of payments rose to £545 million in 1947. Although the desperate measures of intensified colonial exploitation and home cuts undertaken by the Labour Government to meet the crisis brought a precarious reversal to a small surplus in 1949, and the temporary soaring rise of prices of colonial raw materials, consequent on the Korean War and United States stockpiling, greatly increased this surplus during 1950, this artificial "recovery" proved short-lived in face of the major factors of the crisis. By 1951 the deficit again rose to £461 million.

Table 43

BALANCE OF PAYMENTS, 1946-51

(£ million)

1946	.	.	.	-298	1949	.	.	.	+31
1947	.	.	.	-443	1950	.	.	.	+300
1948	.	.	.	+1	1951	.	.	.	-403

Total net deficit over six years, £4,812 million.

The average annual deficit of £34 million during the nineteen-thirties had risen to an average annual deficit of £135 million during the years 1946-51.

It is now necessary to examine the measures undertaken by British imperialism, whether under Labour or Tory governments, to meet this crisis, and the reasons why they have not only failed to solve it, but have in fact, by placing additional economic and military burdens on an already weakened Britain, led to its intensification.

3. *Bankrupt Remedies of the Labour Government, 1945-51*

In November, 1945, within six months of the installation of the third Labour Government, and following the first public declarations by Ernest Bevin as Foreign Minister, revealing the reactionary imperialist and anti-Soviet policy which the Government had determined to pursue, the Communist Party Congress gave the warning that this imperialist policy would

inevitably bring grave social and economic consequences for Britain and defeat the aims of social progress at home:

“We warn the Labour movement that unless it compels the Government to change completely its present foreign policy, which is simply the continuation of the imperialist line of the Tory Party and of the reactionary monopoly capitalists, there can be no fundamental social progress in Britain, and that the whole future of this country is in grave peril.”

The subsequent deepening crisis, which in its onset took Labour Ministers by surprise, and found them ever more impotent to offer a positive policy, gave abundant confirmation of the correctness of this warning. Six years later, by the spring of 1951, three Labour Government Ministers were resigning in protest against the retrenchment of social services in the interests of the rearmament programme. The partial—very incomplete—awakening of a minority of the older leadership (under rank and file pressure) came after the twelfth hour.

Building their outlook on the old Fabian illusions of the permanent imperialist assumption, and consequently conceiving their task only in terms of pursuing the familiar routine of handing out social reforms and social concessions within a smoothly functioning capitalist framework, the Labour Government Ministers were caught completely unawares by the violent onset of the crisis in 1947.

The shock of the American abrupt termination of Lend-Lease at the end of hostilities in 1945 was smoothed over for the moment by the American loan of £937 million at the end of 1945, the economic and political strings of which were accepted without question. Ministers fondly imagined that the loan would tide them over until 1950. In fact it was exhausted within little over a year, by 1947.

“We had hoped that the loan would last us well into 1949, possibly into 1950, by which time there was a reasonable chance that we should have re-deployed our economy and been in sight of equilibrium. As things have turned out, it is now certain that the loan will be exhausted before the end of this year.”

(PRIME MINISTER ATTLEE, House of Commons, August 6, 1947.)

As late as the Bournemouth Labour Party Conference in June, 1946, Mr. Morrison, having triumphantly defeated the proposal for affiliation of the Communist Party, actually

boasted that the second Labour Government of 1929-31 was caught by surprise by the economic crisis because "we did not know we were going there," but that this would never happen again, because they had now established an "overall planning organisation":

"In the Labour Government of 1929-31 . . . when we went into the economic and financial smash of 1931, we did not know we were going there. We ought to have known what was ahead, but we did not, because there was no proper machinery of State to tell us, and when we got there we did not know fully what to do about it."

And he continued with profound wisdom:

"The real problem of statesmanship in the field of industry and economics is to see the trouble coming and to prevent ourselves getting into the smash."

Yet, in the whole proceedings of the 1946 Labour Party Conference there was not the slightest sign of a shadow of awareness of the crisis which was immediately in front and of which the Communist Party had already given concrete and explicit warning. On the contrary, Mr. Morrison, in the same speech in which he had displayed his economic ignorance in 1929-31 (when also the Communists had given exact warning of the coming crisis) and boasted of his wisdom and foresight now, went on blandly to hold out the economic perspective for 1947:

"We will soon be able to pay for more and better things from overseas. . . . 1947 will be the year in which we are beginning to draw the dividends from our efforts during 1946. We can reasonably look forward to a rather higher level of imports."

Such was the Labour Government's brilliant forecast (with the aid, of course, of its sapient "overall planning organisation" chosen from the brightest ornaments of capitalist economics and servants of imperialism) of an improved balance of payments, making possible more abundant imports and easier conditions, as the prospect for 1947.

In fact, 1947 was the year in which the storm broke, and the deficit on the balance of payments reached the record peacetime total of £443 million. 1947 was the year in which the convertibility crisis exposed the reckless miscalculations of the preceding policy imposed by the conditions of the American

loan, and the exhaustion of the American loan laid bare the bankruptcy of the Government's economic basis. The outcome led, not to the "more and better things from overseas" predicted by Mr. Morrison, but to the Cripps emergency programme for austerity and the restriction of imports. It is evident that Mr. Morrison, like Belshazzar and his astrologers, would have done better to dismiss his bogus "economic planners"—and to study with more care the literature of Marxism.

The sunshine optimism of the first two years after the war, when Government Ministers in their economic reports had prattled of an increased production of tennis balls and electric kettles as proof of recovery, gave way to permanent panic from the summer of 1947 onwards, when the real situation began to force itself on their attention with the rapid draining away of the American loan and the ugly spectre of a staggering deficit on the balance of payments.

But precisely because the real causes of the crisis were not understood, any more than its onset had been foreseen, the resultant panic only led to obvious measures of desperation which intensified the disease, while the operative causes in the sphere of *policy* remained unchanged.

The "balance of payments crisis" was seen as *only* a balance of payments crisis. The symptom was mistaken for the disease. Hence the moral was drawn and proclaimed with wearisome reiteration henceforth from every platform, newspaper, radio address and hoarding: We are importing and consuming too much. We are producing and exporting too little. And the solution? Restrict consumption. Increase production. Import less. Export more. And the crisis will be solved. Britain's accounts will "balance." How simple!

When the Marshall Plan was proposed, Government Ministers, Tory leaders, and the Trades Union Congress General Council leapt forward to welcome the golden shower with both hands. Once again the dollar subsidy, whose interruption with the exhaustion of the loan had caused such pain, could resume its beneficial flow. It was only thanks to the kind American capitalists, Mr. Bevan and Mr. Shinwell explained to bewildered Labour audiences who had been brought up on the old-fashioned notion that socialism could cure unemployment, that we did not have one and a half million unemployed in this country. Never mind the conditions. Leave such querulous

examination of the gift-horse's teeth to suspicious Russians and East Europeans, who make a fetish of their economic independence. Once the four-year term of the Marshall Plan has expired, by 1952, we were assured, provided we pull in our belts and produce more, Britain's accounts will balance, and all will be well.

So the shackles of trade restrictions were imposed on Britain. The lists of banned exports arrived. The Hollywood films and magazines poured in. The American Economic Administrator for Britain established his offices in London with an ever-extending network of sub-offices and staff. He reported with satisfaction that ". . . the housing programme has been quite seriously cut back; so has the health programme and so has the programme for education" (Report of Thomas K. Finletter, Chairman of the Special Mission of the Economic Co-operation Administration for the United Kingdom to the Senate Foreign Relations Committee on February 10, 1949). Presently American economic occupation was followed by American military occupation. At first the military occupation was declared to be only temporary—for training. Then it became permanent.

The nation obediently pulled in its belt, worked hard and increased production. During the two years from the summer of 1947 to the summer of 1949, according to the official figures, production increased by 17 per cent. (and profits and interest rose by 24 per cent.). Real wages went down by 3 per cent.

And then in the summer of 1949 it was announced that the crisis was worse than ever, that the dollar deficit was running at £600 million a year, that the gold and dollar reserve was melting away and would at the existing rate reach exhaustion within a year, that no prospective Marshall Aid could cover the drain, and that there was no prospect of recovery by the expiry of the famous Marshall "Recovery" Plan in 1952.

Nothing remained but for the higher Government Ministers to make the pilgrimage once again to the Mecca of Washington in the hope of another hand-out. This time, however, the tone of the American Press was becoming harsh, not to say unkind. The whip was no longer concealed. The eagle's claws were deep in the flesh of the wounded lion.

The new American terms for Britain were harsh. The pound was devalued from \$4.03 to \$2.80 on September 18, 1949,

following the Washington Conference. This devaluation was carried through under open and violent American pressure, conveyed by the Secretary of the Treasury, Snyder, in his visit to London in July, and against the openly expressed unwillingness of the British Government at that time and of the British Treasury experts. This triumph of the American offensive further weakened the world position of sterling, lowered standards in Britain, increased Britain's economic difficulties by making imports more costly and exports less remunerative, and facilitated the penetration of American capital to buy up assets cheaply in Britain and the Empire.

No perspective was held out by the Government for the British people save to accept meekly the cut in standards, and multiply still further their efforts and sacrifices to pursue the elusive Holy Grail of expanding exports to the dollar markets, which did not need their goods. As a result of devaluation, dollar exports would now have to be expanded by two-fifths merely to maintain the existing gap, and would have to be quadrupled to overcome the gap. How much prospect was there of fulfilling these fantastic goals in the conditions of deepening crisis, when most of the other competing capitalist non-dollar countries had also devalued in pursuit of the same dollar market, while the United States was busily cutting imports and expanding exports? It was obvious that the new perspective for the solution of the crisis by intensified trade war to quadruple exports to the dollar market was even more wildly unrealistic than all the previous targets and surveys, which were now admitted by Ministers to have been no more than the pursuit of expedient after expedient leading to new crisis. In the words of Sir Stafford Cripps in September, 1949, the Government had been trying to deal with the crisis "by a series of temporary expedients which have led us to a series of crises as each expedient has been exhausted."

In point of fact Sir Stafford Cripps in this statement did less than justice to his Government's policy. From 1947 onwards the Labour Government did in fact pursue—subject to the varying hazards and currents of the economic blizzard playing about their ears and to the successive sometimes contradictory pressures of the American overlord—a single uniform, consistent and determined policy, in close association with the Tories, who took over the continuance of the same basic policy in 1951,

to meet the crisis. But it was a policy which could not be proclaimed in public. It was a ruthless policy of British imperialism to endeavour to restore its balance by the most heavily intensified colonial exploitation, alongside cuts at home, in order to resume the path of capital formation and the export of capital. The programme was much more frankly stated by the Chairman of the United States Special Mission of the Economic Co-operation Administration in the United Kingdom, Thomas K. Finletter, in his report to the Senate Foreign Relations Committee, previously quoted, on February 10, 1949:

"Britain's policy is to step up her gross national product by increasing her production to the maximum, to hold down Governmental consumption by cutting back social programmes instituted when the Labour Government came into power, and then to divide up what is left between exports and capital formation."

Alongside the wage-freeze and social retrenchment at home, the most intensive drive in the modern history of British imperialism was conducted to force up colonial exploitation as the key to British "recovery," not only to balance the accounts at home by the increase of "invisible earnings" and the expansion of dollar exports from the colonies, but to resume the export of capital and the building up of overseas capital accumulation. This was the real inner driving force of the Labour Government's economic and financial policy, which could never be frankly and fully disclosed in public to their own supporters, and for which in consequence it was not easy for them to claim the full credit they deserved from those whose interests they served. For it must be said that from the standpoint of the interests of British imperialism the Labour Government faithfully served those interests within the difficult conditions under which they had to operate—even though the ultimate effect, in the situation of the crisis of the imperialist system, could only lead to a further worsening of Britain's real position.

The Government's Four Year Economic Programme, presented to the Marshall Plan Administration in January, 1949, explicitly set the aim of "a large increase in the contribution of the colonies to European recovery," the doubling of the production of rubber by 1952, the trebling of the production of tin, the doubling of the output of oil, the increase in the output

of copper to nearly double, and the multiplication of "invisible earnings" between sevenfold and eightfold in four years.

Colonial exports (excluding Hong Kong) were forced up from £155 million in 1938 to £922 million in 1950. While a great part of this increase represented increased prices, "the physical volume of goods moving into and out of the territories in 1950 was about one and a half times as large as in the immediate pre-war years" (*The Colonial Territories, 1950-1*). The index of the volume of colonial exports rose from 100 in 1946 to 175 in 1950.

Sterling balances of the dependent overseas territories were doubled between the end of 1945 and June, 1951, from £454 million to £908 million—representing in effect the forced extraction of goods, or of dollar payments for goods, from the impoverished colonial peoples for the benefit of London's account to the tune of £454 million in six and a half years with no other payment than a frozen I.O.U.

Extreme official secrecy was maintained over the extent of these sterling balances in respect of key colonies like Malaya, since the figures would have provided a partial indication of the intensified exploitation and consequent colonial basis of Britain's much boosted "recovery" in 1950 and the first half of 1951:

"When I asked a Colonial Office spokesman last year the amount of Malaya's sterling balances, he pleaded ignorance and referred me to the Treasury. The Treasury spokesman rather testily declared that Britain, as the banker of the sterling area, could not disclose its clients' accounts without their consent. He referred me back to the Colonial Office, where I found that some fairly senior officials had been unable to discover what credit balances the Malayan Federation and Singapore had been piling up. The deputy agent-general for Malaya, whose job is to represent Malaya's economic interests in London, admitted that he had himself tried in vain to obtain sterling-balance figures from the Treasury when he wanted to compare Malaya's earnings with those of other countries.

"This year I made another attempt to get the facts and learned that while some persons in the Colonial Office *do* have them, they would need very special permission to release them for publication."

(ANDREW ROTH, "Britain's Secret Sterling Balances," *New York Nation*, February 23, 1952.)

These methods of intensified colonial exploitation were not

only the principal means employed, alongside home cuts and cuts in imports, to transform the deficit on the balance of payments into a temporary surplus. It was also the means to resume the export of capital, despite the extreme difficulties of Britain's balance of payments. Between 1947 and 1951 United Kingdom new investments in the sterling area totalled no less than £1,105 million.

Table 44

UNITED KINGDOM EXPORT OF CAPITAL TO THE STERLING AREA,
1947-51

(Overseas investment in the rest of the sterling area)

	£ million
1947	306
1948	177
1949	277
1950	181
1951	164
Total, 1947-51	1,105

(U.K. Balance of Payments, 1946-55 (No. 2), Cmd. 9731.)

This was the measure of the real drive of the Labour Government to rebuild the basis of British imperialism at the expense of the standards and conditions of the colonial peoples and also of the British people.

It was primarily on this basis of ruthlessly intensified colonial exploitation that the deficit of £443 million on the balance of payments in 1947 was converted into a surplus of £31 million in 1949. The Korean War, rearmament and United States stockpiling shot up the price of colonial raw materials to dizzy heights in 1950, and thereby made it possible for Britain's surplus on the balance of payments to rise to £300 million in 1950. This was actually acclaimed by the Labour Government's propagandists as a triumph of "socialist recovery" and the "successful overcoming of the dollar deficit."

In reality the "sterling area" dollar surplus of £182 million in 1950 concealed a continuing *United Kingdom dollar deficit* of £88 million. But since the "rest of the sterling area" showed a dollar surplus of £270 million, the United Kingdom as "the

banker of the sterling area" was able to enjoy a net favourable balance. The United Kingdom enjoyed a surplus from "the rest of the sterling area" of £287 million, which was only made possible by a tribute income ("invisible" transactions) of £314 million from the "rest of the sterling area." The United Kingdom was able to present a total surplus on its balance of accounts of £300 million, and at the same time to invest no less than £181 million net new capital in the "rest of the sterling area."

This "triumph" was short-lived. It was due to temporary and unstable factors, and not to any real "recovery." The high prices of colonial raw materials simultaneously hit British industry hard. The interruption of United States stockpiling led to a decline in the prices of colonial raw materials and undermined the basis of the exceptionally inflated colonial profits during 1950 and the beginning of 1951. The surplus of 1950 turned into a deficit on the balance of payments of £403 million in 1951. The Labour Government, faced with rising discontent at home, abandoned the field, and called the General Election of October, 1951, to hand over to the Tories to carry forward even more ruthlessly the same basic policy.

4. *Bankrupt Remedies of the Conservative Government, 1951-5*

When the Labour Government went out of office, Britain's gold and dollar reserves were down to £1,055 million which was declared by the Conservative opposition to represent a "crisis figure." Five years later, by the end of 1956, the reserves were down to £762 million.

Like the Labour Government before them, the Conservative Government began by proclaiming with a loud flourish of trumpets the "solution of the crisis" and the triumph of "recovery" and "prosperity" on the basis of the temporary and precarious surplus in the balance of payments achieved during the three years from 1952 to 1954. This temporary surplus was no more the achievement of Government policy than a similar period of temporary surplus which had been no less fallaciously acclaimed by the Labour Government as representing the triumph of their policy. The main factor was the favourable shift in the terms of trade which between 1951 and 1953 moved 25 per cent. in favour of Britain (*United Nations World Economic Report*, 1952-3). By 1955 the deficit on the balance of

payments returned, and reached a total of £103 million, or, excluding U.S. military aid, £147 million.

The same imperialist policy of intensified colonial exploitation, with the accompaniment of heavy rising expenditure on imperialist military commitments was pursued by the Conservative Government as by the Labour Government. The Colonial Secretary boasted in Parliament in July, 1953 that over the twenty years 1932-52 the extraction of raw materials from the colonial territories had shown a gigantic increase, far outstripping the rate of increase of production in Britain:

Table 45

OUTPUT OF RAW MATERIALS IN BRITISH COLONIAL TERRITORIES,
1932 AND 1952

(*thousand tons*)

	1932	1952	<i>Increase per cent</i>
Oil, crude	350	3,500	900
Oil, refined	770	6,500	744
Bauxite	65	2,250	3,361
Manganese	50	795	1,490
Iron ore	750	2,250	200

The output of cotton had increased 160 per cent. and of rubber 90 per cent. The value of copper production from the Rhodesian copper mines was over £80,000,000 a year. Oil he described as "one of the great sources from which we can hope one day, if not to right the balance of payments, at least to make a massive contribution essential to the prosperity of the sterling area."

The accompanying rise in the volume of profits extracted from the colonial territories can be illustrated from the table of the Rhokana Copper Corporation on p. 442.

Thus over the ten years, the shareholder obtained his capital back fourteen times.

At the same time the costs of the crippling military commitments continued and increased. The arms burden in 1954, totalling £1,668 million, took 36 per cent. or nearly two-fifths of the budget expenditure (or with debt interest, one-half). The officially recorded overseas military expenditure rose from £100 million in 1950 to £126 million in 1951, £141 million in 1952, £144 million in 1953, £152 million in 1954, and

Table 46

PROFITS OF THE RHOKANA COPPER CORPORATION, 1945-54

<i>Year</i>	<i>Net Profit (£ thousand)</i>	<i>Dividend per cent.</i>
1945	1,013	25
1946	1,086	60
1947	1,503	85
1948	2,097	100
1949	2,459	100
1950	3,074	120
1951	6,765	200
1952	7,861	225
1953	8,391	225
1954	9,544	250

£157 million in 1955. The Suez adventure in 1956 raised it still higher.

A reckless spendthrift boom developed on the basis of the Conservative Government's relaxation of controls, tax remissions mainly to big propertied interests, and the stimulation of the industries connected with arms production, especially aircraft, steel, motor vehicles and engineering. Share values shot up to dizzy heights. The Chairman of the Confederation of Shipbuilding and Engineering Unions at their Annual Conference in August, 1955, stated that shareholdings in engineering companies, worth £100 in 1949, had risen on an average to £245, and in shipbuilding to £280. Profits and dividends soared without restraint. The process of inflation in this distorted economy swept dangerously forward. The burdens of rising prices fell sharply on the workers and all with lower incomes. Between 1949 and 1954 the index of retail prices rose by 30 per cent. in Britain as against 10 per cent. in the United States and West Germany. By the end of 1954 the pound showed dangerous signs of weakening in the markets of the world.

This temporary boom under the Conservative Government was based, not only on intensified colonial exploitation, but also on intensified exploitation of the British workers. The workers in Britain sought to increase their wage rates in pursuit of the steadily rising prices, and endeavoured to make up for the fall they had suffered in real wage rates by working heavy overtime. Hours of work of adult male workers rose from 47.7 hours a week in October, 1938, to 48.9 hours in April, 1955. Nevertheless, even with this increase in hours and

output, the proportion of the increased output obtained by the workers' aggregate earnings fell, as has been previously shown, from 40.1 per cent. of the gross national production in 1948 to 39.3 per cent. in 1954.

Thus the rate of exploitation of the British workers, as well as of the colonial workers, was sharply increased.

In this way the experience under the Labour Government was repeated in new forms under the Conservative Government. Once again the appeal to increase output as a solution to the crisis had met with a response. Once again the increased output was accompanied by a fall in the proportion of the output received by the workers. Even the official calculation put out by the Government in 1955 only attempted to claim that between 1938 and 1954, while output had increased by 27 per cent., or, allowing for the increase in population, by 12 per cent., consumers' expenditure had increased $4\frac{1}{2}$ per cent. per head during the same sixteen years; that is, that the rate of increase of consumers' expenditure per head over sixteen years was only just over one-third the rate of increase of output. Even this claim was challenged by the unanimous decision of the Trades Union Congress in 1955 condemning the official index of retail prices (on which the allegation of an increase of $4\frac{1}{2}$ per cent. in real expenditure per head over sixteen years was based), as an inaccurate measure of the real rise in the price of necessaries. According to the O.E.E.C. Report, *Statistics of National Income and Expenditure, 1938-52*, published in 1954, the proportion of private consumption from the gross national production in Britain fell from 77 per cent. in 1938 to 75 per cent. in 1947, and 68 per cent. in 1952, while private consumption per head in 1952 was only just at the level of 1938. Food consumption per head in 1954 of meat, fish, butter, fruit and vegetables, was below the level of 1934-8.

The unstable basis of this economic structure was revealed when the deficit in the balance of payments reappeared in 1955. It may be noted that the overseas military expenditure during 1955 amounted to £157 million or one and a half times the total deficit of £103 million. Without the overseas military expenditure there would have been a surplus of £54 million in 1955.

Once again the Conservative Government, like the Labour Government before it, had to replace its boasts of spurious

recovery and solution of the crisis by anxious appeals on the gravity of the economic situation and by an extending range of restrictive measures, not to diminish the real burdens, but to restrict still further home consumption and productive development. In February, 1955, the bank rate was raised to $4\frac{1}{2}$ per cent., and in February, 1956, to $5\frac{1}{2}$ per cent. In July, 1955, Mr. Butler announced a new series of economy measures for diminution of bank advances and to cut, delay or slow down capital investment projects and industrial development. The essential tasks of the modernisation of British industry, already heavily in arrears, with a technical level of equipment increasingly below that of its main capitalist competitors, were once again sacrificed to the requirements of the costly policies of Empire commitments and rearmament. In October, 1955, Mr. Butler introduced an emergency autumn budget imposing heavy additional taxation to restrict consumption and cutting the housing subsidies.

In the same way as under the Labour Government, so under the Conservative Government the panacea was proclaimed to be to increase production, restrict home consumption, and force up exports:

“Our primary aim must be to reduce home demand in order to leave more for the extra exports we need . . . certain of the capital requirements of the nationalised industries will be reduced . . . expenditure on development projects will be postponed or slowed down.”

(R. A. BUTLER, Chancellor of the Exchequer,
House of Commons, July 25, 1955.)

Thus the cycle of the Labour Government was repeated, despite all the differences of outer forms and specific methods, under the Conservative Government. By 1955 the initial allegations of triumphant solution of the crisis had again given place to alarm calls and measures of restriction. Austerity Cripps had given place to Austerity Butler and Misery Macmillan.

This repeated experience during the decade since the war has demonstrated the necessity to examine more deeply the real cause of Britain's crisis.

5. Truth About the Balance of Payments

Why have all the measures of government policy since the war

proved thus unable to conquer the crisis, which has returned again and again during these years with successively increased violence?

The answer to this question does not only lie in the deeper long-term causes of the crisis, which have been already examined, and which these policies are unable to reverse. It is also the direct effects of the policies themselves that have in practice led to further deterioration. The very attempts to maintain and rebuild the imperialist system as the supposed indispensable basis for recovery have in fact intensified the crisis by placing more and more crippling economic and military burdens upon the already weakened British economy, as well as increasing subjection to the United States.

At the same time as the cost of maintaining the Empire, expressed in government overseas expenditure and overseas military expenditure, steeply increased after the second world war, as compared with before it, the tribute income or overseas investment income sharply diminished. What was before a net surplus became a net deficit. Of course the real cost of maintaining the Empire has always fallen on the British people and the colonial peoples, who have always had to pay both in treasure and blood, while the profits have been drawn by the narrow circles of the monopolists. Thus the two sides of the balance sheet are not strictly comparable. A net deficit for the British people can still be profitable for the monopolists. But, subject to this very important qualification, the net deficit on the balance sheet of imperialism which began to appear after the second world war was a very important symptom.

A rough and ready picture of the change in the proportions of income from overseas and of Government overseas expenditure before and after the second world war, can be seen from the table on p. 446.

These figures are only a very rough and ready indication, since no official figures are available which would show the real income from imperialist exploitation. The estimate of "property income from abroad" in the National Income and Expenditure Returns is more useful as a guide than the balance of payments record of net "interest, profits and dividends" from abroad, since the latter excludes the gigantic profits of the oil companies and shipping and insurance companies. While the total includes property income from all countries overseas, the greater part

Table 47
BRITISH INCOME FROM OVERSEAS AND GOVERNMENT OVERSEAS
EXPENDITURE, 1938-55

	(£ million)				
	1938	1946	1950	1952	1955
Property Income from Abroad	192 ¹	44 ¹	337 ²	93 ²	145 ³
"Invisible" items net income (excluding Government items)	232 ³	190 ⁴	569 ⁴	415 ⁴	386 ⁴
Government Overseas Expendi- ture	—	487	165	217	223
Government Overseas Expendi- ture	16 ³	487 ⁴	165 ⁴	217 ⁴	241 ⁴

of this is from countries within the Empire or indirectly in its orbit. The net income from investments in the Empire is however no measure of the total volume of imperialist exploitation, since the biggest imperialist monopolies operating in the Empire are centred in the United Kingdom, and their profits are included in the profits of companies in the United Kingdom. The "invisible" items income given from the Balance of Payments Return is added as a further indication, although this includes all items other than from the export of goods. Nevertheless, while the figures given in the table can in consequence only be of illustrative value, the direction of the changes they reveal, as well as of the efforts of Government policy during these years to restore the old position, is unmistakable.

Between 1938 and 1946 net "property income from abroad" had fallen to *less than a quarter* of the pre-war figure in money values and still less in real values. On the other hand, Government overseas expenditure had multiplied *more than thirty times*. If the two figures were treated for purposes of illustrative argument as comparable, to represent a very rough reflection of the most direct expression of imperialist policy, the takings (to put it crudely) on the one side, and the upkeep costs on the other, then it could be said that a pre-war surplus of £216 million had turned into a deficit of £297 million, representing a net turnover from profit to loss on the imperialist adventure (in relation to the total economy of the country, not in relation to the very comfortable gains of the monopolist enterprises) equivalent to over £500 million. The subsequent

¹ *National Income and Expenditure, 1955.*

² *National Income and Expenditure, 1956.*

³ *Balance of Payments 1946-9.*

⁴ *Balance of Payments 1946-55.*

years illustrate the endeavour to restore the pre-war position. But even after all the extreme measures of Government policy to force up the profits from colonial exploitation, the contrast with the pre-war situation was not overcome. By 1955 the income from property abroad at £145 million was only three-quarters the pre-war figure in money values, and therefore heavily below the pre-war figure in real values, allowing for the change in the value of the pound, while the Government overseas expenditure of £241 million represented the equivalent of more than one and a half times the net income from property abroad.

Inevitably a further examination of all the facts would require consideration of many more factors than these extremely simplified figures. Nevertheless, these simplified figures sufficiently serve their purpose to indicate the indisputable *trend*.

To demonstrate this further, that the imperialist system and policy is at the heart of Britain's economic difficulties, it is necessary to examine a little more closely the balance of payments during the years since the war. The official propaganda on the crisis invariably presents a picture of Britain importing and consuming too much, and not exporting enough, as the essence of the problem of the deficit—with the conclusion that the deficit can only be overcome by producing and exporting more, or importing less. An examination of the real facts reveals a very different picture.

The available official returns of Britain's balance of payments are secretive and misleading, as the American-controlled International Monetary Fund has austere noted:

"The data reported by the United Kingdom to the Fund for the purpose of its operations, in the form set out in the Fund's *Balance of Payments Manual*, have been designated as not for publication."

(International Monetary Fund, *Balance of Payments Yearbook, 1949-50, 1951*, p. 392.)

Nevertheless, on the basis of the published official returns, the revealing table overleaf can be constructed.

The figures in this table can again, as in the preceding table, be taken only for their illustrative value and not as an exact measure. A more exact analysis would need to take into account the devaluation of the pound in 1949, which makes the addition of the figures over the ten years not strictly comparable, as well as a number of further factors. But once again the general

Table 48

BRITISH BALANCE OF PAYMENTS AND GOVERNMENT OVERSEAS
EXPENDITURE, 1946-55

(£ million)

I. 1946-50

	1946	1947	1948	1949	1950	Total 5 years
Balance of Payments	-298	-443	+1	+31	+300	-409
Government Overseas Expenditure <i>of which</i>	487	278	172	174	165	1,276
Overseas Military Expenditure	374	209	113	110	100	906
Net Investment in the Rest of the Sterling Area (Investment—, Borrowing+)	+ 66	-306	-177	-277	-181	-875

II. 1951-5

	1951	1952	1953	1954	1955	Total 5 years
Balance of Payments	-403	+247	+177	+285	-103	+123
Government Overseas Expenditure <i>of which</i>	192	217	218	226	241	1,096
Overseas Military Expenditure	126	141	144	150	157	720
Net Investment in the Rest of the Sterling Area (Investment—, Borrowing+)	-164	- 85	-118	-223	-4	-594

Total 1946-55

Balance of Payments	-286
Government Overseas Expenditure <i>of which</i>	2,372
Overseas Military Expenditure	1,626
Net Investment in the Rest of the Sterling Area (Investment—, Borrowing+)	1,469

(U.K. Balance of Payments, 1946-55 (No. 2), Cmd. 9731.)

indication of these figures, based on the official returns, is unmistakable.

The facts here revealed are in glaring contradiction to the official propaganda on the deficit on the balance of payments, and strikingly expose the *imperialist* character of the crisis.

What do the facts show?

First, that over the ten years 1946-55 the total deficit on the balance of payments was £286 million, but that over the same ten years *the total Government overseas expenditure was £2,372 million or more than eight times the total deficit*. Thus the aggregate deficit was in no wise due to excessive home consumption or imports, but entirely to the extremely high figure of government overseas expenditure, reflecting the imperialist policy.

Second, that *the overseas military expenditure during these same ten years totalled no less than £1,626 million or more than five times the total deficit*. To prevent misunderstanding it should be made clear that this overseas military expenditure does not include costs of the German occupation, of relief and rehabilitation, or administrative and diplomatic expenses, all of which are entered separately. Thus the deficit on the balance of payments during these ten years was *entirely* due to the overseas military commitments and wars (the Middle East, Hong Kong, Malaya, Kenya, garrisoning the Empire, etc.). Had it not been for the overseas military expenditure, there would have been no overall deficit problem to vex British citizens.

But a further examination of some of the additional factors involved in the balance of payments would reveal a still more remarkable picture of the actual operation of imperialism which has been concealed behind the propaganda picture of the simple struggle to balance export of goods with imports of necessary food and raw materials. For during these same ten years of net deficit Britain has carried out a very extensive net export of capital.

During 1946-55 the net export of capital overseas (as recorded in the *Balance of Payments, 1946-55*) has been £1,281 million,¹ and to the "rest of the sterling area" (that is mainly

¹ The *Treasury Bulletin for Industry* (November, 1955) estimated British long-term overseas investments from 1946-50 as averaging £80 million a year, or £47 million for the five years, and for 1951-3 as £180 million a year, or £540 million, making a total of £940 million net overseas investment for these eight years.

to the Empire), £1,469 million. Even in the heaviest deficit years, as in 1951, when the deficit amounted to £403 million, net new investment in the rest of the sterling area amounted to £164 million.

This export of capital to the Empire, indispensable from the standpoint of imperialism, represented a further heavy call on the balance of payments.

Thus, to the total of overseas military expenditure during these ten years, amounting to £1,626 million, must be added the total of £1,469 million new net investment in the Empire, making an aggregate of over £3,000 million. Against this must be set the reverse trend of investment in relation to countries outside the sterling area, bringing down the net export of capital to £884 million, and the consequent combined figure of overseas military expenditure and net export of capital to £2,907 millions.

How has this gigantic overseas disbursement of close on £3,000 million during ten years been possible, in face of the unfavourable trading situation during these same ten years? This has been the precarious balancing trick of the weakened British imperialism since the war. Some of the sources may be indicated although a fuller analysis would require the examination of a very complex range of factors.

During these same ten years, the successive forms of dollar aid totalled over £2,000 million (the £937 million loan in 1945; \$2,784 million through the Marshall Plan, and £321 million in military aid up to the end of 1955). Thus the great part of the dollar aid, which was represented as the life line for the subsistence of the British people, went in practice, not to raise standards in Britain but to meet the imperialist interests of the British financial oligarchy, at the cost of selling out the British people to a heavy degree of dependence on the United States.¹

During the same ten years over £1,000 million were extracted from the colonial peoples to swell the assets of the sterling area by the increase in the colonial sterling balances between the end of 1945 and end of 1955.

¹ The fact that Marshall Aid was in fact used to cover the export of capital to the Empire was revealed by the Conservative Colonial Secretary, Mr. Lyttelton when he said in Parliament on July 16, 1953:

"It surprised me to find that during the six or seven years after the war colonial development had not been held up for lack of capital. I thought this surprising. Some of the reasons for this, such as the injection of a great deal of Marshall Aid into our economy, are not far to seek."

From the British people heavy increased output was extracted without their receiving any corresponding return in improved standards of living.

Such has been the real balance sheet of British imperialism since the war. The entire concentration has been directed to rebuilding the imperialist economy in place of tackling the essential tasks of reconstructing the economy of Britain on a healthy and independent basis. The cost of this policy has been expressed in the cold war, colonial wars, rearmament and dependence on the United States.

Thus the entire official propaganda on the crisis and deficit on the balance of payments, as supposedly due to excessive imports and consumption at home, and insufficient production for exports, has been a gigantic confidence trick and swindle to conceal the true facts.

The glaring elementary fact that the main immediate cause of Britain's post-war deficit was the gigantic foreign military commitments and expenditure, and the imperialist requirement for the export of capital—this was the one crucial fact which was never mentioned on any poster or leaflet, never whispered on the radio, never admitted by a Cabinet Minister, never divulged by any official economist "explaining" the crisis, and never hinted at by any editorial leader-writer or feature-journalist in the million-sale Press lecturing the Government for its social extravagance at home or the workers for their idle and luxurious habits. It remained the grand guilty secret of the dying British imperialist order to take down with it to the grave. For the workers the little picture diagrams (with all the arts of modern publicity experts to explain abstruse economic questions to a supposed population of morons) continued their little fairy tales. "Imports" would be represented by a loaf of bread and a tasty joint of meat. "Exports" would be represented by the product of John Smith's sweat. John Smith was not paying his way. If only John Smith would sweat harder, there would be more of the loaf and more of the meat, and lots of lovely things. So simple, if you just think it out carefully.

If any daring critic in a Labour conference did sometimes succeed in getting in a word to suggest that overseas military expenditure was the main cause of the deficit, the Cabinet Minister would bridle and declare with burning indignation,

"Would you have our little island undefended?" And the troopships would continue to sail to Singapore and Hong Kong for the maintenance of military conquest over very different "little islands" from that understood by the audience.

But the full picture for a correct understanding of the immediate and controllable policy (the imperialist policy) factors underlying Britain's crisis and deficit, is not given only by the direct overseas military expenditure which has constituted the bulk of the deficit since the war. The effect of the colossal arms expenditure and of the withdrawal of man-power for the armed forces and their supply in cutting down and misusing Britain's productive effort has to be taken into account.

The rearmament programme has directly affected the balance of payments. Even in respect of the direct trade figures, of exports and imports of goods the conventional picture of the necessity to export in order to pay for the imports of food and raw materials required by the British people ignores completely the portion of these imports that are required as raw materials for the war industries, that is, not for consumption, nor for productive purposes to raise standards, but for purposes of destruction. These are wasted imports from the point of view of the standard of living, or useful production, but they have to be paid for by export goods which could either have been used at home to raise standards of living or could have been exported abroad in return for goods to raise standards at home.

The Conservative Chancellor of the Exchequer, Mr. Butler, admitted in his speech at the Empire Financial Conference in Sydney in January, 1954, that "but for the burden of the defence effort the balance of payments position could be improved by between £350 and £400 millions annually." Thus the overseas military expenditure, amounting at that time to £150 million, was only a part of the total burden of the imperialist military policy on the balance of payments. To this must be added the effects of the withdrawal from civilian production of two millions of the population, or one in eleven of the working population, for the armed forces or for the supply of the armed forces.

To this must be further added the cost of the cold war programme, expressed in the strategic trade bans, whose heavy cost Mr. Butler admitted (again for foreign consumption only) when he stated to the American public that "We could only

dispense with iron curtain supplies at a serious cost to our general economy and the food supplies of our people" (Interview to *United States News and World Report*, January 13, 1953).

By May, 1956, the new Chancellor of the Exchequer, Mr. Macmillan, indulged in what he termed a "pipe dream." He pointed out that in 1954 Britain devoted 9 per cent. of its national income to military expenditure, as against 5 per cent. for the other O.E.E.C. countries, so that Britain was spending "nearly twice as large a share of our resources" on armaments as other Western European countries.

"Supposing our figure was 5 per cent., not 9 per cent. I think this particular piece of speculative arithmetic is illuminating—indeed, tantalising. It would mean a saving of £700 million; and if only half of that were shifted into exports, it would completely transform our foreign balance. And if we got the other half shifted into fixed investment there would be a good deal less critical comment about our low investment percentage."

"Reduce defence spending by £700 million, and it would resolve one of the Treasury's main dilemmas—that it is dangerous to reduce taxes until we get more savings."

Of course, Mr. Macmillan added, this was only—

"a pipe dream. We know that we can't have it. We are not going to behave in an irresponsible way."

All the myths of excessive home consumption as the cause of the deficit on the balance of payments have disappeared in this illuminating heart cry of a Tory Chancellor of the Exchequer. He saw the possibility of even a partial change from the imperialist war policy as a "tantalising" solution to his problems—only to be dismissed as a "pipe dream." But the real situation cannot be so easily dismissed.

By 1956 it was becoming increasingly recognised that some reduction of the country's arms expenditure would have to be attempted. A very tiny initial reduction by £50 million was announced in the summer of 1956; and the possibility of a somewhat larger reduction was under discussion for the coming year. But this desire for economy was not yet accompanied by any recognition of the necessity to make a basic change in *policy*, from the whole imperialist and cold war policy and its ruinous burdens (not only expressed in arms expenditure) in order to tackle Britain's economic problems. On the contrary, the aggressive Suez military adventure in the second half of

1956, supported by none more zealously than Mr. Macmillan ("we are not going to behave in an irresponsible way"), further increased the overseas military burden and gravely worsened the home economic situation. In face of this worsened economic situation and the consequent necessity to reduce expenditure, the plan was envisaged by the Macmillan Government at the beginning of 1957, alongside the offensive on living standards at home, to reduce arms expenditure, not by abandoning the imperialist war policy, colonial wars, cold war and nuclear warfare strategy, but only by a proposed reduction of the occupying forces in Germany and by increasing dependence on the United States through obtaining supplies of American missile weapons. It was obvious that this approach could not bring the basic solution necessary for Britain's problems. The new concentration on nuclear strategy as the main strategy, and reorganisation of the armed forces on this basis, envisaged in the Defence White Paper of 1957, meant, alongside reduction in the total number of the armed forces, heavy new expenditure in other forms to provide the new weapons and equipment.

All these costs which have been indicated are the heavy costs in practice of imperialism and its policy to the British people. The continuance of this policy to what would be its final outcome of nuclear war, in which Britain would become a main target for destruction, marks out this entire programme as one of economic, political and military suicide.

It is this policy which it is essential to change in order to open the way to an alternative programme for peace and progressive development, and thereby to tackle the conditions of chronic crisis in Britain and win a happier future for the British people.

CHAPTER XVIII

LIBERATION OF BRITAIN

“This England never did, nor never shall
Lie at the proud foot of a conqueror,
Save when it first did help to wound itself.”

SHAKESPEARE.

THE time has come when the crisis of empire has to be recognised in its true character, and practical conclusions drawn.

The gloomy picture of Britain's post-war situation painted in the previous chapter is not the inevitable prospect or the only road for Britain.

It is true that Britain's present difficulties are basically the unhappy inheritance of the whole preceding imperialist development, and that the only final solution requires the advance to a new social, economic and political structure. But this bankrupt inheritance finds its expression in the present policies of the imperialist ruling class, and of their political representatives, who cling obstinately to the old basis, and continuously worsen Britain's situation in the endeavour to maintain a derelict system. The origins of Britain's crisis may lie in the past. But the immediate efficient cause which prolongs and intensifies it, and prevents recovery, lies in policies which do not correspond to the needs and interests of the British people.

These policies can be changed. The past need not for ever strangle the present and the future. And the representatives of the future are in fact arising, within the working-class movement in the first place, and among the widest sections of the people, to change the old policies and to open out a new prospect for Britain.

Such a new future, however, does require a decisive break with the old policies of imperialist parasitism, colonial wars, alignment with reaction throughout the world, super-rearmament and dependence on the United States.

It is necessary to restore the national independence of Britain and establish a new basis of relations with the peoples of the present Empire.

It is necessary to take an active initiative for world peace and for international economic co-operation.

It is necessary to undertake serious tasks of technical, economic and social reconstruction at home in order to establish Britain on a healthy self-supporting productive basis, instead of as the rentier centre of colonial exploitation or subsidised pensioner and pawn of a stronger imperialism.

1. Restoration of National Independence

The first essential necessity for the recovery of Britain is the full restoration of Britain's national independence from the submission to American intervention and pressure which has taken place during the years since the war. Without such national independence all other programmes and measures of policy for rehabilitation would be illusory castles in the air.

The reduction of Britain to dependent status in relation to the United States has been accomplished by such a series of gradual stages, and under such a mystifying variety and complexity of misleading outward forms, that the real subjection is only partially recognised by the majority of the population—is felt and sensed emotionally and instinctively by the ordinary man rather than clearly understood—and is of course in official language on both sides completely and sedulously denied.

Hitler described the technique of conquest by stages in his *Mein Kampf*:

“A shrewd conqueror will always enforce his exactions only by stages. . . . The more numerous the extortions thus passively accepted, so much the less will resistance appear justified in the eyes of other people, if the vanquished nation should end by revolting against the last act of oppression in a long series. And this is especially so if the nation has already patiently and silently accepted impositions which were much more exacting.”

The colonisation of a country does not always take place by the simple process of direct and violent conquest and annexation. In the case of a major developed country, with an old

civilisation—often older than its invaders—and strongly entrenched traditional political institutions, the process of penetration and eventual subjugation is often more subtle and gradual. India—the classic land of the entire history of the modern colonial system—is a case in point. British rule in India was long concealed behind the forms and trappings of the august and picturesque, still nominally supreme and sovereign, but in reality decrepit, Mogul Empire, before the real seat of power was openly proclaimed. The British came as traders and suppliants; they established their bases by treaty rights conceded from the sovereign power; they developed as allies, financiers, advisers, donors of subsidies, military organisers; they utilised and exacerbated political divisions (just as the American rulers have utilised and exacerbated the division of Europe into East and West, and even the partition of Germany); they supplied armed forces, commanded the armies of their political protégés, and participated in wars, mainly with native forces, rather than with their own, but under their command; they became the power behind the throne in all the affairs of India, even though they continued to rule behind the shadow of native princes and within the confines of ancient kingdoms and empires. The ordinary simple Indian might still imagine that he was ruled by his local prince who owed his allegiance to the Mogul Emperor, and regard the British with disdain as merely vulgar and resented foreign interlopers representing a barbarically energetic but inferior civilisation. It took one and a half centuries from the foundation of the East India Company to the establishment of its direct rule; it took two and a half centuries before India was finally annexed as a subject colony under the British Crown.

It is a grimly ironic revenge of history that this technique of gradual penetration and subjugation characteristic of the British colonisation of India between the seventeenth and nineteenth centuries should now be reproduced in our time, with so many analogies, despite the profound differences in conditions, in the original homeland of the invaders of India, in Britain and Western Europe. In 1947 the British troops left India. In 1948 the American troops arrived in Britain.

The initial Anglo-United States Loan Agreement of December, 1945, began the enveloping process in the economic field.

The stipulations which the Agreement imposed for non-discrimination were designed to prise open the British monopolist hold on the Empire. The stipulations for convertibility were designed to disrupt and destroy the sterling bloc. The successive stages of penetration and domination during the following half-dozen years have already been traced in the previous chapter on "America and the British Empire." It was not until 1947 that the Marshall Plan established resident organs of American economic supervision in Britain, reporting periodically to Congress on Britain's fulfilment of the scheduled programme laid down for it. It was not until 1948 that the American military occupation of Britain began, at first under the pretext of temporary training arrangements, later with open declaration of its permanent character, with ceaseless enlargement and extension of its bases and forces, enjoying extra-territorial rights and not subject to British law-courts. It was not until 1949 that the North Atlantic Treaty drew Britain formally into an armed coalition under effective American control. It was not until the same year, 1949, that trade bans originally drawn up in Washington were imposed on Britain's trade. It was not until 1951 that British armed forces were brought under American Supreme Command.

This process of gradual step-by-step whittling away of national sovereignty was described by the *Economist* of April 29, 1950:

"Is it so certain that sovereignty only cedes to a frontal attack? May it not be diminished by an infinite multiplication of acts of co-operation which create the habit of confidence and concession? All those who have worked closely in the O.E.E.C. agree that in a hundred ways joint actions are possible now which would have been inconceivable in 1947. The habits of co-operation which an Atlantic Council may foster can lead in time at least to the degree of unity and understanding that prevails within the British Commonwealth, and that, after all, is no small thing."

Quoting this, the author of *American Imperialism* (1951), Victor Perlo, comments:

"Already it would not be far from the fact to describe Britain as a member of the 'United States Commonwealth,' with perhaps some more independence of the master than India had in the old British Empire, but somewhat less than Australia had in the empire. Indeed, not a 'small thing' for the one-time mistress of the seas."

In this way a situation was reached in which a very high degree of American domination was in practice (not formally, not in law) established in British economic, political and military affairs. This domination was exercised, not only in the general sphere of high politics and means of pressure on a weaker ally to toe the line (conspicuously demonstrated in the habitual "Yes, sir" line of the British and French representatives in the United Nations during this period, deferentially following the United States lead), but also through a complex structure of forms and special organisations. These ranged from the myriad ramifications of the United States Embassy apparatus, through the American-controlled structure of economic supervision organs and offices (originally, E.C.A., then M.S.A.), the North Atlantic Treaty Organisation, the War Production Co-ordination office, etc., to the American Military Command in Britain and the American Supreme Commander's headquarters in Europe.

In the political sphere the decisions of policy were still traditionally announced to the British public from Downing Street, or from the B.B.C. (occasionally, even, in Parliament); but during these years there were few major decisions of policy whose origin could not be plainly traced from Washington. It is only necessary to examine a few of the principal examples of major decisions of policy during these years to demonstrate this.

(1) *Devaluation*. Sir Stafford Cripps as Chancellor of the Exchequer pledged himself nine times in public that he would never agree to devaluation. American pressure on the pound reached a high point in the summer of 1949; American financial comment pointing to the devaluation of the pound was met with emphatic denials in the British Press and British official quarters. In July, 1949, the United States Secretary of the Treasury, Snyder, visited Sir Stafford Cripps in London. Unofficial press comment stated that his purpose was to press devaluation on the unwilling British Government. In August the British Government decided to devalue; and the decision was announced first in Washington the following month.¹

¹ It is entertaining to watch the somersault which the unhappy *Daily Herald* had to carry out during the critical month of September, 1949, illustrating the way in which the Government's decision to give way to the American pressure was concealed from its official organ, which to the very last day was proclaiming triumphant and unyielding resistance to the American pressure on the pound:

September 2. U.S. DROPS CAMPAIGN AGAINST THE £.

(2) *Trade Bans.* The list of "strategic" articles prohibited for export to the Soviet Union and People's Democracies (later a separate list was made for China) was originally drawn up and issued in Washington. Subsequently a Board of Trade Order was issued giving a corresponding list of prohibited articles (of course without reference to its Washington origin). It was not until 1956 that Britain took a partial step towards repudiating some of the bans in respect of China (Malayan rubber exports to China) without the agreement of the United States.

(3) *Korean War.* On the outbreak of the war in Korea on Sunday, June 25, 1950—

"the Foreign Office on Sunday would not comment 'because of the lack of official information reaching London.' It was still waiting for information from Captain Vyvyan Holt, British Minister to Seoul. 'For the time being,' the Foreign Office said, 'we are following the American lead.' On Tuesday morning the diplomatic correspondent of the London *Times* reported: 'Only brief dispatches, *confirming the outbreak of fighting*, have been received from Captain Vyvyan Holt' (italics added). At the Security Council the British representative had already voted on Sunday to brand North Korea the aggressor. But Britain's own representative in Seoul could do no more than confirm 'the outbreak of the fighting.'"

(I. F. STONE, *The Hidden History of the Korean War*, 1952, p. 49.)

In other words, Britain was hustled into the war in Korea, and into falsely declaring the Korean People's Republic the aggressor, without evidence, and before receiving any report from its own representative whose subsequent report gave no confirmation of the false allegation—because, in the revealing words of the Foreign Office, "*we are following the American lead.*"

(4) *West German Rearmament.* The British Foreign Minister, Ernest Bevin, declared in the House of Commons on March 28, 1950, that "we have set our faces against the rearming of Germany." In September of the same year Mr. Bevin was

September 12. THOSE WHO HAVE BEEN PREDICTING DEVALUING THE £ WILL BE DISCREDITED.

September 14. THE £ GOES UP IN NEW YORK.

September 16. NO TRUTH IN THE TALK ABOUT THE DEVALUATION OF THE £.

September 17. NO PRESSURE ON THE £.

September 18. DEVALUATION ANNOUNCED.

The City Editor of the *Daily Telegraph* commented: "Devaluation of the pound, after Sir Stafford Cripps' repeated denials, will come as a profound shock to the City." *The Times* commented on September 20: "It cannot have been by willing choice that the Government decided that this drastic step had to be taken."

summoned to Washington and announced that he had agreed to the principle of German rearmament:

“Mr. Bevin went to New York, determined to prevent the precipitate rearmament of Germany. . . . He failed. . . . Faced with an American ultimatum . . . he toed the line.”

(*New Statesman and Nation*, December 2, 1950.)

(5) *British £4,700 million Rearmament Programme.* On July 26-7, 1950, the House of Commons debated exhaustively and voted an increase of £100 million on the arms estimates of £780 million. Parliament went into recess.

On July 26 the United States Government dispatched a note to the British Government demanding an immediate reply on proposals for British increased rearmament. The American Press poured scorn on the £100 million increase as utterly inadequate.

On August 3 it was announced that the British Government, while Parliament was in recess, i.e. without consulting Parliament, had decided on a £3,400 million three-year rearmament programme. The announcement was officially made *in a Memorandum to Washington*, handed to the United States Ambassador on August 2. Next morning the British public were allowed to learn of their fate through the Press and B.B.C. publication of the text of the Memorandum to Washington. Parliament had no say. The Memorandum began:

“His Majesty’s Government in the United Kingdom have been requested by the United States Government to inform them concerning the nature and extent of the increased effort, both as regards increased forces and increases in military production, which His Majesty’s Government are willing and able to undertake.”

The Memorandum to Washington then went on to detail the branch manager’s compliance with head office instructions. All that was missing was to conclude: “And your humble and faithful lieges hereafter for ever wish you mud in your eye.” *The Times* of August 4, 1950 commented (*italics added*):

“*In response to the American request . . . the Cabinet have now agreed to a provisional three-year programme which involves a much bigger increase in defence expenditure than was at first contemplated.*”

On September 12 the Prime Minister announced the further increase of this programme to £3,600 million. Mr. Attlee explained to the House of Commons (obviously in the hope of being overheard by his American masters) that this figure represented the final uttermost physical limit of what the country could accomplish—"we are reaching the limit of what we can do unaided without impairing our economic position."

But it was not to be the limit. The American taskmaster demanded further increases. In December the North Atlantic Council was called together in Brussels. Britain was met with the demand for staggering further increases in the rearmament total. The ever-obedient Mr. Bevin (the lapdog painted to look like a bulldog) complied and gave his promise:

"At the Brussels meeting of the North Atlantic Council on December 19 the Foreign Secretary said that in view of the urgent need to strengthen the defences of the free world, His Majesty's Government had decided to increase and accelerate their defence preparations still further."

(MR. ATTLEE in the House of Commons, January 29, 1951.)

On January 29, 1951, the Prime Minister announced the further increase of the programme to £4,700 million.

Such is the history of the disastrous £4,700 million rearmament programme, which governed the whole subsequent economic and political situation in Britain, and which was imposed under American pressure.

This subordination to the United States could by no means be pleasing to the rulers of British imperialism who had once regarded themselves as the natural lords of the world and looked down their noses with disdain at the American *parvenu*. Indeed, even during the years of deepest submission in practice, there was no lack of evidence of friction, or of what the American press indignantly denounced as British "isolationism" or Britain "dragging her feet." But such differences were contained within the framework of what the rulers of Britain regarded as the inevitable acceptance of the dominant role of the United States in the "partnership."

In the public utterances of the political leaders of the Conservative Party, as well as of the dominant ruling circles of the

Labour Party, and of the servile megaphone Press and organs of publicity, this subordination of Britain to the United States was presented as necessary, desirable and beneficial. The keynote of modern British official policy, and the paramount governing consideration, was given explicit expression by Mr. Churchill in the House of Commons on May 10, 1951, when he declared (with reference to the question of trade with China) that the aim of British policy must be to—

“make the United States feel that their case is our case, and that we mean at all costs to be good friends and allies.”

“*At all costs*,” i.e. at the cost of Britain’s economic ruin, the handing over of the Empire to American domination, and the final military destruction of Britain. The old Tory slogan of “My country right or wrong” used to receive justifiable criticism from true patriots. But the new Tory slogan appeared to have been: “America Right or Wrong.”

The same humble, servile outlook was expressed by Herbert Morrison as Foreign Minister, when he boasted proudly to the Labour Party Conference demonstration at Scarborough in October, 1951, on his return from the San Francisco Conference:

“In San Francisco, although a representative of a Labour Government, I was received on absolute equality with the Foreign Ministers of other countries.”

To this level had a British Foreign Minister descended that he was grateful and even bursting with pride not to have been sent by his American masters to the servants’ hall.

Even this modest claim of Mr. Morrison to a pretence of a show of “equality” was not to be allowed to continue. By the time of the Washington meeting of the North Atlantic Deputies in the beginning of 1952, *The Times* of January 14, 1952 explained to the bewildered British public that a stage had been reached when it was obviously impossible for Mr. Acheson “to be able to accept any other Foreign Minister as an equal.”

In the same spirit of obsequious deference of the servant to the master, the manager of the Tory Party machine, Lord Woolton—with his ample experience in inculcating the spirited deportment of a shopwalker—explained the necessity of British subordination to American leadership:

"To-day Americans know that they are the dominant Power in the world: they take pride in the position, they accept the responsibility of it, and they expect the rest of us to recognise their leadership."

(LORD WOOLTON in the *Sunday Times*, July 16, 1950.)

This outlook of servility has at no time been shared by the British people. It is certain that the deepening conflict, not only reflecting the national sentiment of the people against American domination, but also the trading, commercial and financial rivalry between American and British capital, will lead to increasing sharp cross-currents and the growth of resistance among all sections in order to end this American domination and restore Britain's freedom of action.

In his last work *Economic Problems of Socialism in the U.S.S.R.*, published in 1952, Stalin prophesied the growth of contradictions between the United States and the capitalist countries brought within its orbit:

"Outwardly, everything would seem to be 'going well'; the U.S.A. has put Western Europe, Japan and other capitalist countries on rations; Germany (Western), Britain, France, Italy and Japan have fallen into the clutches of the U.S.A. and are meekly obeying its commands. But it would be mistaken to think that things can continue to 'go well' for 'all eternity', that these countries will tolerate the domination and oppression of the United States endlessly, that they will not endeavour to tear loose from American bondage and take the path of independent development.

"Take, first of all, Britain and France. Undoubtedly, they are imperialist countries. Undoubtedly, cheap raw materials and secure markets are of paramount importance to them. Can it be assumed that they will endlessly tolerate the present situation, in which, under the guise of 'Marshall plan aid', Americans are penetrating into the economies of Britain and France and trying to convert them into adjuncts of the United States economy, and American capital is seizing raw materials and markets in the British and French colonies and thereby plotting disaster for the high profits of the British and French capitalists? Would it not be truer to say that capitalist Britain, and, after her, capitalist France, will be compelled in the end to break from the embrace of the U.S.A. and enter into conflict with it in order to secure an independent position and, of course, high profits?"

The events of recent years have begun increasingly to demonstrate the first signs of a process of differentiation of both Britain and France from United States policy and domination.

A sharp clash of policy was reached over the Suez crisis and the Anglo-French war on Egypt in 1956.

Nevertheless, the partial and still so far limited steps of Britain's rulers towards a certain differentiation of policy in the most recent years have so far only been attempted within the framework of continued acceptance of the foundation of the American alliance and of the predominant American role within it. This follows from the two-sided position of the British imperialists whose counter-revolutionary class interests align them with the American imperialists, at the same time as their sectional imperialist economic-political interests bring them into repeated conflict.

Hence the fulfilment of the aim of restoration of Britain's national independence cannot be left to the ruling circles of the British financial oligarchy, but requires the active and decisive role of the working class and of the masses of the people.

The imperialist financial oligarchy in Britain, wholly cosmopolitan in their outlook, interests and connections, have clung to the American alliance to maintain their possessions and continue to receive what they can of their super-profits. For this higher aim they have had no compunction in sacrificing the national interests of Britain to American domination, any more than their Munichite predecessors had any compunction in sacrificing Britain's national interests to the expansion of Hitler, so long as Hitler maintained hostility to the Soviet Union.

But this time the price has been heavier. The Munich policy cost Britain dear. But Hitler was never able to control Britain's currency and trading policy, or to establish armed occupation of Britain in peacetime. This time the price has included the sacrifice of the ancient island centre of the Empire as the "expendable" "pawn" of American strategy.

Therefore for the mass of the British people the restoration of the national independence of their country from the present American domination is literally a question of life or death.

The conquest of the national independence of Britain from the stranglehold of the American imperialists and their obedient servitors within Britain is equally bound up and integrally linked, in present conditions, with the parallel and common

struggle for national independence of all the peoples of the British Empire from the stranglehold of the British and American imperialists and their local servitors. It is also bound up with the fulfilment of the national rights of the Scottish and Welsh peoples, and the ending of the enforced partition of Ireland. These questions, and the question of the future relations of the peoples of the present British Empire, it will be necessary to examine further in the concluding chapter.

2. Britain and World Peace

Britain has a vital interest in world peace, at least as great as, if not greater, than any other country in the world. Britain has not recovered from the effects of two world wars. Britain is most vulnerable in the conditions of a modern world war.

These axioms might be regarded as platitudes. They would be universally agreed by representatives of every shade of opinion. Yet it is a startling paradox that during this critical decade since the war Britain has in fact been pursuing a policy entirely at variance with these premises. During these years Britain has (1) carried the heaviest rearmament burden of any major power in the world, in proportion to population; (2) engaged in more wars over the world than any other power, notably in Greece, Indonesia, Malaya, Korea, Kenya, Cyprus and Egypt; (3) entered into extensive military commitments through sectional military pacts in a series of regions all over the world, notably the North Atlantic Treaty, the South-east Asia Treaty and the Baghdad Pact; (4) played the most active part in promoting the rearmament of West Germany; (5) supported the adoption of nuclear strategy, including the policy of proclaiming the determination to use atomic weapons or the hydrogen bomb first; (6) handed over Britain to become the main American bomber base, and consequently main target in an eventual nuclear war.

The apologists for this policy have endeavoured to defend it as a policy whose ultimate aim is peace. Powerful armaments, they argue, and an overwhelming superiority in armaments represent the best security for peace.

"It is not a balance of power that creates peace, but an overwhelming preponderance of power on the side that has no interest in war."

(Economist, June 7, 1952.)

Similarly the Defence White Paper of 1955 argued that "the present great predominance of the West both in the stock of nuclear weapons and the means of delivering them" represented the essential effective "deterrent" against war.

The assumption that one side only "has no interest in war" begs the whole question involved in every arms race, and comes the more oddly from the representatives of the Atlantic Coalition of Powers which have been actively engaged in a whole series of wars of invasion of other countries.

All history proves the contrary. Let us call to witness the former Liberal Foreign Secretary under whose guidance Britain was plunged into the first world war. Reflecting in his declining years on the chain of events that led to this catastrophe, Viscount Grey drew the moral:

"More than one true thing may be said about the causes of the war, but the statement that comprises most truth is that militarism and the armaments inseparable from it made war inevitable. Armaments were intended to produce a sense of security in each nation—that was the justification put forward in defence of them. What they really did was to produce fear in everybody. . . .

"The lesson of European history is so plain. It is that no enduring security can be found in competing armaments and in separate alliances."

(VISCOUNT GREY OF FALLODON, *Twenty-five Years, 1892-1916*, Vol. II, pp. 52, 274.)

The "lesson" has not yet been taken to heart by the advocates of the Atlantic Coalition.

From the side of the representatives of the previous generation of leadership of the labour movement the same testimony can be drawn from the former Labour Foreign Secretary, Arthur Henderson. Exposing the fallacy of the old argument, "If you want peace, 'prepare for war'" ("Peace Through Strength"), Henderson wrote:

"That method in the last analysis rests on contradictory arguments: on an attempt to perform the impossible feat of each state being stronger than its neighbour. It entails the reversion to international anarchy. . . . It can hardly be called a risk because it has throughout history proved a certainty. It has always ended in war and always will."

(ARTHUR HENDERSON, *Labour's Way to Peace*, 1930, p. 43.)

"It has always ended in war and always will." The voice sounds from the grave from Labour's former Foreign Secretary to the present labour movement. The warning is written for all to see, from two world wars, in letters as large as life and as merciless as death.

The necessity for a reversal of the disastrous policy of sectional military alignments, "peace through strength" and nuclear strategy, and for an active initiative from Britain for peace and disarmament, has become more and more widely recognised during the most recent years. The strength of the demand has also found reflection in some partial modification of the official policy: notably, the resistance to the American plans for combined imperialist intervention in Vietnam in the spring of 1954; the participation in the Geneva Conference in the summer of 1954, despite American boycott and in the cease-fire agreement for Vietnam; and the initiative and pressure from Britain for the aim of a meeting of Heads of States for the relaxation of tension, with a consequent new phase of negotiations opened at Geneva in the summer of 1955.

This new phase has opened the opportunity for the advance from the dangerous previous policy, which was bringing in view the visible menace of a nuclear world war, to a policy for peace and disarmament. But in the initial period following the Geneva Conference of Heads of States, the foundations of the old policy were still maintained as rigid and unchangeable by the representatives of the Western powers; specifically, the system of sectional military alliances, as embodied in the Atlantic Treaty and the South-east Asia Treaty; the maintenance of the extensive array of foreign military bases, the rearmament of West Germany as part of the Western military alliance, with the consequent obstacles to the establishment of a unified, democratic Germany, and the division of Europe into opposing armed camps; the exclusion of China from the United Nations; and the advocacy of nuclear strategy as legitimate and practical resistance to a ban on nuclear weapons. The war on Egypt in 1956 revealed the continuance of an openly aggressive imperialist war policy.

It is evident that a serious and consistent policy for peace, indispensable for Britain's future, would require:

First, the replacement of the policy of "cold war" by the policy of peaceful co-existence, with co-operation of the

powers for the settlement of all questions of international tension by peaceful negotiations.

Second, the restoration on this basis of the United Nations as an organisation of co-operation for peace in accordance with the Charter, with the participation of the five permanent powers, and recognition of their special responsibility to co-operate through the Security Council for the maintenance of peace.

Third, the replacement of all sectional military alliances outside the framework of the United Nations (Atlantic Treaty, South-east Asia Treaty, Baghdad Pact) by firm adherence to the maintenance of collective security through the United Nations, with such regional agreements (e.g. European or Asian security treaties) as may be agreed within the framework of the United Nations, and on this basis the settlement of the question of Germany within the framework of European security.

Fourth, the ending of all existing local and colonial wars, on the basis of the withdrawal of invading troops and recognition of the national independence and sovereignty of the peoples concerned.

Fifth, the banning of nuclear weapons and limitation of armaments.

Sixth, the renunciation by all the powers of the establishment and maintenance of foreign military bases in the territories of other nations.

Seventh, the liberation of Britain from foreign armed occupation and atomic or hydrogen bomb bases.

Eight, the promotion of international trade and economic co-operation, and removal of political-strategic bans on trade.

3. Britain and World Trade

The solution of Britain's trading problem is bound up with the success of the fight for peace.

Undoubtedly the long-term solution will require a radical reconstruction of Britain's international economic relations from the old imperialist basis of parasitic dependence on colonial tribute to a healthy balanced basis of full development of productive resources at home and equal exchange with countries requiring the products of British industry. This will involve especially the development of large-scale trading

relations, on a basis of equal exchange, with the countries which are at present the object of colonial exploitation, once their peoples have won their freedom and are engaged in the reconstruction of their economy.

It is equally imperative, both for an immediate solution, and for a longer future perspective, to extend trading relations with the whole advancing new world which has already won freedom from imperialism, and which has built up or is engaged in building up a rapidly expanding socialist economy. It is in this direction, rather than in a suicidal cut-throat battle to force up exports only within the increasingly restricted capitalist market, that lies the future for the solution of Britain's trading problems and the rapid extension of Britain's trade.

The first step to tackle Britain's immediate acute trading problem, deficit on the balance of payments and dollar deficit will require in the economic sphere (apart from the political measures to cut down the waste of the extravagant overseas military expenditure and aggressive foreign wars, by the bringing home of troops, which would materially alter the picture of the balance of payments) a positive programme for the development of all-round trade and elimination of the present artificial dollar dependence by liberating Britain's trade from the present American-imposed bans.

It needs to be recognised that the trade bans imposed on Britain by the United States, professedly for the purpose of the Atlantic "cold war" strategy, have in fact served to strangle Britain's trade for the benefit of dollar exporters and artificially maintain Britain's dollar deficit.

As the outcome of the whole preceding economic development, Britain is more dependent on foreign trade than any country in the world. Of total imports in 1951 over three-quarters or 77 per cent. were food or raw materials. Yet the volume of British imports in 1951 was 9 per cent. less than in 1937. On the other hand, the volume of exports was some 75 per cent. higher than before the war; and there was still a heavy deficit on the visible balance of trade. Half of Britain's industrial output was exported; and of the total exports nine-tenths were manufactured goods.

It is obvious from this pattern of Britain's trading requirements in the current conditions that Britain needs to develop trade most with countries able to supply food and raw materials

in return for its manufactures, rather than with rival exporting industrial countries. But the American strategy of the Marshall Plan and Atlantic "cold war" imposed on Britain the exactly opposite pattern of trade to what Britain's interests require. Britain was required to concentrate its trade precisely on the countries which are its main industrial exporting rivals, the United States and Western Europe, and to cut down to a minimum its trade with the one-third of the world which is best fitted to develop complementary trade with Britain. This picture sounds so crazy as to be almost incredible. Yet it is precisely this pattern which, under American orders, British statesmen have been assiduously engaged since the war in endeavouring to fasten on British trade, with consequent ever-louder shouts of agony from British economy stretched out on this bed of Procrustes.

Before the war the Soviet Union supplied about one-fifth of Britain's grain imports and two-fifths of the soft timber imports. Britain imported two and a half times as much wheat from the Soviet Union as from the United States, and nine times as much sawn timber. Britain's total imports from the Soviet Union in 1937 were close to the combined total from France and Italy. At the same time the Soviet Union was able to supply a stable market for British manufactures, unaffected by the periodic conditions of crisis in capitalist countries. Thus in 1932 Soviet orders saved the British machine-tool industry from bankruptcy by taking four-fifths of the output. Even this pre-war development was only a fraction of what was possible, since it was again and again hampered by political and governmental interference from reactionary imperialist interests.

At the end of 1947 the short-term British-Soviet Trade Agreement began the rebuilding of these mutually advantageous trade relations, though still on a limited scale and in the face of many obstacles.

Immediately the United States stepped in to deliver its hammer-blows against this incipient restoration of Britain's trade with Eastern Europe, which could have released Britain from the dollar stranglehold. Already the Loan Agreement non-discrimination clauses had been used to hamper the development of Britain's trade with Empire countries, thus, for example, striking a blow at the Jamaican sugar industry for the benefit of the Cuban sugar industry. In 1948 the Marshall

Plan conditions were invoked to prohibit the free development of Britain's trade with Eastern Europe. Section 117 (d) of the United States Foreign Assistance Act of 1948, the legal instrument of the Marshall Plan ("without strings"), laid down that the United States would "refuse delivery" to Marshall Plan countries where such deliveries might be used for "the production of any commodity for delivery to non-participating European countries which would be refused export licences to those countries by the United States in the interests of national security."

A list of prohibited exports was drawn up by the United States and duly appeared as Board of Trade Order No. 652, issued on March 31, 1949, subsequently incorporated in the Export of Goods Control Order No. 2466, issued on December 21, 1949.

In 1951 the system of trade bans was further extended by the Kem Amendment and the Battle Act, and was extended to China as well as Eastern Europe. On June 7, 1951, the United States Government published a list of 1,700 categories of goods affected by the Kem Amendment. Any country "knowingly exporting these goods could be cut off from American financial and economic help" (*New York Herald Tribune*, June 8, 1951). The provisions of the Battle Act went even further in the wide range of goods covered, reported to include 100,000 items, and in placing absolute powers of control in the hands of an official in Washington.

There is no solution for Britain's trading problems along these lines. It is essential to strike out a different course, which can not only end the dollar deficit and restore Britain's trading freedom, but open up an enormous field of expansion for Britain's trade in the new world conditions.

The maximum development of Britain's trade with non-dollar countries will require the repudiation of the existing twofold system of American-imposed trade bans. The interests of empire trade require the repudiation of the "non-discrimination" clauses and conditions, imposed originally through the Loan Agreement and incorporated in the General Agreement on Trade and Tariffs, which have been designed to hinder the promotion of trade between the countries of the Empire and facilitate the American offensive of economic penetration into the British Empire. The extension of trade with the Soviet

Union, China and the People's Democracies of Eastern Europe, representing one-third of the world, require the repudiation of the American-imposed so-called "strategic" bans, which in practice strike at the traditional main lines of British exports to these countries.

This is not only a question of immediate short-term policy to meet the current emergency of the dollar deficit and therefore promote trade with non-dollar countries. What is involved is the essential long-term development of Britain's future trade in relation to the new world that has grown up and that is rapidly advancing.

"East-West trade"—in the current phrase—is commonly discussed only in terms of the past, i.e. in terms of *restoring* the measure of trade which previously existed and which has been artificially obstructed by the American-imposed bans.

But in practice much more is involved than the return to pre-war. The economy of the countries of socialism and people's democracy represents the most rapidly advancing economy history has seen. All pre-war measures are out of date. By 1955 the national income in the Soviet Union had multiplied over sixteen times the level of 1913. By 1960 it will be nearly three times the level of 1950. Between 1940 and 1953 Soviet foreign trade increased fourfold, and advanced from twenty-second to sixth place in the world in the volume of foreign trade.

Nor does this advance apply only to the Soviet Union. The People's Democracies of Eastern Europe have left far behind the pre-war economic backwardness that was imposed on them by imperialism and by its servitors within these countries. By 1955 the industrial output of Poland was four times the pre-war level; that of Czechoslovakia by more than double; of Hungary, three and a half times. The transformation of China from a country of famine, illiteracy, primitive agriculture and industrial backwardness, to a country which has already conquered famine, and is rapidly moving forward to advanced technical agricultural and industrial development is the most powerful demonstration of the new world which is coming into being.

This socialist world is a world of a rapidly expanding economy. Corresponding to this expanding economy, its volume of trade is increasing at an accelerating rate, and is likely to increase still more rapidly in the future. Between 1948 and

1952 the volume of trade between the Soviet Union and the People's Democracies of Eastern Europe increased tenfold. It is obvious that this accelerating rate of increase registered the complete failure of the American-imposed system of trade bans to strangle the economic advance of the socialist world. The outcome has resulted in a far more crippling blockade of the Western capitalist world by its own actions. In this sense the whole system of trade bans has proved a self-defeating idiocy which hits hardest Britain and the Western European countries.

Thus an enormous expansion of trade is here open to the Western world. The readiness of the Soviet Union and People's Democracies to extend trade with the Western capitalist countries has been repeatedly declared and demonstrated. The Moscow Economic Conference in the spring of 1952, not only proclaimed this objective, but set out in concrete terms proposals for a large-scale development of trade of mutual benefit with the Western countries. The Bulganin-Eden Declaration in April, 1956, stated that "The Soviet Union could in the coming five years between 1956 and 1960, if there were no trading restrictions or discrimination increase purchases in the United Kingdom to as much as approximately £800 to £1,000 million." Such trade could ensure continuous, stable and expanding large-scale markets for Britain, unaffected by conditions of capitalist crisis. This is the obvious direction which offers an expanding future for Britain's trade.

In proportion as the colonial and dependent countries of the present Empire win their liberation from imperialism, and enter on their own gigantic tasks of reconstruction, this will further enlarge the new advancing world of expanding economy outside the orbit of imperialism, and will offer the most favourable possibilities, as already indicated, for the role which British industry can play in assisting this reconstruction and receiving in return products required by Britain—provided that the British people play their part in the victory of such liberation, and thus establish the basis for future friendly co-operative, in place of hostile, relations.

Such is the positive perspective for Britain's trade in the new world situation, and for the solution of Britain's trading problems.

The fulfilment of this solution is bound up with the victory of the aims of national independence and peace.

CHAPTER XIX

RECONSTRUCTION OF BRITAIN

“The future of Britain as an industrial nation, and with that the future of the tradition and culture which she represents, depends on whether we can, before it is too late, use our talents and organising capacity to compensate for the damage that has been done by years of stupidity and neglect.”

J. D. BERNAL, *The Freedom of Necessity*, 1949, pp. 271-2.

THE change in Britain's international relations, which the present urgent problems make imperative, cannot be separated from the corresponding internal changes of social and economic structure and in the political sphere.

1. End of Imperialist Parasitism

Britain's development has been retarded by imperialism. This applies equally to the economic, the social and the political sphere.

The situation of Britain as a parasitic rentier state, dependent on overseas tribute—and, in the last stages of decline, on foreign subsidies in return for subjection—has led to internal stagnation.

Despite the conventional picture of the “vast social transformation” in Britain during the years since the war, the legislative and administrative measures of these years have not arrested the process of decline and decay characteristic of the whole imperialist era. On the contrary, they have carried it further. The entrenched and strengthened restrictive stranglehold of the giant monopolies has been linked more and more closely with the state. This process has been reinforced by the measures of state capitalist nationalisation and of state control. The consequent system of highly concentrated monopoly capitalism, controlling and using the state machinery, has been masked under the guise of a peculiar type of imperialist “welfare state,” rooted in colonial exploitation, in which in

fact the exploitation of the mass of the workers at home has also been intensified, while the profits of the highest levels of the big monopolies have enormously increased.

This evolution from the old increasingly obsolete "free enterprise" (still continuing within the interstices of the system, and on the lower levels, but with a more and more obviously cramped and subordinate role) towards bureaucratic state monopoly capitalism has been accompanied by increasing ossification of the whole system, a hardening of the arteries and incapacity of new development, alike in economics and in politics. The lingering bombed sites of the great cities ten years after the end of the war are like a symbol of this stagnation. The slavishly pedantic duplication of the old cramped and unpractical Chamber of the House of Commons to reproduce the Victorian model, when the bombing had given an opportunity for new construction, is equally a symbol of the profound social conservatism of a dying class.

Resistance to major social change has characterised the imperialist rulers, alike through the dominant right-wing imperialist leadership still at the head of the Labour Party, and serving the interests of the financial oligarchy, and through the leadership of the Conservative Party, directly representing the financial oligarchy. Indeed, the two top leaderships have formed during these years a kind of united front or thinly veiled alliance against the forces of social change.

But major social change is due and overdue and will inevitably come in Britain. The evidence for this is abundantly visible, and not least in the sharpening battle of tendencies within the labour movement.

The long-term character of such social change is no less inescapable. In the sphere of international relations the change which the present world situation of Britain, with the manifest bankruptcy of the old imperialist system, makes inevitable is the change from an imperialist to a non-imperialist basis. But in the internal relations of Britain, in the given conditions and stage of development (since there can be no going back to a liberal petty-capitalist economy), this means the change from an imperialist society to a socialist society.

"State monopoly capitalism is the fullest *material* preparation for socialism, is its *threshold*, is that rung on the historic ladder

between which and the one called socialism there are no intermediate rungs."

(LENIN, *The Impending Catastrophe*, 1917.)

The economic conditions for this change are already ripe and overripe in Britain. It is the political conditions that are still developing and have to develop further. But this political development is moving with increasing speed in the forcing house of the conditions of Britain's crisis. Beneath the ossification of the imperialist system and its social-political superstructure explosive forces are rising below.

The internal pressure of the developing movement of the people within Britain (only temporarily and partially, and with increasing difficulty, retarded and diverted by the old reformist leadership within the labour organisations) combines with the external pressure of the crisis of the colonial system and the advancing liberation movement of the colonial peoples. The old imperialist basis cannot be maintained. The transition to a new basis is inevitable. The final character of that new basis can only be socialism—itsself the first stage of communism, when Britain becomes part of a free communist world.

2. *Socialism, True and False*

There has been much talk of "socialism" and of the "peaceful socialist revolution" through which Britain is supposed to have passed during recent years. This picture, however, does not correspond to the facts. The change to socialism has not yet taken place. It has still to come.

The limited measures of nationalisation of a minority sector of the economy have not changed the essential character of capitalist class ownership and exploitation, including in the nationalised industries. They have only changed the *form* from private shares to state bonds, with the state guaranteeing the extraction of the surplus for the benefit of the former owners, mainly in industries which had begun to prove less profitable or were approaching bankruptcy without such state intervention. In the wider field of industry capitalist monopoly was strengthened.

"In view of the fresh evidence that has been accumulated since the war it is practically certain that monopoly has increased rather than diminished."

(Labour Party pamphlet on *Monopoly*, published in 1951.)

Similarly, the concentration of wealth in the hands of a narrow owning class has not been changed. The ownership of land remains a secret, no statistics having been published since 1875, when it was found that half the agricultural land was owned by just over 2,000 persons; in his pre-war land campaign Lloyd George stated that the bulk of the land was owned by 10,000 people. With regard to the ownership of capital, the *Oxford Institute of Statistics Bulletin* for January, 1954, estimated that in 1950 less than 1½ per cent. of the population over twenty-five years of age owned more than half the capital, and one-third owned over four-fifths, while the majority of the adult population, or 64 per cent., owned no capital worth recording (property under £100). The returns of death duties have revealed a similar extreme concentration of wealth. Between 1951 and 1954, out of an annual average of 570,000 deaths (excluding infants under one year) ten left one million pounds or more, 630 left £100,000 or more, 12,300 left £20,000 or more, 69,000 left £1,000 or more, while 489,000 or 88 per cent. of the total, left nothing or next to nothing. Similarly with regard to the ownership of shares. The *Banker* in December, 1950, found that two-thirds of all industrial shares were held by 42,000 people with over £20,000 a year. "More than half of all privately owned shares are owned by people with fortunes exceeding £50,000" (*Economist*, February, 1953).

Did the Labour Government of 1945-51 bring any change in the ownership of wealth? At the Margate Labour Party Conference in October, 1955, James Griffiths, on behalf of the Executive Committee, pronounced the obituary on the work of the Labour Government in 1945-51 so far as any redistribution of the ownership of wealth was concerned:

"Fundamentally, despite the work that we have done, the ownership of property and wealth remains scarcely touched."

Even the picture of the supposed "social revolution" through the loudly proclaimed "redistribution of the national income" has no solid foundation in fact. The current official propaganda statistics handed out to substantiate this myth are based on a flagrant and undisguised swindle. First, the enormous volume of undistributed profits placed to reserves is left out of the calculation. Second, from the remaining limited figure of distributed profits the entire weight of direct taxation is

deducted. Third, the calculation blandly ignores the effect of the trebled volume of indirect taxation on the incomes of the workers, who pay the main weight of indirect taxation. On this basis of transparent manipulation the final result is presented as the imaginary percentage division of the "national income" after taxation. This is, of course, a simple deception. This deception was carried even further by Labour Government Ministers, who sought to "prove" the redistribution of income during their term of office by comparing the situation at its close with 1938 and never with 1946. In fact the extreme weight of wartime taxation inevitably produced the arithmetical effect of a change in the percentage during the war years; but even this "redistribution" was reversed by the Labour Government between 1946 and 1950 in the direction of a greater share going to profits and less to the workers. The Labour Research Department has calculated the correct figures on the basis of the official statistics and shown that between 1946 and 1950 the proportion of the national income after taxation going to wages and the pay of the armed forces fell from 47 to 43 per cent., while the proportion going to rent, interest and profits rose from 32 to 35 per cent.

This reverse "redistribution" continued, although at a slower rate, in the subsequent years. It has already been noted that the proportion of the gross national product going to wages fell from 40.1 per cent. in 1948 to 39.3 per cent. in 1954. Between 1946 and 1954 the money value of the gross national product rose by 79 per cent., while consumers' expenditure rose in money value only by 65 per cent., so that during these years the proportion of output which went to consumption decreased. The same process was indicated by the Government Report on *Consumers' Expenditure and Food* (1955), which showed that between 1947 and 1954, while the official cost of food prices rose by 24 per cent., expenditure on food rose by only 15 per cent., thus representing a decline in food consumption between 1947 and 1954.

Another favourite version of the myth of the "social revolution" by the "redistribution of income" under the Labour Government is the allegation that the extension of the social services has represented heavy taxation of the rich to improve the conditions of the workers. In fact, the social services received by the workers are completely paid for by the increased

taxation of the workers; nothing comes from the rich; the workers are taxed to provide for themselves. The myth of the "welfare state" social revolution was most effectively exploded by the official report of the Marshall Plan Administration (*Report of the E.C.A. Mission to the United Kingdom*, published in the beginning of 1950, and reproduced in the *Economist* of April 1, 1950). This Report, on the basis of a detailed investigation, showed that the current "social service income" per working-class family, taking into account social insurance, national assistance, family allowances, housing subsidies, food subsidies, education and health, amounted to an average of 57s. a week; while the current taxation paid by a working-class family amounted to an average of 67-8s. a week. Thus, so far from the social services representing a supplement to the income of the working class, they were entirely paid for by the workers themselves through extra taxation; and in addition, the workers paid a further 10s. per week per family for the military, police, and debt interest purposes of the capitalist class, to diminish the burden of taxation on the capitalists.

Thus, despite the free use of phrases about "socialism," there has been no major change yet in the basic social system or class structure of Britain, but only a further concentration of capitalist monopoly in close association with the state, and intensified exploitation of the workers. Increasing sections of the former middle strata have been brought down to semi-proletarian conditions; the state health system, state education system, etc., now embrace nine-tenths of the population, thus including the majority of the middle sections with the working class, instead of, as before, only the working class; but the upper circle of the big bourgeoisie (associated with the exclusive "public schools" outside the state education system, private medical service outside the state health system, etc.), has grown more narrow and remote from the conditions of life of the mass of the people. In face of the real levels of social expenditure of the upper circles (occasionally revealed in the law-courts), and the notorious and manifold legal devices for evading taxation by the wealthy,¹ the published official returns of "incomes after

¹ In a recent case before the courts (*Attorney-General v. St. Aubyn and Others*) it was disclosed that the late Lord St. Levan had made a perfectly legal arrangement by which he received £35,000 a year tax free from a private company into

surtax" to demonstrate the "vanishing of the rich" may be regarded as fairy tales for popular consumption with little relation to present social realities.

This bankruptcy of Labour Imperialism and proven inability to effect any social change from monopoly capitalism has led to increasingly open repudiation by its spokesmen even of the theoretical aim of socialism. The old familiar definition of socialism as the "common ownership of the means of production, distribution and exchange" (Labour Party Constitution of 1918) is now declared to be obsolete. Formerly Mr. Attlee defined as the essential principle of socialism that "all the major industries will be owned and controlled by the community" (*The Labour Party in Perspective*, 1937). Similarly, Mr. Morrison laid down in 1934 that "the important essentials of socialism are that all the great industries and the land should be publicly and collectively owned." By 1950 Mr. Morrison had discovered "a new, wider and more comprehensive definition of socialism" as "the assertion of social responsibility in matters which are properly of social concern"—a formula obviously acceptable to the Conservative Party and the City. And the Secretary of the Labour Party, Mr. Morgan Phillips, explained in 1948 that "even when our programme has been completed, the greater part of our industry will still be privately owned and run on private enterprise lines."

Such open repudiation of socialism by the at present dominant leadership of the Labour Party is not an accidental retreat or falling away from former ideals discovered to be impracticable. It is the *inevitable* completion of the path of Labour Imperialism—that is, of service to capitalism. The lesson of Ramsay MacDonald is repeated in a new guise.

whose control he had transferred a considerable portion of his landed estates in Cornwall and Devon (quoted in C. H. Norman, *The British Worker in Retreat, 1938-1952*, p. 7).

This characteristic example of one of an infinite variety of similar devices did not prevent official propagandists and Labour Government Ministers continuing to spread the hoary legend to the public that the rich are "soaked to the limit," that there is no longer a wealthy class, that all large incomes pay 19s. 6d. in the pound, that the microscopic band of millionaires remaining have consequently only £2,000 or £3,000 a year at the highest level with which to struggle to make ends meet, and that all the society gossip columns' accounts of fashionable "coming out" balls with an expenditure of thousands of pounds in an evening are only an optical illusion. The modern tables of Income Tax Returns and the annual White Paper of pathetic pictures of "personal incomes after tax" should be re-titled "The Child's Guide to Fairyland."

3. *Economic and Social Reconstruction*

The repudiation of socialism by the present dominant leadership in control of the central machinery of the labour movement does not mean that the change to socialism is not necessary in Britain. It only means that the change to socialism cannot be accomplished through the policies and leadership of Labour Imperialism, and that therefore a change in the policies and effective leadership of the labour movement is an essential condition for the transition to socialism.

Great tasks of reconstruction need to be accomplished in Britain to meet the urgent needs of the present situation. Britain requires to develop rapidly its productive resources on a self-supporting basis in place of the present increasingly bankrupt parasitic basis.

There is no justification for the current gloomy pictures of Britain's supposed inevitable economic decline or inability to maintain its population on a rising standard of living in the changed world conditions. On the contrary, the development of socialism and national liberation over the world is not only leading to the greatest economic advance history has ever known, extending now to one-third of the earth's population, but is thereby and at the same time offering new and limitlessly expanding opportunities for Britain's industrial skill and Britain's trade to participate in meeting the demands of this new advance—provided that the British people make the necessary changes in economic and trading policy from the old imperialist and "cold war" basis, and go forward to the essential task of economic and social reconstruction to meet the new conditions.

British industry once led the world. That it has fallen behind in the recent era, relative to the more advanced Soviet or American technical development, is not the fault of British scientists, workers or technicians, but of the dead hand of a moribund monopolist system strangling development. All the possibilities exist for rapid advance. But these possibilities must be used. Alike in industry and in agriculture the fullest development is essential.

The fullest use of the land of Britain for the production of food is manifestly imperative in the present world situation. This is by now obvious to the most superficial observers, and is

abundantly admitted in principle, with the most copious lip-service—but by no means carried out in practice—by official circles. Independently of any question of war (which bulks largest in the official mind), the need is likely to grow greater rather than less in the phase immediately ahead, with the increasing pressure on world food supplies. This is not to say that the illiterate and reactionary scare pictures of inevitable future world famine and surplus human population, which are now freely spread by the fashionable school of American ruling-class nihilism, have any serious foundation other than in existing social economic conditions. The already scientifically known possibilities of further development on a world scale could ensure the rapid trebling or quadrupling of world food supplies, once the social and economic barriers are removed. But the present shortage is likely to grow more acute, so long as the social and economic conditions of imperialism prevail over a wide area of the earth, with its restriction of development, artificial maintenance of backward social systems, and perversion of science and existing productive effort for war instead of for constructive needs. During recent years the effects have made themselves uncomfortably felt in the dwindling available food supplies of the British people.

It is not inevitable that British economy should need to be reorganised on the basis of supplying completely the food needs of the people—though this is technically possible, if circumstances should make it necessary.¹ But Britain cannot expect to be fed indefinitely, in respect of nearly half its food, by the rest of the world so long as vast areas of cultivable land in Britain are left uncultivated or under permanent grass, and agricultural organisation and technique over the greater part of the farm

¹ Reference may be made to Lt.-Col. G. P. Pollitt's *Britain Can Feed Herself*, published in 1942. This study, while written from the standpoint of large-scale capitalist farming, sets out a carefully reasoned calculation to demonstrate concretely the full technical possibility for a reorganised and technically developed British agriculture, making full use of the land, to provide all the food needs of the population, on a scale equivalent to the pre-war levels of food consumption, and at a lower net cost. The estimate is based on extending the cultivated area under crops and grass from 31,755,000 acres (1938) to 34,755,000 acres; increasing the number of agricultural workers by 80 per cent., and providing new fixed capital amounting to £707 million, and new working capital amounting to £483·5 million. The author notes:

“The main problem before us is not the technical one of producing from the land in this country the food its population requires. It is the political, economic and social problem of making such arrangements as will ensure that the whole available land is reconditioned and properly farmed” (p. 37).

area is left at an unnecessarily low and backward level. A very considerable extension of home food production in Britain is both possible and essential.

But it is here that the existing monopoly interests associated with imperialism stand in the way.

Throughout the imperialist era the full use of the land of Britain has been consistently prevented and resisted by the dominant interests of capitalist industry and shipping and imperialist finance. This principle received classic expression by Viscount Astor when he declared in the House of Lords in 1936 that "we should not attempt to grow so much food here that there would be a danger of reducing substantially our shipping and shipbuilding industries or the man-power associated with our overseas trade." It was similarly expressed in Neville Chamberlain's notorious Kettering speech in 1938 when he argued against any proposal "to grow at home all the food we need" on the grounds that this would "ruin those Empire and foreign countries which are dependent on our markets" (he did not mention the overseas investment interests of the big monopolists in those countries, and the conflict of those interests with the development of British agriculture). This dominant principle did not only characterise the years of Munichite degeneration and decay between the two world wars. It continued to operate also in the period since the second world war.

Only the shock of world war has twice compelled a spasmodic and feverish attempt at the thirteenth hour to develop British agriculture—each time to be followed by a relapse as soon as the pressure of war was removed. Thus the wheat area in Britain was raised from 1.9 million acres in 1938 to 3.3 million in 1943, only to sink back to 1.97 million by 1955. The operation of the costly system of subsidies and guaranteed prices since the war, without attempting to tackle the basic problems of agriculture, has in practice served to line the pockets of the big capitalist farmers and the monopoly industrial interests supplying fertilisers and farm implements, without giving the effective help needed to the under-capitalised small farmers, constituting the overwhelming majority of the farmers, to raise their technical level and solve their problems, and completely failing to bring cheaper food within reach of the consumers.

A comprehensive programme of agricultural development is

imperative for Britain in the new world situation. But such a programme cannot be seriously attempted without tackling the problems of the land system and of the organisation of agriculture. The obstacles which hamper agricultural development, and hold back agriculture to a low technical level as a whole (despite the relatively high technical level of a tiny minority of highly capitalised farms), do not lie in the impossibility of advanced technical development, but in economic, social and political conditions which stand in the way. The decisive aim of a serious programme of agricultural development for Britain must be to end the existing inadequate utilisation of the land and to transform the existing petty, under-equipped, technically backward agriculture into a flourishing, technically advanced, large-scale agriculture, capable of maximum provision for the needs of the people, and at a very much lower cost than under present conditions. For this aim the public provision of the necessary new capital, scientific and technical aid will be essential to assist the agricultural working population—working farmers and agricultural workers—to carry through such a transformation of agriculture equally in their own interests and in the interest of Britain's future stability and recovery. Only in this way can the position of agriculture—and of the agricultural worker—reach a level parallel to that of advanced large-scale industry.

Similarly in the field of industry, mechanical power, generation of power and the development of Britain's potential resources. Report after report has been issued by Government commissions, private commissions, of employers, as well as economists, scientists and industrial experts on the technical backwardness and obsolete equipment of a great part of British industry.¹ The classic survey of *Industrial Production, Productivity and Distribution in Britain, Germany and the United States*, by L. Rostas, published in the *Economic Journal* of April, 1943, showed that output per worker in the United States was 2.3 times greater than in Britain (based on figures for 1935 in Britain and 1937 in the United States), although the British working week was forty-seven to forty-eight hours against the

¹ See also the Report on *Technological Stagnation in Great Britain*, published by the Machinery and Allied Products Institute of America in 1948. This Report, though published by the American monopoly interests to expose the deficiencies of their rival, is based entirely on British sources.

American thirty-eight, and that the decisive cause of this difference was not any superiority of the American worker, but the higher level of mechanical power per worker by two to three times in the United States. Since the second world war this differentiation has further increased, with an American rate of annual capital investment in new equipment per worker employed in industry six times the British level. The Platt Report on cotton textiles found that 42 per cent. of the looms in 1930 dated from the Victorian era; and more than two-thirds were over twenty years old; while a more recent investigation showed that in 1946 practically all the machines in the cotton spinning industry were over ten years old. The Platt Report stated that "conditions throughout almost the entire British cotton weaving industry are basically similar to those which existed forty to fifty years ago." A working party report on woollen textiles found that "some of the woollen carding machinery in use is over eighty years old; nearly a quarter of the worsted spindles date from the last century; and many looms have been in use for fifty years or more."

The coal mining industry, Britain's key basic industry, offers a similar picture of retarded development. Even the limited measure of scheduled investment in Britain's most backward major industry has been cut back and not fulfilled. Yet it is recognised on all sides that the rapid technical modernisation of the coal industry is the indispensable key for the development of the whole of British industry, in addition to its importance for trade.

During the most recent period various major modernisation programmes have been initiated, with special reference to the coal industry, railways, and the beginning of construction of atomic power stations. But once again the plans have been threatened with cuts or slowing down under the Butler economy programme of 1955.

Equally in the social and cultural sphere there are gigantic tasks awaiting fulfilment. Despite all the educational reforms—now heavily cut—Britain is still one of the most educationally backward of major developed countries. If we take the measure of university education, the number of full-time students in universities or colleges of university status in Britain in 1953-4 was 80,602 (including 8,619 foreign and colonial students and therefore representing a real total of 71,983

students from Britain). This contrasted with 1,706,000 in the Soviet Union in 1954, or more than five times the British total in proportion to population. The Report of the University Grants Committee in 1936 found that "England of all the great nations still has the smallest proportion of university students," and although the total of 50,000 then was raised by 1950 to 85,000 the proportion still remained below even the pre-war level of the Soviet Union, United States, France, Germany, Sweden, Switzerland, Holland or New Zealand, and subsequently declined again after 1950.

The educational reforms planned at the end of the war through the 1944 Act have been ruthlessly cut to meet the needs of rearmament and imperialist expenditure. As a result of the restrictions on allocations to building new schools, in 1954 no less than 577 officially condemned black-list schools—condemned for over a quarter of a century—remained in use. Out of 2,025,000 children in the age groups of two to four years in 1954, only 23,469 were in grant-aided nursery schools. Overcrowding of classes, by the official definition of overcrowding, reached 47·1 per cent. of all school-children in 1954; 41·7 per cent. of all pupils in primary schools were in classes of over forty, and 58·1 per cent. of all in secondary schools were in classes of over thirty.

Similarly, the national health system has been crippled by the refusal to build the health centres which were originally described as "the key to the service." No new general hospital has been constructed since the war; and in 1954 there were over half a million people on the waiting list for hospital beds.

The desperate housing situation is notorious. All the lavish promises at the end of the war have been swept aside to pay for the imperialist war policy. By 1950, the Archbishop of York was declaring in the House of Lords:

"I doubt whether there has been any time in the last hundred years when overcrowding has been so grave and the slums have been so disastrous."

(ARCHBISHOP OF YORK in the House of Lords, June 21, 1950.)

Bombing planes and battleships before homes. Tanks before schools. Atom bombs in preference to hospitals. Such has been the price of the imperialist war policy.

At the same time science and scientific research, whose

accelerating modern development could unlock the gates to plenty, is manacled and blinkered and frustrated in order to be turned overwhelmingly, behind a heavy "security" curtain, to purposes of destruction and the invention of new horrors for human extermination. Eighty-four per cent. of Government expenditure on scientific research in 1949-50 was directed to military purposes (£84.9 million for military departments, as against £16.9 million for civil departments). Of the £30 million spent on research by private firms in the same year, no less than half was spent by five of the biggest trusts associated with war industry, one in chemical and four in the aeroplane-automobile industries. The use of increasingly large-scale scientific appropriations and costly laboratory equipment in Britain, Canada and the United States for the purpose of developing weapons of "biological warfare," i.e. means of mass poisoning and infecting of human beings and food to spread plague and disease, is the final demonstration of the perversion of science by imperialism.

By the end of 1955 Sir Winston Churchill was raising the alarm on Britain's backwardness in scientific technical training in comparison with the Soviet Union:

"In the last ten years the Soviet higher technical education for mechanical engineering has been developed both in numbers and in quantity to an extent which far exceeds anything which we have achieved."

(SIR WINSTON CHURCHILL, December 5, 1955.)

Available information showed that the yearly output of graduate engineers in Britain was only 57 per million of the population, as against a corresponding Soviet figure of 280. While Britain had only some 3,000 full-time research workers engaged on fundamental scientific research (other than medical), the Soviet Union had 40,000.

No wonder more and more of the most prominent and distinguished scientists, to their honour—and often, it must be added, at their own personal risk, and with consequent deprivation of their facilities for work—are protesting against these conditions. No wonder more and more scientists and technical experts, who know directly the gigantic possibilities of construction which are within reach and are being thrown away, begin to look, irrespective of political viewpoint, with undisguised envy at the limitless constructive advances during these

same years since the war achieved and under way in the Soviet Union, on a scale never before known in history. The proudest achievements of modern capitalist construction—the loudly publicised Tennessee Valley Development, the Panama Canal, the Suez Canal or the Sukkur Barrage—turn into pigmy size compared to these new Soviet projects. The Kuibyshev dam involves more than twice the earthwork of the Suez canal, and that at Stalingrad more than three times the earthwork of the Panama Canal. The building of seven new power stations, two the largest in the world, with a new output of electric power equal to more than two-fifths of the total electric power generated in Britain in 1950; the opening of the first atomic power station in the world in 1954; the irrigation of an area equivalent to the combined area of Britain, Belgium, Holland, Denmark and Switzerland, or one-third of the existing world irrigated area; the production of food for an additional 100 million human beings, with a new wheat crop equivalent to the output of the entire wheat belt of Canada, a crop of sugar beet exceeding the total output of the United Kingdom, or a cotton crop exceeding the combined crop of Egypt and Pakistan; the afforestation of 13 million acres to transform the climate of an area larger than the whole of Western Europe; these are only elements in an integrated development which, in the words of Dr. S. M. Manton, Reader in Zoology in the University of London, in an article in *Nature* on May 3, 1952, “dwarfs anything hitherto undertaken by mankind.” All this vast construction is accompanied, not with restriction of consumption, but with a rapid all-round expansion of consumption levels and continuous lowering of prices.

Not without reason Stalin stated in his reply to Premier Attlee in February, 1951:

“No state, the Soviet state included, can develop to the utmost civilian industry, launch great construction projects such as the hydro-electric stations on the Volga, the Dnieper and the Amu-Darya requiring budget expenditures of tens of thousands of millions, continue a policy of systematic reduction of prices of consumer goods, likewise requiring budget expenditures of tens of thousands of millions, invest hundreds of thousands of millions in the restoration of the national economy destroyed by the German occupationists, and, together with this, simultaneously increase its armed forces and expand war industry. It is not difficult to

understand that such a reckless policy would lead to the bankruptcy of the state. Premier Attlee should know from his own experience, as well as from the experience of the United States, that an increase of the armed forces of a country and an armaments drive lead to expansion of the war industry, to curtailment of civilian industry, to suspension of big civilian construction projects, to an increase in taxes, to a rise in the prices of consumer goods."

British citizens have reason to know the truth of this from bitter experience.

Is a comparable development impossible in Britain and in the countries of the British Empire? On the contrary. All the resources and material possibilities exist, provided they are used. But their fulfilment requires a radical change in policy from the existing imperialist basis and concentration of resources on destruction and war. Their fulfilment requires that the peoples gain control of their countries from the hands of the monopolists.

All the technical and scientific possibilities exist in Britain for an enormous new development, which would leave the present economic difficulties and shortages a nightmare of the past. Many plans and blueprints have been drawn up by technicians and scientists and endless government committees for new construction which would be immediately practicable and enormously productive. But all the plans and blueprints remain on paper; they lie mouldering on the shelf, pigeon-holed, abandoned. There are "no resources." The resources are needed to devastate Malaya and garrison Africa, and to turn out infinite costly engines of destruction. Such is the wisdom of the present rulers of Britain.

Even the plans which have been so far drawn up, and which remain neglected, fall far short of the possibilities. The most ambitious paper plans which have even been discussed in Britain as desirable, but for the moment unattainable goals (Severn Barrage, etc.), are of pigmy proportions in comparison to the giant construction projects which are being at this moment triumphantly carried out in the Soviet Union on the road from socialism to communism. The real possibilities are still unexplored and await the change of social conditions. There has not even been attempted yet a full geological survey of Britain's resources. Such is the indifference of monopoly capitalist Britain to the tasks of development. Once a

Socialist Britain is established, limitless new possibilities will come into view and be realised, which will change the face of Britain; harness new sources of power; transform agriculture; carry forward industry to a new level; and turn the smoke-begrimed dingy towns into the gracious cities of the future, homes of healthy and happy living. All this may seem music of the future. But it can soon become the reality of the present, once the British people act to change the present conditions.

It is not physical or technical obstacles that bar the way to the reconstruction of Britain. The decisive problem is political.

Britain can only be saved by the action of the British people. A decisive change in the political situation is essential, equally in the policies pursued, and also in the character of the government from the type of imperialist governments which have ruled Britain in the latest phase, whether under a Conservative or a "Labour" label. Such a political change means in fact a change from the rule of the monopolists, whose interests are the interests of imperialism, to the rule of the producers, of the working people, on whose efforts Britain's existence and future depends.

The advanced capitalist development in Britain has brought about a social situation in which the divorce of the mass of the people from the means of production is more complete than in any other country. In contrast to other capitalist countries, the working class of Britain in industry and agriculture constitutes the immense majority of the population, representing with their families some two-thirds of the population. Together with the great bulk of the clerical and professional workers, the teachers, technicians and scientists, the working farmers, shopkeepers and small business men (whose interests are in fact equally threatened by the big landowning, industrial and financial capitalists), they constitute the overwhelming majority of the nation, as against the narrow circle of the ruling monopolists and their hangers on. Once they can achieve effective unity of action for their common interests they can assuredly take Britain out of the hands of the monopolists and build a new and prosperous future.

For the fulfilment of this aim the first political essential is a decisive change in the policies and leadership of the organised

labour movement, the replacement of the existing imperialist policies and dominant imperialist leadership, and the advance to a united labour movement, with the leading role of the Communist Party, on the basis of a positive and progressive programme. Such a united labour movement would be able to rally the overwhelming majority of the nation, not only to defeat Tory reaction, but to return a Parliament truly representative of the people, and a government of the people which would be capable of overcoming the resistance of the monopolists and carrying through a programme corresponding to Britain's urgent needs, and opening the development along the path to socialism. In this way the existing very limited and incomplete measure of democracy, which is in reality the cover for the effective rule of the financial oligarchy, would be changed—not without political struggle, but by the strength of the united movement of the people, led by the working class—into a real democracy of the people. In this way capitalist Britain would move forward along the path to socialist Britain.

Whatever the immediate dangers and ordeals still to be faced as a result of existing policies, and whatever the struggles and conflicts which may arise in the process of transition because of the resistance of the old order, it can be said with confidence that this is the bright and happy future which awaits Britain once freed from the chains of imperialist domination and exploitation.

CHAPTER XX

THE FUTURE OF BRITAIN AND THE BRITISH EMPIRE

"We look forward to a future as different as day is from night. We see the great engineering factories of Britain ceasing to produce guns, tanks and planes for the slaughter of the Malaysans or the African peoples, but instead sending locomotives, machine tools, electrical generators and motor cars. We envisage the ships of Britain's merchant navy sailing the seas, not loaded with troops, shells and poisonous chemicals, but carrying our goods to the other countries and bringing theirs to ours. Instead of piling up the sterling balances out of the sweat and blood of the Malayan plantation workers or the African miners and small farmers, we would conduct trade on the basis of equal exchange, and be prepared to give every assistance in our power to help the formerly backward countries to take their place amongst the foremost nations of the world. . . .

"We not only fight for solidarity to destroy imperialism, we fight for it so that we can together build up the new classless society of socialism."

(HARRY POLLITT, speech to the Second Conference of Communist and Workers' Parties within the sphere of British Imperialism, London, April, 1954.)

ON the occasion of the death of King George VI, Winston Churchill as Premier delivered a commemorative tribute in Parliament in which he described the twentieth century as "the terrible twentieth century." "Half of it is over," he said, and the most he felt that he could claim was that "we have survived its powerful convulsions." In sweeping strokes he painted the picture of misfortunes from the first world war:

"Only four years after the death of Edward VII we were plunged into war by forces utterly beyond our control. King George V succeeded to a grim inheritance. . . . Victory was gained, but the attempt to erect in the League of Nations a world instrument which would prevent another hideous conflict failed. . . .

"The greatest shocks fell on our island in the reign of King George VI. . . . War came, and never in our long history were we exposed to greater perils. . . .

"Alas, we found ourselves in great straits after the exertions which we had made, and then there came, in the midst of the ordeals of the aftermath, of the problems which lay about us, a new menace. The surmounting of one form of mortal peril seemed soon only to be succeeded by the shadow of another. . . .

"His was the hardest reign of modern times."

Such is the gloomy picture of the twentieth century as seen by a foremost representative of the old order—a picture of the century in which the age-old tyrannies of Tsarism and Kaiserism have been overthrown and the assault of Axis fascism smashed, in which one-third of the human race have broken their bonds and thrown out their exploiters, and in which the miracles of socialist construction have banished poverty and raised economic levels at a rate never before paralleled, and spread education and social and cultural new achievement, where before was darkness, among hundreds and hundreds of millions of human beings. The ordeals and violence and barbarism of successive world wars have sprung entirely from the old dying order upheld by Sir Winston Churchill—the old order which produced as its characteristic final fruits fascism and the atom bomb.

1. *Death of an Era*

The same sombre pessimism permeates the utterance of all the representatives of the old social order in the modern period. Lord Keynes, the principal anti-Marxist oracle of the economic theories of declining capitalism, wrote his final testimony a few weeks before his death:

"No one can be certain of anything in this age of flux and change. Decaying standards of life at a time when our command over the production of material satisfaction is the greatest ever . . . are sufficient to indicate an underlying contradiction in every department of our economy. No plans will work for certain in such an epoch. But, if they palpably fail, then of course we and every one else will try something different."

(LORD KEYNES, "The Balance of Payments of the United States," *Economic Journal*, June, 1946.)

It is assuredly time to "try something different"; but Keynes,

with his incapacity to understand, or even attempt to study, the teachings of Marx and Lenin, was unable to provide the answer.

Nor is this gloomy outlook confined to the liberal-conservative representatives of the old order. It has become equally fashionable in the latest utterances of Labour "new thinkers" or of the "advanced" (in reality, backward) intelligentsia attached to reformism, who now deride the conception of progress as an "exploded illusion" of the eighteenth-century Enlightenment or of "Victorian rationalism" (i.e. of the still rising, confident and forward-looking bourgeoisie). Thus in the *New Fabian Essays*, published in 1952, the editor, the Labour M.P., R. H. S. Crossman, writes:

"The evolutionary and the revolutionary philosophy of progress have been proved false. . . . Judging by the facts, there is far more to be said for the Christian doctrine of original sin than for Rousseau's phantasy of the noble savage or Marx's vision of the classless society."

The smug anti-Marxist cocksureness of the original *Fabian Essays* has vanished with the decline of their imperialist basis. The new Fabian "theorists" take their final refuge in clerical obscurantism and the conservative doctrine of the innate and ineradicable evil of human nature.¹

This characteristic pessimism of the current orthodox outlook in the Western imperialist world is not the expression, as its spokesmen like to imagine, of a deeper understanding of life and society as a result of the impact of the storms and stresses of our time. It is only the expression of the deepening decline, of the consciousness of inextricable dilemmas and impending downfall, of the imperialist social order of which these spokesmen are the theoretical and political representatives. Therefore the unquestioning confidence of a Gladstone or a Joseph Chamberlain gives place to the gloom of a Churchill. The

¹ Similarly, the anti-Marxist and anti-Soviet Fabian H. G. Wells finished in despairing pessimism with his final work, *Mind at the End of its Tether*, published in 1945 as the "conclusive end" (his own words) of all his writings. Optimism only remained with those original founders of Fabianism, the Webbs and Shaw, who, to their honour, were able to move away from their original assumptions and respond to the new world opening with the Russian Revolution and to "Soviet Communism, a New Civilisation," and who in their final utterance (Beatrice Webb's *Our Partnership*, published in 1948) publicly repudiated their former rejection of Marxism as "hopelessly wrong" and announced "our conversion to the Marxian theory of the historical development of profit-making capitalism." But the latter-day Fabians are incapable of even learning from their founders.

jaunty shallowness of the old *Fabian Essays* gives place to the bewildered impotence of the new. The old facile assumptions have been smashed by the harsh impact of the crisis. But for these representatives of a dying order the old blindness has not given place to light. It has only given place to deeper darkness, because the character of the crisis is not understood, and the original imperialist assumptions still persist.

2. *A Choice of Two Paths*

The choice before the British people to-day is in truth a choice between life and death. This is not a rhetorical phrase, but a very literal description of facts.

The present crisis through which Britain is passing is in fact common in varying degree and in varying forms to all the countries of the Western imperialist world. But the contradictions are deepest, most obstinate and most intense in Britain, the classic oldest country of capitalism and imperialism.

The petition in bankruptcy of the old imperialist order was filed by the British Prime Minister, Mr. Churchill, in parliament on July 30, 1952, when he said:

“Tragic indeed is the spectacle of the might, majesty, dominion and power of the once magnificent and still considerable British Empire having to worry and wonder how we can pay the monthly bills. I am tortured by this thought.”

This was in truth the confession of bankruptcy of the old imperialist order.

Britain's economy in the hands of the present owning and ruling class is incapable of meeting the needs and demands of the people. The thirties are a grim memory for the people. But by 1953 the food consumption per head in respect of almost every important item of food, such as meat, fish, butter, sugar, cereals, fruit and vegetables showed a decrease on pre-war (see table on opposite page).

The significant exceptions to this general decrease were potatoes, margarine and milk, with a very slight increase in cheese consumption. However welcome the increased consumption of milk, the increased consumption of potatoes and margarine, alongside lower levels for meat, fish, butter, sugar, fruit and vegetables, may be regarded as a very grave indication of worsened conditions. The significance of this is all the greater

Table 49

FOOD CONSUMPTION IN 1934-8 AND IN 1953

	<i>lb. per head per annum</i>	
	1934-8	1953
Meat	110.0	92.9
Fish, poultry, game	32.7	25.6
Butter	24.7	13.2
Sugar	104.6	100.6
Fruit	137.4	132.9
Vegetables	107.0	99.7
Cereals	210.1	208.6

Domestic Consumption and Expenditure, 1953, Ministry of Agriculture.

when it is recalled that in 1937 Sir John Boyd Orr emphasised the low level of nutrition of the masses of the people at that time and showed that to raise the consumption of the poorest sections up to the level of the richest, it would require 29 per cent. more meat, 41 per cent. more butter, 24 per cent. more fruit and 87 per cent. more vegetables.

All the frivolous talk of "Socialist Britain" and of the "new Democratic Socialist model" during the past decade has been no more than the thin and flimsy veneer for the increasingly concentrated monopoly of the productive resources of the country in the hands of the big banks and trusts and combines closely integrated with the state, with steeply intensified exploitation of the workers and squeezing out and impoverishment of the middle sections.

This ossified and decadent finance-capitalist economy is by its own admission—as has been demonstrated in more detail in the last chapter—incapable of carrying out the major tasks of construction and development which are universally recognised as indispensable, for which paper plans are scheduled and prepared, which are scientifically and technically completely possible, but which are continuously cut down and shelved under the present régime as impossible of achievement. In the face of food shortage it is incapable even of full cultivation of the land of Britain. In the face of desperate need for higher scientific and technical training it cuts down education. Yet the immediately essential and neglected tasks of construction and development are limited in comparison with the gigantic new achievements in this sphere which have been and are

being accomplished in the Soviet Union and People's Democracies.

This régime of the oldest, mortally diseased and dying finance-capitalist monopoly, which is so sedulously fostered and plastered over with a thick coat of propaganda cosmetics by the alliance of the big business oligarchy and right-wing Labour theorists to give it a new face, is proving incapable of survival in modern world economy and world politics. It is weakening in its unequal combat before the advancing challenge of the relatively newer American monopoly capitalism and its West German and Japanese satellites. The ancient reserves of imperialist fat from past conquests and overseas capital accumulation on which it has been subsisting, together with dearly bought American subsidies, are proving inadequate and begin to approach exhaustion, as the recurrent deficit on the balance of payments and the dwindling of the gold and dollar reserves have indicated.

The hold on the old empire possessions, despite all the alteration of manœuvres and repression, falters. The colonial and dependent peoples, from Malaya to the Middle East, from Africa to the West Indies, are on the march. They have assuredly no intention to "keep the British lion as a pet"; and even the American financiers have begun to grudge the cost of keeping it as a mercenary.

In the desperate endeavour to maintain the old basis all the resources of this sick and impoverished régime are strained to turn out colossal multiplied armaments, maintain armies and garrisons all over the world, and conduct savage and costly colonial wars. For the sake of rearmament and war, Britain has been mortgaged to the American financiers, who in return have imposed crippling restrictions on Britain's trade to maintain the dollar dependence and have subordinated Britain as an expendable base in their strategic plans.

The outcome only strikes new blows at the already weakened economy. However thinly the dwindling butter ration is spread in the shape of diminishing "welfare social services" to make the poor pay for the poor the inescapable truth is ever more relentlessly demonstrated that this bankrupt régime, whether under a Tory Government or a Right-wing Labour Government, is progressively less capable of improving or even maintaining living standards or providing any hope of the

future for the people. Until then the thumbscrew and the stake of progressive deterioration, of new burdens and privations, of Austerity Cripps and Austerity Butler and their successors, continue and will continue the historic task to grind to powder the conservative illusions of a dead past.

The choice between two paths has opened out before the labour movement and the people of this country—the path of life and the path of death.

The path of death—that means, to go down with the sinking ship of the old imperialist order. To bleed the people white for more and more arms and more and more troops in order to quell the revolt of the peoples all over the world. To line up as an obedient satellite in the armed camp of the new masters of world capitalism, alongside everything that is stinking and rotten from end to end of the world, the dying feudal lords and princes and despots, from the Syngman Rhee and the Marshal Pibuls to the Greek butchers and Neo-Nazism, against every advance of socialism and liberation everywhere in the world. To hand over the country tied and bound to the war-lords of the New Axis as a nuclear base marked “for destruction.” That is one path—the path of death, of suicide, of the final outcome of the betrayal of socialism.

The other path is the path of life. The path of life—that means, to break free. To end the wars of aggression and invasion of other people's countries and bring the troops home. To repudiate the shameful war alliance for a third world war and return to the basis of the United Nations. To liberate the country from subjection to the citadel of world capitalism, and resume full independence of determining policy and shaping trade in accordance with the country's needs. To join with the other peoples of the world in the struggle for peace and freedom, for the reduction of armaments and for international economic co-operation. And thereby, in association with such a radical change of policy in international relations, to open the way for decisive social and economic change at home, for using Britain's productive resources to meet the urgent needs of the people, for the conquest of the menacing crisis and catastrophe.

This is the path of life, of the future, towards which all that is healthy and advancing in the working-class movement, among the youth, among the widest sections of the people, is striving. This is the true path of Britain's future.

But Britain can only advance along this path if the present domination of the finance-capitalist oligarchy, which is the representative of imperialism, and of its direct servants in the leading ranks of the labour movement, is replaced by the leadership of the working class uniting a broad alliance of all sections of the nation.

Only the organised working class has the decisive strength, the numbers, the experience of collective action, and the key role in production, to be capable, once it has achieved its own clearness of programme and leadership and effective unity, to rally and lead the united nation against the monopolists and their hangers on, in order to break with the past and enter on the new path of Britain's future.

To rise to the height of this responsibility, the working-class movement will need to break the fetters inherited from its own past, and to end the stranglehold of imperialist policies and leadership which are the main prop of capitalist survival and the direct obstacle to the victory of socialism. It is necessary to correct the narrow, blinkered picture of socialism traditional in the old propaganda of the labour movement, as set within the permanent framework of an unconscious imperialist assumption, and envisaging only a change in the distribution and ownership of wealth and income within Britain in place of the basic economic and political transformation of Britain on to a non-imperialist basis. It is necessary to see the struggle against British capitalism, not merely as the struggle of the British workers against the employers in Britain, but as the struggle of all the peoples of the Empire against British imperialism, against the ruling class which still dominates one quarter of the world, exploits equally the British workers and the colonial peoples, and is now more and more closely linked with the American imperialists.

Britain is no small isolated island in a corner of Europe, but the metropolis of this largest world empire, and therefore at the centre of this common battle of all the peoples of the Empire for freedom—a battle of such import for the future of the world. Here is the key to the victory of the working class and socialism in Britain. Failure to grasp this key is at the root of the weaknesses of the existing movement, of the inability so far to effect decisive social change in Britain, despite all the long history and abundant strength of numbers and organisation. The

division of the British working class from the struggle of the colonial peoples—this, in Marx's words, is "the secret by which the capitalist class maintains its power." This is "the secret of the impotence of the English working class, despite their organisation."

Marx's words still remain true also of the present stage of the movement. But the scene is changing. The battle is moving forward against imperialist policy and leadership within the labour movement.

Only by the victory of this battle, only with the weapon of political understanding of this common struggle, with the weapon of Marxist-Leninist understanding, will the British working class advance to its final triumph. Only so will the British working class rise to the height of its historic mission, and fight in the forefront in unity with the struggle of all the peoples of the Empire against the common enemy, the British monopolists and the bloc of Anglo-American imperialism, for a common goal of freedom and prosperity for all the peoples of the present Empire.

3. Future of the Empire

What, then, is the outlook for the future of the peoples of the present Empire, and the future relations of the British people and the other peoples in the Empire, on the basis of such a common victory against the rulers of imperialism?

The concrete answer to such a question can only depend on political development. But the principles governing such an answer are clear.

Socialism has always taught that the empire system of domination and exploitation of other peoples is contrary to the true interests, not only of the peoples brought under the sway of imperialism, but equally of the British people. The freedom and prosperity of the British people requires the ending of this system, with all its attendant evils and burdens, and its replacement by a new basis of fraternal non-imperialist relations and friendly co-operation. Such a transformation is not only imperative in the interests of peace, and in accordance with the right of self-determination and the principle of the freedom and equal rights of all nations. It also corresponds to the direct self-interest of the British working people. For

such a transformation is the indispensable basis for the victory of socialism in Britain.

The present era is reinforcing with all the hammer blows of experience the truth of this lesson. The end of the old privileged world monopolist position of Britain, and the consequent increasing bankruptcy of the economic-political system maintained upon this basis, is becoming visible to all. A new foundation must be found for Britain's future.

Already in the nineteenth century, before the imperialist era, but when Britain's world monopolist position was already the decisive factor governing its internal social-political structure, Marx focussed attention upon this crucial question of national liberation, at that time expressed in the Irish question, as the key to the future victory of the working class and socialism in Britain. Marx categorically stated that "*the essential preliminary condition of the emancipation of the English working class*" was "the turning of the present compulsory union, that is, slavery, of Ireland with England, into an equal and free union, if that is possible, or into full separation, if that is inevitable."

In reaching this viewpoint, of vital importance for the understanding of the Marxist approach to the problems of British politics and the British working class movement, and of the British road to socialism, Marx explained in a letter to Engels, written at the same time as the Resolution of the First International containing the above declaration, that, as a result of "deeper study" he was deliberately revising a former standpoint. Previously Marx had taken the view that the freedom of Ireland would be achieved by the victory of the working class in England, that is, that the victory of the working class in England would *precede* the national liberation of the subject peoples of the empire. Fuller study led him to reverse this view, and brought him to the conviction that the liberation of England was an indispensable *preliminary* condition for the victory of the working class in England.

"It is in the direct and absolute interest of the English working class to get rid of their present connection with Ireland. . . . For a long time I believed that it would be possible to overthrow the Irish regime by English working class ascendancy. I always expressed this point of view in the *New York Tribune*. Deeper study has now convinced me of the opposite. The English working class will *never accomplish anything* before it has got rid

of Ireland. The lever must be applied in Ireland. That is why the Irish question is so important for the social movement in general."

(MARX, Letter to Engels, December 10, 1869.)

Marx elaborated the change of viewpoint in a letter to Kugelmann on November 29, 1869. He emphasised that the demand for the freedom of Ireland needed to be pressed forward—

"... not as a matter of sympathy with Ireland, but as a demand made in the interests of the English proletariat. If not, the English people will remain tied to the leading strings of the ruling classes, because it must join with them in a common front against Ireland."

This profound insight of Marx into the peculiar problems of the British working-class movement and the transition to socialism in Britain takes on added importance in the conditions of to-day. Marx finally rejected the view that the British working class would first come to power, with the empire intact, and would then proceed to liberate the subject peoples of the empire. On the basis of "deeper study" Marx adopted the view that the advance of national liberation of the subject peoples of the empire was the decisive prior factor, "*the lever*," which would compel social change in Britain and thus open the way to the victory of the British working class. The first stage of the battle for the victory of socialism in Britain would be fought in the countries of the empire.

In the imperialist era Lenin powerfully developed this seminal thought of Marx, and brought a new and deeper understanding to the whole conception of the world socialist revolution. Previously the world socialist revolution had been envisaged by the majority of socialists in Western Europe and America in terms of the victory of the highly organised working class in the most advanced industrial countries of capitalism, after which the more backward under-developed countries would gradually follow in their wake. From this followed a patronising, or, at the best, philanthropic attitude to the backward colonial countries beyond the pale of the "civilised West," and to their national struggles as representing a more primitive stage of development, not yet advanced

to the height of socialist enlightenment, and therefore of limited interest to socialists.

Lenin reversed this line of approach, in precisely the same way as Marx had made the corresponding reversal in the nineteenth century. Lenin showed that the first victory of the working class in the countries of imperialism would take place, not in the most advanced capitalist countries of the West, but in the country of the weakest imperialist power, the most backward, the most torn by internal contradictions, in Russia. But Lenin further showed that, following the victory of the working-class socialist revolution in Russia, the key to the next stage of advance would lie, not yet in the most developed countries of the West (as Trotsky, who reflected the conventional view of the majority of Western European socialists, sought to insist), but once again in the weakest, most vulnerable regions of imperialist power, in the vast colonial and dependent countries of Asia and the Middle East, whose peoples' advancing liberation struggle would strike mortal blows at the basis of imperialism in the West, and thereby compel the necessity of social change, undermine the illusions of social democratic reformism, and open the road to the victory of the working class in the advanced capitalist countries of the West. The battle for London, Paris and New York would be fought, in its initial stage, in Peking, Calcutta and Cairo.

Already by the first decade of the twentieth century the masses of Asia were in movement, advancing to the conscious political struggle for liberation, at a stage far beyond any reached in the nineteenth century, when Marx had to use the demonstrative example of Ireland to establish his thesis. Lenin was the first to sense the significance of this development. Under the title *Backward Europe and Advanced Asia* in 1913 he showed how the rulers of "civilised and advanced Europe" were bolstering up "all the forces of reaction and mediaevalism" in Asia, while in the "mighty democratic movement" advancing in Asia "hundreds of millions of people are awakening to life, light and liberty." Only the working class in Europe represented the "champions of a better future," recognising the hundreds of millions of "young Asia" as their allies, and maintaining "implacable enmity towards backwardness, savagery, privilege, slavery and the humiliation of man by man."

The final victory of the working class of "all the civilised countries" would "liberate both the peoples of Europe and the peoples of Asia." This was written before the victory of the working class in Russia had opened the era of the world socialist revolution.

Five and a half years after the victory of the working-class socialist revolution in Russia, Lenin, in the last article that he wrote, in 1923, turned his gaze towards the future to consider the prospects of the world socialist revolution. The penetrating prediction which he then made, when he emphasised the decisive role of "Russia, India, China, etc.," as constituting "the overwhelming majority of the population of the globe" whose advance to liberation would "in the last analysis" make the victory of socialism certain throughout the world, has often been quoted. But the context in which he made this prediction is usually overlooked. It is this context which is of especial significance for the present world situation and the problems of Britain and Western Europe.

Lenin was concerned to answer the question—a very urgent question in 1923, after the defeat of the revolutionary working-class upsurge in Central and Western Europe—whether the then weak Soviet Union could hope to survive in view of the delay of the socialist revolution in Western Europe. He answered with a reply which swept forward the vision of the future of socialism in the world beyond the narrow confines of the imperialist-infected centres of the capitalist countries of Western Europe to a larger horizon:

"Shall we be able to hold on . . . while the West European capitalist countries are consummating their development to socialism? But they are consummating it not as we formerly expected. They are not consummating it by the gradual 'maturing' of socialism, but by the exploitation of some countries by others, by the exploitation of the first of the countries to be vanquished in the imperialist war, combined with the exploitation of the whole of the East. On the other hand, precisely as a result of the first imperialist war, the East has been definitely drawn into the revolutionary movement, has been definitely drawn into the general maelstrom of the world revolutionary movement."

It was in the context of this analysis of the world situation, including the situation in Western Europe, that he made his famous prediction:

“In the last analysis, the upshot of the struggle will be determined by the fact that Russia, India, China, etc., account for the overwhelming majority of the population of the globe. And it is precisely this majority that during the past few years has been drawn into the struggle for emancipation with extraordinary rapidity, so that in this respect there cannot be the slightest shadow of doubt what the final outcome of the world struggle will be. In this sense, the complete victory of socialism is fully and absolutely assured.”

(LENIN, *Better Fewer, But Better*, March, 1923.)

Thus Lenin here once again, just as Marx had done in the nineteenth century, was making a conscious revision of previous estimations (“not as we formerly expected”). In the light of the experience of 1917-23 he discounted any assumption of a speedy victory of the working-class revolution in Western Europe. Instead, he showed how the Western European countries were “consummating their development to socialism” by a peculiar path, by the imperialist exploitation of other countries, thus lighting the flames of revolutionary upsurge among the exploited colonial and semi-colonial masses of Asia, constituting the majority of mankind, whose advance would make certain the final victory of socialism throughout the world, that is, also at a later stage in the countries of the West.

The line of thought here set out is of cardinal importance for all the problems of Britain and the British Empire, of the British working-class movement and of the British road to socialism. It is of especial significance in the present situation, one-third of a century after Lenin wrote, when the course of development indicated in his prediction has already reached an advanced stage.

The history of the past one-third of a century has powerfully confirmed Lenin's prediction. On the one hand, the working class in the advanced capitalist countries of the West has not yet succeeded in overthrowing capitalism and establishing socialism. Despite the increased strength of organisation and of political influence of the working class in these countries, the continued domination of the old imperialist assumptions and conceptions, especially in the upper leadership and official policy, and expressed in the outlook of right-wing social democracy, has been able to hold back the working class from using its strength to end capitalism. Reforms

have been carried, but monopoly capitalism remains entrenched. On the other hand, the victories of national liberation and establishment of a wide range of newly independent states in Asia and the former colonial empires of the European powers have swept forward and transformed the balance of the world situation. The majority of the peoples of the British Empire have established their independent states in advance of the victory of the working class and socialism in Britain. This disintegration of the colonial system, and transformation of the balance of world politics, has created conditions of deepening crisis in the imperialist countries of Western Europe, thus forcing to the forefront the necessity of basic social change and reconstruction, and opening the road to the victory of the working class and socialism in Britain and Western Europe.

This new situation profoundly affects the question of the future relations of the British people and the peoples of the British Empire.

The importance of the alliance of the British working class and the liberation battles of the colonial peoples or newly independent peoples against imperialism is increased by this new world situation. This was signally demonstrated by the experience of the Suez war. Egypt's nationalisation of the Suez Canal Company aroused the ferocious hostility of the Tory imperialist rulers of Britain, even to the point of embarking on the reckless adventure of making aggressive war on Egypt. But the aggressive measures of the Tory Government aroused the intense opposition of the labour movement, despite the initial support of the Government's measures by the upper leadership, and compelled the official policy of the leadership to be shifted to an alignment of opposition. Britain went into the war deeply divided from top to bottom, as never before since the Boer War. Thus Egypt's stand against imperialism was not only a dynamic factor in the new world political situation. It profoundly affected internal politics in Britain. Egypt's stand against imperialism dealt a heavy blow against the policies of bi-partisanship, raised the whole level of the fight of the labour movement, with mass demonstrations on a scale unequalled since the days of Spain or the campaign for the Second Front, and prepared the conditions for the downfall of Sir Anthony Eden and the advance of Labour

towards the prospect of victory over Toryism. Conversely, the support of the British labour movement weightily strengthened and reinforced Egypt's victorious stand against imperialist aggression. Here was demonstrated in living action, more vividly than in a hundred theoretical expositions, the meaning of the alliance of the British working class and the national liberation struggle of the colonial and ex-colonial peoples against imperialism as the key to advance, not only in the international situation, but within Britain. Every move forward of one partner in the alliance helps the other against the common enemy; and the aid is mutual.

It is the development of this alliance in action which can alone provide the foundation for the new relations of friendship and co-operation between the British people and the peoples of the present British Empire that will become possible, once the relations of imperialism are ended and the class basis in Britain is changed.

The new world situation transforms the perspective of these new relations.

When a Socialist Government, representing the victory of the political power of the working class and its allies over monopoly capitalism, comes to be established in Britain, it is likely that the remaining subject colonial territories, whose peoples will win their freedom in the hour of the victory of socialism in Britain, will be very limited in extent, comprising a few smaller scattered territories whose total population may be less than that of Britain. The question of future relations of the peoples of the present empire will in consequence not be solely, or even primarily, the question of the relations with these liberated ex-colonial peoples who will have won their freedom only after the victory of socialism in Britain. The major question will be the question of the relations with the wider series of already politically independent states which may still be associated within the framework of the Commonwealth or Empire or within the orbit of British imperialism.

A Socialist Government in Britain will need to take immediate steps to liberate all remaining subject colonies, dependencies or occupied territories, that is, to recognise the right of self-determination of their peoples, end the colonial dictatorship, withdraw all occupying troops, and hand over sovereignty to Governments freely chosen by the peoples.

The same principle of recognition of national rights will need to operate within the British Isles. In Ireland, if the enforced partition which has been imposed by a British Act of Parliament with occupying British troops to maintain it, has not been repealed, it will be necessary to end this enforced partition, withdraw the occupying troops from Northern Ireland, and leave the Irish people free to establish their united Republic which can maintain friendly relations with Britain. Within Britain it will be necessary to recognise the national claims of the Scottish and Welsh peoples to be settled in accordance with their wishes.

A Socialist Government will need to end, not only imperialist political domination, but imperialist economic exploitation. All the natural resources and productive assets owned by British capital in the former colonies should be restored to the liberated peoples.

These are essential immediate measures to end the imperialist basis of relations.

Does this mean that the policy of a Socialist Government in relation to the existing empire will be confined to the negative task of breaking down and ending all forms of imperialist domination and exploitation in order to fulfil the principle of national self-determination, but without further positive perspective in respect of the relations of the peoples of the present empire?

This is the charge commonly brought forward by the critics of socialism and communism, who describe its policy in respect of the empire as purely "destructive," to "smash" all existing links and forms of association, and promote "disintegration." Such a charge is a distortion of the real policy which is aimed, through the common alliance against imperialism and the fulfilment of national independence, to create the conditions for new relations of friendly and fruitful co-operation.

Certainly, the policy of socialism or communism is *destructive* in relation to every form of violent coercion of one nation by another or exploitation of one nation by another.

But the policy of socialism or communism is completely *constructive* in relation to the interests and common problems of all the peoples of the present empire, and the aim of future co-operation on the basis of national independence and equal rights. In this respect such a policy alone presents a positive

and constructive prospect for the future relations of the peoples of the present empire.

The policy of socialism and communism is *destructive* in respect of *imperialism*. It is *constructive* in respect of the needs and interests of the peoples of the present empire.

Once the relations of imperialism are ended, limitless perspectives open out for new relations of friendship and co-operation.

The British people, after their victory over imperialism, that is, over their monopoly capitalist rulers, will be faced with all the tasks of building the new socialist society in the changed conditions of Britain in the world. They will be engaged in establishing a healthy and productive non-imperialist economy, no longer parasitic on overseas tribute, but making full use of the resources of Britain and of the skill of the working people, of the scientists, technicians, industrial and agricultural workers, to enable Britain to play a progressive part in the world, ensure rising standards for the people, and contribute, as every advanced country will need to contribute, to the tasks of reconstruction on an international scale.

In the older Dominions, in Australia, Canada and New Zealand, with many cultural and traditional links with Britain, the peoples, if progressive governments come to power at the same time in these countries as in Britain, will be likely to be also engaged on far-reaching plans of reconstruction, with many possibilities of mutually beneficial co-operation with Britain.

The peoples of the newly independent ex-colonial countries of the former empire are already engaged (and those of the countries still to win liberation will be engaged) in bold programmes of national reconstruction, to end the old colonial economy and retarded development inherited from imperialism, carry forward industrialisation alongside modernised agriculture, and solve the problems of poverty and depressed standards.

All these conditions open out possibilities of co-operation of a type not previously known among the countries of the present empire.

The present economic relations of Britain and the other countries of the Empire are antagonistic relations based on exploitation. Between Britain and the older "White" Dominions

with full capitalist development—Canada, Australia, New Zealand and (with certain special factors) South Africa—the antagonisms arise from the rivalry of capitalist interests, as in the clashes between British and Dominions industrialists over industrial development in the Dominions, or in the adverse trade effects of import cuts imposed between Britain and Australia arising from the stranglehold of the dollar deficit. Between Britain and the colonial or dependent countries the relations are relations of direct exploitation or extraction of colonial super-profit, and have the effect of draining away the wealth of those countries, retarding their economic development and holding down the standards of their peoples to the lowest levels.

The removal of the relations of antagonism and exploitation and their replacement by relations of economic co-operation for the fullest development of resources and interchange of products, on the basis of equal exchange, would make possible the most rapid advance of economic reconstruction and raising of standards, of enormous common benefit to all the countries concerned.

It is often said that Britain requires the exploitation of the Empire, and the income from overseas investment, as the indispensable basis for its own economic existence; and that therefore the "loss" of the Empire, i.e. the liberation of the colonial and dependent countries, would "ruin" Britain. An examination of the facts would show, as has been demonstrated at length earlier, that the exact opposite is the case. Parasitism has injured Britain economically; and the removal of parasitism would facilitate the restoration of Britain's economic health. Even in the period of maximum imperialist "prosperity," before the development of the modern era of chronic crisis conditions, the increasing dependence on overseas tribute led to neglect of development of home industry and agriculture and relative technological stagnation. The consequent weakening of Britain's economic position paved the way for the modern conditions of chronic crisis. In the most recent period the increasing cost of overseas military expenditure, colonial wars and rearmament has in practice outweighed, even on the most hard-faced economic calculation, the illusory "advantages" of the tribute income. The disappearance of the tribute income—which is in any case sooner or later inevitable—

would undoubtedly make necessary an economic readjustment. But the simultaneous reduction of the garrison and military expenditure would release resources for such economic readjustment; and the consequent compulsory full use of Britain's resources, and restoration of a healthy independent productive basis in Britain, would be the indispensable first step to end the conditions of chronic crisis and open the way to rapid economic revival and progress in Britain. At the same time the advance of reconstruction and living standards in the liberated colonial countries would have immediate beneficial effects for Britain's trade.

For the colonial and dependent countries the victory of liberation, and the ending of the imperialist drain on their wealth, distortion of their economy and artificial retarding of their economic development, would immediately open the way for the most far-reaching programme of reconstruction and economic progress, as has already been demonstrated in the former backward countries of the old Tsarist colonial empire, and as is being demonstrated to-day in new forms in People's China.

The possibilities of co-operation and mutual aid in these tasks of economic reconstruction, between Britain and the liberated countries of the present Empire, are boundless, once the shackles of imperialism are removed.

The peoples of the former colonial countries will require large-scale mechanical equipment for industrialisation and for the modernisation of agricultural technique, in order to end the old dependent colonial economy. Undoubtedly an important and growing volume of supplies will be available from the Soviet Union, People's China, Czechoslovakia, Poland and other People's Democracies. But this will still leave abundant demand and need for the greatest possible volume of large-scale engineering, machinery and machine-tool requirements from additional sources. It is precisely the resources of British heavy industry that can play an enormous role in assisting the industrialisation and mechanical equipment of the former colonial countries of the Empire.

At the same time the peoples of the former colonial countries, as they remove the fetters of obsolete land systems, feudal survivals and low technique which under imperialism keep their peasantry in poverty, will be able rapidly to develop

their agricultural production and raise the standards of the peasantry.

In proportion as the peoples of the former colonial countries raise their level of agricultural production, they will naturally wish to use this increased agricultural production, not only for the first essential of the direct supply of their own needs of food and raw materials, to raise the standard of living of their peoples, but also for export in order to import the goods they require from the countries of advanced industry, both to carry forward their own industrialisation, and to obtain a wider range of products of industry, corresponding to the rising standard of living. For this purpose they will desire to avoid the catastrophic fluctuation in the prices of food and raw materials which has reached such violent and anarchic extremes in the recent period, especially as a result of the operations of American finance-capital and rearmament economy. They will require a steady market for their raw materials, to know what quantities are required, and at what prices, and also to know when the manufactured goods they have ordered—particularly the capital goods—will be ready, what type of technical specialists will be available, and so on. In this way there will be the basis—once the barriers of imperialist exploitation and unequal trade are removed, and popular governments are established in Britain and the former colonial countries—for a wide measure of voluntary co-ordination of plans throughout the territory of what was formerly the British Empire.

Thus Britain, so far from being faced with “ruin” as a result of the liberation of the colonial and dependent peoples of the Empire, will have enormously more extended and favourable trading possibilities, and will be assured of the supplies of food and raw materials, in adequate volume and at stable prices, required by its present economic structure.

This does not mean that the long-term future picture of the economic trading relations between Britain and the liberated colonial countries will be one of the exchange of food and raw materials for industrial Britain in return for the products of British industry for the former colonies. Such a basis of exchange still reflects the survival of the inequality of development consequent on the colonial system—but a survival under new conditions of equal exchange, in place of exploitation, and

serving to prepare the way for the next stage of full industrial development in the former colonial countries and a consequent more balanced basis of exchange. What is here described as the character of economic relations in the first stage after liberation would represent a necessary *transitional* stage from the present conditions, serving to facilitate the speediest industrialisation and all-round economic development of the former colonial countries, in place of the previous distorted and one-sided colonial economy; while at the same time in Britain the improved utilisation of the land and agricultural technique will diminish the at present exaggerated dependence on imported food supplies. Thus this transitional stage will prepare the way for a more balanced pattern of economic relations.

Such is the future prospect of what can be achieved by the British people and the peoples of the present Empire, once the present imperialist relations are replaced by voluntary fraternal co-operation and association, on the basis of national independence and equal rights, to promote reconstruction and limitless social and economic progress. It can be said with confidence that such a path alone opens the way to the solution of the present problems of Britain's crisis, as well as the conditions of crisis and increasing economic and political difficulties affecting also the Dominions and all the peoples within the Empire. In place of all the prophecies of gloom, of "treacherous trap-doors" and inevitable deterioration, such a path alone offers the positive alternative and certainty of a bright and a prosperous future.

In this consideration of the prospect of future co-operation the attempt has not been made to discuss the question of the political forms or methods of such co-operation, whether through a possible carrying forward and transformation of Commonwealth forms stripped of their existing imperialist content, or through other forms of bilateral or multilateral treaty arrangements or the like. Such questions of form will be voluntarily settled, and will be determined by the outcome of the preceding development, the relation of forces within each country and between the countries concerned at the time of transition, and by the stage of the international situation. What is of decisive importance is the principle of mutually beneficial relations of friendship and co-operation on the basis of national independence and equality, and the inspiring

possibilities of great advances in the well-being of the peoples and in the strengthening of peace which this perspective opens.

But such a future can only be won, and such future co-operation can only be established, by the present action, unity and co-operation of the British people and all the peoples of the Empire in the present common struggle against imperialist domination and war, and for the aims of peace, national independence and social and economic liberation.

4. Towards the Future

Can this future be won?

The answer to this question lies in the living political struggle.

Certainly, if the British people were incapable of overcoming the heavy fetters and obstacles inherited from the past and now blocking the way to future progress, Britain would indeed be doomed. Under such conditions it could even be not beyond the bounds of possibility that the fears of the despairing might be realised, and the long history of Britain end in physical annihilation in an atomic war, with only a shattered remnant left for a painful new beginning.

But the British people have over many centuries shown their capacity for change and adaptation, for active political struggle, and even for the revolutionary overthrow of out-dated social and political forms in order to substitute new ones. The days may seem long past when Britain led the vanguard of the European nations along the path of revolution, before the United States and before France, and when the Russian Ambassador was withdrawn in horror from London as a protest against the revolutionary nation which could make its monarch mount the scaffold. The sons and daughters of the British Revolution are taught to forget their own past, and are sedulously instilled with the legend that the measure of democracy they have won, which was founded by violent revolution, and whose extension was wrested by extra-constitutional struggle, knows no other path of development save gradual imperceptible evolutionary change within a permanent framework of unchanging constitutional and state institutions. Over these three centuries since the Great Revolution the long era of capitalist class domination has followed, which crushed

the incipient working-class revolt of Chartism with merciless repression, and has since sought to train and adapt the rising working-class movement to its own forms and purposes. But that era is drawing to its close; its foundations are undermined; its bankruptcy is manifest in Britain's present crisis. The signals are sounding again for decisive social change. We can be certain that the British people will once again demonstrate their capacity for such change, to respond to the new conditions and develop the necessary new economic, social and political forms; and the degree of peacefulness, or otherwise, of such change will depend on the degree of political organisation and unity of the people and the leadership of the working class. The stronger the political organisation and unity of the people and the leadership of the working class, the greater the possibility of peaceful change with a minimum of destructive conflict.

The real situation of the Britain that is dying and the new Britain that is striving to come to birth is reflected, still dimly, still only in a preliminary form and through a distorting mirror, in the present political situation. The thick crust of ancient forms, institutions, habits, prejudices and illusions, dating from the era of unchallenged imperialist supremacy and "prosperity," of ingrained social conservatism, whether acting directly through the Tory Party or enthroned in the citadels of the old labour movement, lies heavy as a choking suffocating overgrowth to ban and kill and strangle all that is new and living.

But social conservatism can never permanently bar the road to historical change, though its delaying action may increase the violence and destructiveness of the subsequent explosion. The Britain of Elizabeth, Macmillan and Gaitskell can no more escape its destiny to be relegated to a museum piece than the old Austro-Hungarian Empire of the Habsburgs.

Because Britain is the oldest capitalist country, which long enjoyed unchallenged world supremacy and monopoly, the assumptions and institutions inherited from that monopoly linger on into a changed world, and social conservatism is still most deeply entrenched in Britain, and not least in the labour movement.

Corresponding to its capitalist environment, which led the world a century ago, and then fell behind in the imperialist era, the traditional labour movement in Britain was in the

vanguard of the world labour movement a century ago, but then fell to the rear in the imperialist era, developing stage by stage a generation behind the rest of Europe. Obstinate and tenaciously its leadership resisted the ideas of socialism and the conception of a political labour movement during the last quarter of the nineteenth century, long after mass socialist parties had developed in the leading countries of Europe. All the political wiseacres of that era sagely laid down that socialism and a political labour movement might find a basis in the countries of Europe, but could never take root in the soil of Britain.

But the political labour movement came, and the aim of socialism received formal recognition. Is that the end of the story? Of course not. As obstinate and tenaciously the present leadership believe themselves to represent the final culmination and resist to the death the necessary next stage of advance to Marxism-Leninism, to communism, long after the majorities of the leading working-class parties of Europe have advanced to communism.

The contemporary political wiseacres no less sagely declare that Communism may find its majority basis in the working class of the countries of Europe, but will never take root in Britain or win the majority of the working class in Britain. History will as relentlessly destroy the naïve and ignorant illusions of these pundits as it has already done those of their predecessors.

The present initial stage of development reached has found expression during the most recent period in the precarious political balance and virtual deadlock between the two major parties. Under the operation of the existing electoral system—designed to exclude the representation of minority opinion, and thus to facilitate the smooth working of the finance-capitalist dictatorship—these two major parties have come to dominate and practically monopolise electoral and parliamentary representation to the exclusion of all third elements.

On the one side is the Tory Party, directly representing and run by the leaders of the financial oligarchy, but drawing in a vast satellite array of the middle and petty bourgeoisie and politically backward workers.

On the other side is the Labour Party, based for its main membership and finance on the economic mass organisations

of the working class in the class struggle, but at present excluding the militant left workers associated with the Communist Party, and led by an alliance of representatives from the petty bourgeoisie (a few bigger bourgeois elements) and the reformist labour bureaucracy, and drawing in support from progressive sections of the petty bourgeoisie.

Such is the character of the confrontation which, by the measure of parliamentary representation, during the three elections after the 1945 landslide has resulted in a relatively close parliamentary balance, with a considerable degree of approximation in the volume of the electoral vote. It should be noted that the heavy concentration of the Labour vote in the industrial working-class areas has resulted, under the existing electoral system, in an appreciable under-representation of Labour, in proportion to its electoral support, in Parliament, and is a more or less permanent factor to tilt the balance slightly in favour of Toryism.

It is obvious that this representation offers at the best a distorting mirror of class realities; since it appears to present the confrontation of finance-capital and the overwhelming working class and employed majority of the nation as a division of the nation into two roughly equal halves. But even through this distorting mirror the underlying character of class confrontation and latent class struggle to which the British parliamentary system has been brought is inescapable. Indeed, however much the attempt may be made in the realm of pure theory by the apologists of an imaginary classless political world to deny this class basis of existing political formations, its truth is in fact recognised in hard daily practice by all political observers and participants and electoral agents of all viewpoints, and is especially visible in the constituency electoral contests.

Only the practical collaboration on major imperialist issues (up to Suez) of the top leadership on both sides has so far been able to make this precarious balance for the moment workable to maintain the policies of imperialism and finance-capital. But this basis is inherently and ever more visibly unstable.

As the crisis deepens, as the blows of rearmament and economy cuts fall unsparingly on the workers and those with lower incomes, as the opposition to the imperialist war policy extends, so the pressure of popular discontent stirs and rumbles

and increases against Toryism and against right-wing policies in the labour movement.

Within the labour movement the so far dominant leadership has been compelled to have resort to a complex machinery of bans, exclusions, prohibited relationships, discipline and threats of discipline, in order to check the advance of the influence of the Communist Party on the left. All this has not availed to prevent the growth of the ferment, which has been increasingly marked in the recent period. The movement of mass opinion, which found preliminary expression in the Labour electoral victory of 1945, is once again seeking its way forward. In the field of industry, and within the trade unions, the growth of militancy has been conspicuous, not only in the fight for wages and standards, and resistance to the attempts to impose a wage-freeze, but also in the extension of opposition to the rearmament programme and war policy and demands for an alternative policy for peace. At the same time new currents have affected wide sections of the Labour Party.

This development is still at an initial stage. Victory of the advancing struggle of the British people against the imperialist war policy, Toryism and right-wing leadership in the labour movement, and the transition to an alternative policy for peace and socialism, will require a stern political battle. It will require the unity of all progressive sections in the labour movement, of the leftward moving membership of the trade unions, co-operative organisations and Labour Party, together with the Communist Party, to transform the policy and leadership of the labour movement so as to carry forward a united labour movement leading the whole people in the fight for a new policy. In the final outcome, for the victory of socialism, it will require the advance to a new stage of the labour movement, the advance to the principles of Marxism-Leninism, represented by the Communist Party and its role in the movement. It will require the rallying of the overwhelming majority of the nation in the common struggle for the true national interests of Britain, for peace and social advance. It will require the unity of this liberation struggle of the British people with the liberation struggles of all the colonial and dependent peoples of the Empire. Only so can victory be won, and the path open out to decisive social and political changes in Britain.

With sombre alarm, the most far-seeing representative of finance-capital, Churchill, detected the future menace to his order revealed in the precarious equilibrium of the two major parties after the 1950 election:

“We should not survive by splitting into two nations; yet that is the road we are travelling now, and there is no sign of our reaching or even approaching journey’s end.”

Journey’s end? It is still only journey’s beginning. The fond hopes of the reactionary Tadpoles and Tapers of both party machines to reproduce the majestic placid alternation of the old two-party system of Gladstone and Disraeli in the era of Victorian stability are doomed to frustration in the era of the deepening general crisis of capitalism.

The real political conflict to-day is no longer the amicable give-and-take of rival sections of the exploiting classes, united on the fundamental structure of society and against the exploited masses—however much the bantering concord and shadow-boxing of the right honourable gentlemen of the financial oligarchy and the right-wing reformist bureaucracy might appear to create the illusion of the restoration of an antique comedy.

The real political conflict to-day, whose pressure begins to burst through even the forms of the old traditional parliamentary procedures of deception that were designed to conceal it, and which can yet make parliament its arena and even transform it from being the instrument for recording the decisions of the ruling financial oligarchy into becoming the instrument of the people’s will—this conflict is the deeper conflict of classes, of the working and producing majority of the nation, led by the organised working class, against the financial oligarchy which is dragging Britain down to ruin.

Between these there can be neither lasting truce nor peace, but only, through whatever ordeals of struggle, the final victory of the rising class, the working class, leading the overwhelming majority of the nation, and the complete irrevocable extinction of the economic and political power of finance-capital—that is, the victory of socialism.

It would be idle and premature to attempt to lay down beforehand the precise concrete forms and stages of the next phase of political development in present-day Britain. It

is only the broad principles of development, the essential character of the choice of alternatives arising from the present situation, and the consequent longer-term perspective, which can be discerned and defined with some degree of confidence. But the specific line of development towards that larger outcome, towards the decisive changes which are necessary and in the end inevitable in Britain, will depend at every point upon the political struggle, upon the degree of unity and strength of organisation and political leadership of the working class and the broad democratic movement.

We are living in an era of great changes, which has seen the fall of many empires and the victory of the people in many parts of the world. Britain is not immune from these changes. Britain is also part of the world.

The bankruptcy of the old order in Britain before the great historical alternatives which now open out was never more plainly confessed than by the Conservative Premier, Sir Anthony Eden, in 1956. Speaking to the Central Council of the National Union of Conservative and Unionist Associations on March 16, 1956, Sir Anthony Eden proclaimed the alternatives before Britain to be the maintenance of Britain as a "Great Power" or "slow death":

"Only a solvent and prosperous Britain can shoulder the burdens of a Great Power. History and geography have combined to give us a special position in the world. We cannot and will not abdicate from this. . . .

"The logical conclusion of abdication would be a policy of neutralism, and to be neutral for Britain is a slow death."

But supposing the "logical conclusion" of this imperialist conception of a "Great Power," with the consequent crippling colonial wars and overseas commitments, making Britain the most heavily taxed and militarised major country in the world in proportion to population, leads to economic strangulation and a consequent alternative form of "slow death"? What then happens to the argument?

Ten weeks later Sir Anthony Eden, in a speech at Norwich on June 1, 1956, defending the war in Cyprus, claimed that Britain's inflated armaments, overseas military expenditure and colonial wars, represented the only alternative to economic ruin and mass hunger:

"No Cyprus, no certain facilities to protect our supplies of oil.

No oil, unemployment and hunger in Britain. It is as simple as that.

"Our country's industrial life and that of Western Europe depends to-day, and must depend for many years to come, on oil supplies from the Middle East. If ever our oil resources were in peril, we should be compelled to defend them. The facilities we need in Cyprus are part of that defence. We cannot therefore accept any doubt about their availability.

"The standard of living of every single person in Britain would not then be doubled in 25 years, it would be quartered in a much shorter time."

In this characteristic argument for imperialism it did not occur to the speaker that to incur the hostility of the entire Middle East along the doomed path of attempted military domination would be the surest way to lose the supplies of oil, which would be plentifully available under peaceful conditions. The old Roman poet spoke of those who for the sake of life lose the reasons for living. It has been left to modern Tory imperialist Governments to ruin Britain economically in order to save Britain from economic ruin.

The disastrous outcome of Sir Anthony Eden's Suez war revealed to all the consequences of his line of policy and provided the answer of history to his claims.

The alternative path for Britain does not mean that Britain "abdicates" from continuing in new forms its great historical role among the leading nations of the world. On the contrary. It is the imperialist path that spells doom for Britain's future.

The alternative path means that Britain, in place of going down as a bankrupt declining secondary power in a sinking imperialist world, would take its rightful place in the championship of the cause of peace and in the forefront of the advancing socialist nations of the world.

The British people stand before great dangers and great opportunities. If their action should fail in the testing time that has now opened, no present imagination could paint in black enough terms the measure of the catastrophe that could overtake Britain from present policies. But they have it in their power to avert such catastrophe. By their united exertions and action, by building up a mighty popular alliance, with the working class in the leadership, for the aims of peace, national independence and economic and social change, they can not only save themselves. They can also hasten the liberation of all

the remaining subject peoples of the Empire. They can turn the balance in favour of world peace and world socialism.

Only such a path can offer a positive and constructive alternative to the present situation, and open the way forward to solve the problems of the crisis of Britain and the British Empire.

Only along such a path can the British people emerge to take their place once more in the vanguard of the progressive nations of the world, united in equal freedom and fraternal co-operation with the peoples of the present Empire, and marching forward to the common goal of the victory of world peace and co-operation and the building of a new society on the basis of human brotherhood.

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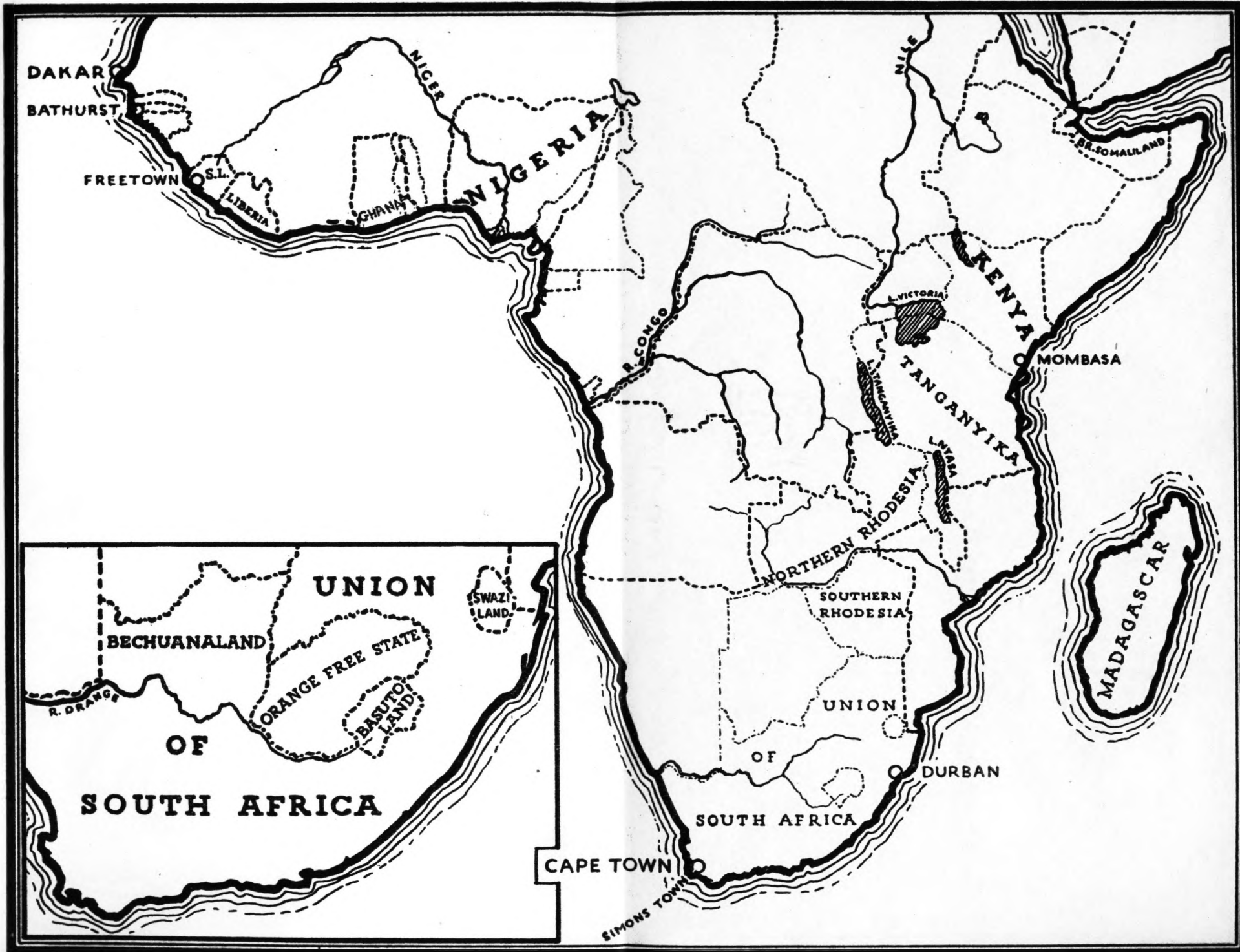
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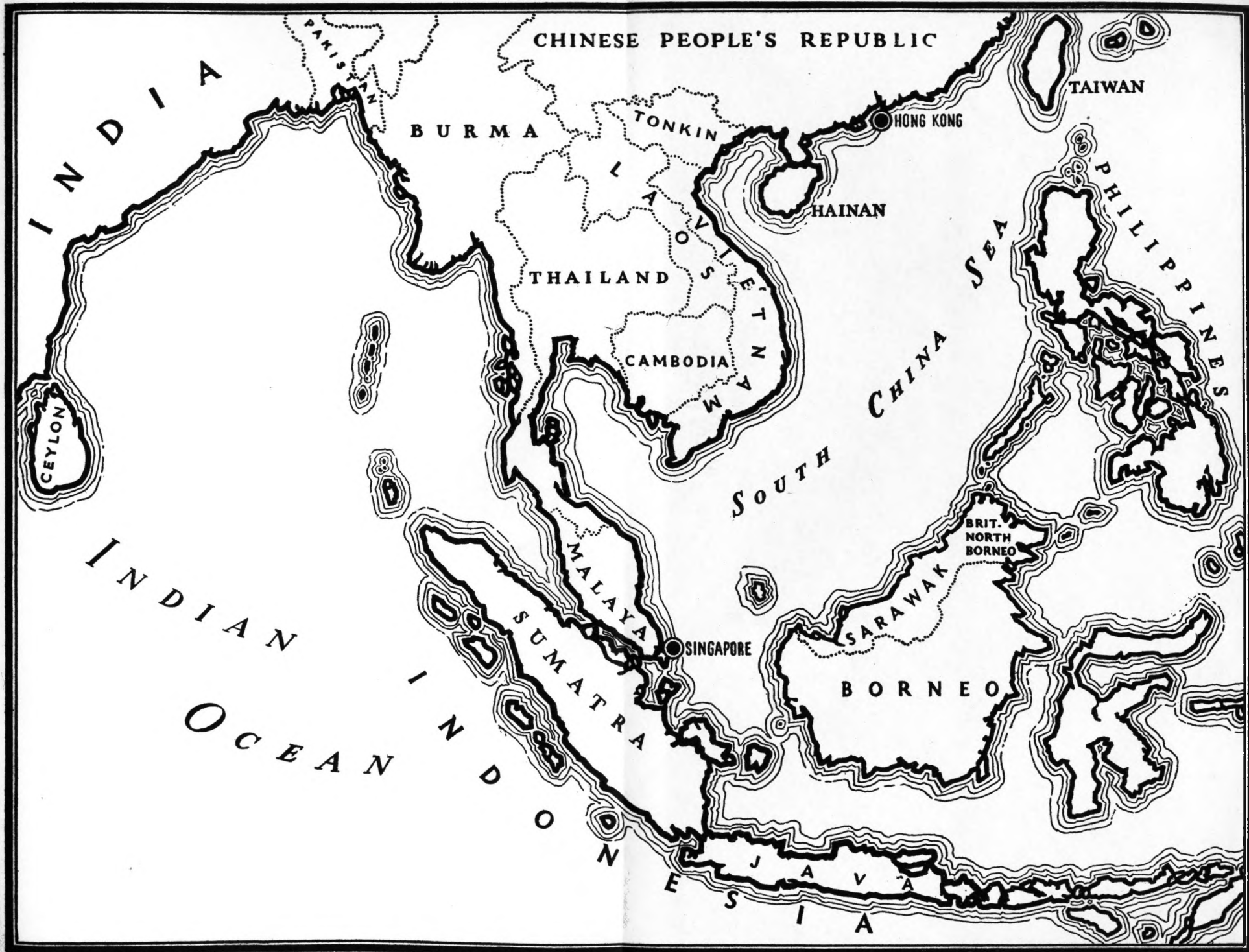
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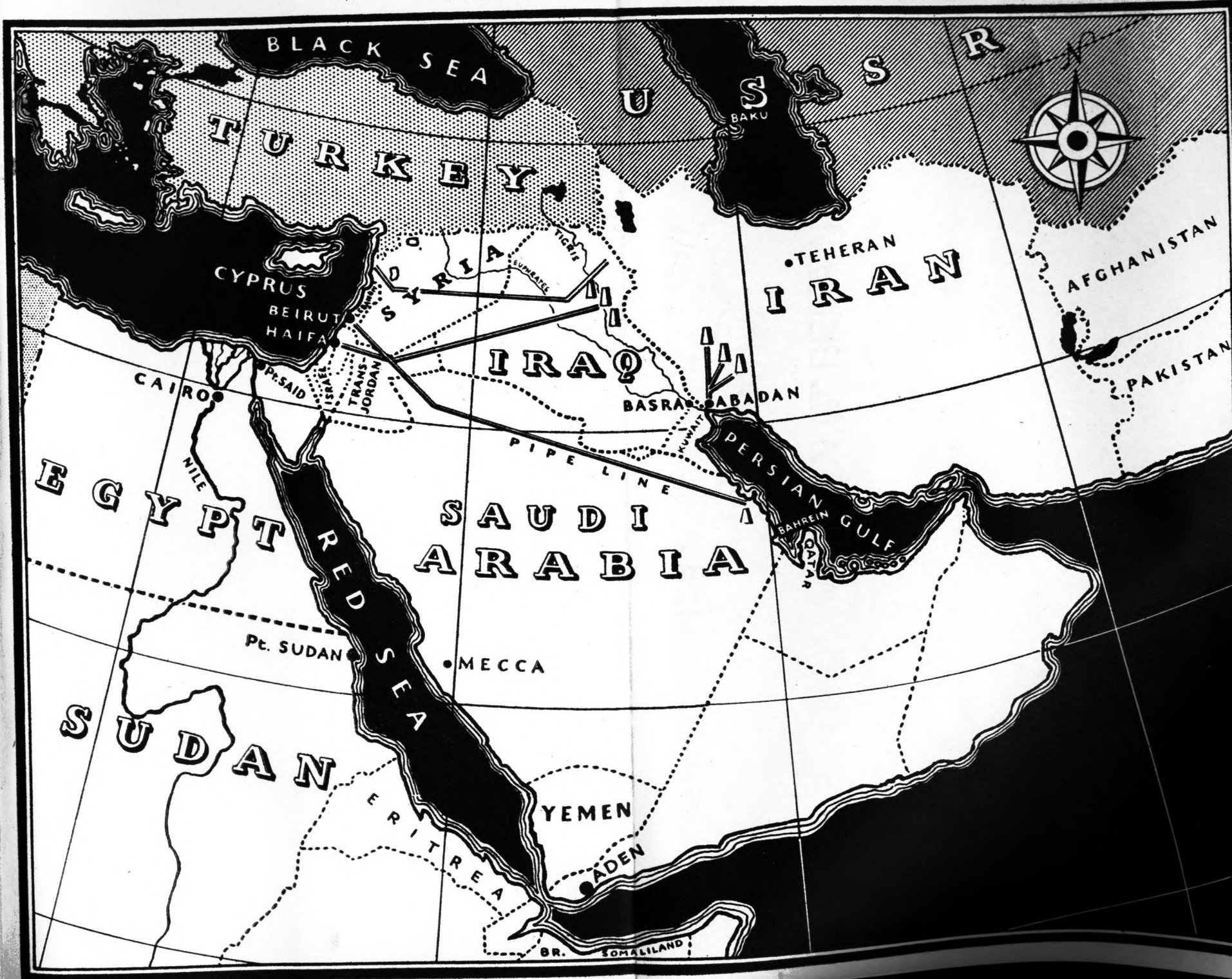
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