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## Trade and the Future of the British Empire

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FROM the early days of British Imperialism there has always been a section of the British Capitalists who have endeavoured to foster the idea of the all-sufficiency of trade within the empire as the goal of their activities; that it was possible so to develop the countries which had from time to time been conquered, annexed or absorbed so that they would provide an outlet for British manufactures and would in turn supply the foodstuffs and raw material necessary to the home industrial life. That in the main was the thesis on which the theory of British Imperialism was built. Consequently, it was the business of the capitalists at home to provide the capital for the development of British possessions which were disguised under the names of colonies, dependencies, protectorates or Free State.

This export of capital, when attacked by labor, was defended on the ground that it would provide more work owing to the orders it would bring for rails and steel and coal, and all the other raw materials necessary for the development of the country. And thus British labor was led into supporting imperialism, into becoming imperialist itself.

This theory of imperialism was, however, based upon two most important premises. 1. That it was possible to develop the British possessions so that they would be able to supply the home requirements of foodstuffs and raw materials and be able to absorb the surplus of manufactured goods produced at home. 2. That the British possessions would continue to order all their materials from England, and would not in consequence of their industrial development build up industries which would compete with the home industries for local orders.

The first big blow to this theory came with the conflict between German and British Imperialism which resulted in the European War. But now, when it appears that German imperialism is no longer a factor in the struggle, when British Imperialism has increased its possessions as a direct result of the conflict, the way ought to be clear for the increasing development of the British Empire as an economic unit. To achieve this, huge schemes have been initiated by the protagonists of this theory, such as cotton growing in Egypt, Australia, Nigeria and India. Every corner of the Empire has been assiduously searched for oil. Wheat growing is encouraged in many places; vast schemes of ports and harbours have been put forward for Africa, and great mineral surveys have been undertaken.

To provide money for these and other schemes, an average of £83 millions of capital for the years 1921 and 1922 were exported to British possessions, compared with an average of £74 millions for the years 1912 and 1913. But as can be seen from the figures given below, there would appear to have been no appreciable increase in the proportion of British trade with the Colonies. The first table gives the percentage of the total of British imports from the colonies, from Europe and the rest of the world respectively for 1913-1922:

### Imports to Great Britain.

	1913	1919	1920	1921	1922
From					
British Possessions	27.6%	35.8%	28.9%	30.6%	31.8%
Europe	41.6%	17.4%	26.0%	30.0%	32.8%
Other Countries	30.8%	46.8%	45.1%	39.4%	35.5%

The second table below gives the exports from Great Britain to the British possessions, Europe and the rest of the world.

### Exports from Great Britain.

	1913	1919	1920	1921	1922
To					
British Possessions	39.1%	25.8%	37.6%	42.5%	39.6%
Europe	36.9%	56.6%	40.2%	34.0%	38.2%
Other countries	24.0%	17.6%	22.2%	23.5%	22.2%

In the case of imports to Great Britain the share of the British Possessions has increased very slightly in relation to 1913 but has actually declined in the period covering the post war years. In the case of exports there is practically no change in 1922 as compared with 1913, but as with imports in the post war years there has been a reduction of a fluctuating volume in the proportion of exports to British possessions. Finally the actual proportions both of exports and imports show clearly that the British Empire has not yet achieved the position of being an economic unit.

Let us now examine what has been the actual process in these chief possessions of Great Britain—in Australia, Canada and India. In Australia, in spite of the continual flow of capital from Great Britain in the form of loans to the State and Federal Governments and in the form of shares in industrial concerns, the proportion of imports into Australia from Great Britain as shown by the following percentages, have actually slightly decreased.

### Imports into Australia.

Country of Origin	1913	1920/21	9 months to 31.3.1922
United Kingdom	51.82%	46.9%	49.27%
United States	13.68%	22.0%	18.63%
Other Countries	34.50%	31.1%	32.10%

The position of exports from Australia has however slightly improved in favour of Great Britain, as the following figures show.

Destination	1913	1919/20	1920/21
United Kingdom	44.3	53.9	51.1
Other British Countries	12.6	18.6	19.7
United States	3.3	7.4	7.5
Other Countries	39.8	20.1	20.7

These figures make it clear that so far as Australia is concerned, which is the most favourably placed of all the colonies as regards trade with Britain, the proportion of inter-imperial trade is showing no very large increase.

If we turn to Canada we find that the position has actually become worse in favor of America. No actual trade figures are available for the most recent years but the following compilation of the

per capita expenditure in Canada upon imports from the United Kingdom and the U. S. A. respectively will show the position clearly enough.

### Per Capita expenditure in Canada on exports from the United Kingdom and United States.

United Kingdom				United States			
1912	1922	Increase or Decrease %	1912	1922	Increase or Decrease %		
£-s-d	£-s-d		£-s-d	£-s-d			
3 6 1 2	14 8	-17.227	9 8 10 12	1 5	+27.8		

In Canada the position has not been helped by the flow of capital from the United Kingdom. For practically since the beginning of the War, Canada has obtained all her capital from the U. S. A., and the latter in turn has been increasing her hold on Canadian industries. So much has this been the case, that in 1918 it was estimated that 34 per cent. of the capital invested in Canadian industry was held in the U. S. A., and only 9 per cent. in Great Britain. At the end of 1919 it was officially estimated that the U. S. A. holdings had increased to 50 per cent. and was still increasing.

In India the proportion of British trade is not so small as in Canada, but it is not improving to any appreciable extent as the following table shows.

In this table we give both the imports of India in the years 1913-14 and 1920-22, the proportion taken by the United Kingdom, other British possessions, the U. S. A. and other foreign countries respectively.

### Indian Imports and Exports

	Imports			Exports		
	1913	1920	1921	1913	1920	1921
United Kingdom	64.0%	61.0%	57.0%	24.0%	22.0%	20.0%
British Poss'n's	6.0%	5.0%	10.0%	14.0%	21.0%	21.0%
U't'l Br. Empire	70.0%	66.0%	67.0%	38.0%	43.0%	41.0%
U. S. A.	2.6%	10.5%	8.1%	8.9%	14.8%	10.4%
Total Foreign						
Countries	30.0%	34.0%	33.0%	62.0%	57.0%	59.0%

These figures also show that in India too the proportion of British Empire trade actually decreased as regards imports and only slightly increased as regards exports from India since 1913.

In all the countries we have dealt with, India, Australia and Canada, a large proportion of the exports of Great Britain are in the form of machinery. Textile machinery for instance is exported to India and general engineering machinery to Australia. This machinery is being utilized to create competitive industries with Great Britain in the colonies and is thus rapidly destroying the idea that the colonies are mere markets, or the producers of raw material for Great Britain.

Further, in spite of the export of capital to these possessions of Great Britain, they are rapidly developing a capitalism of their own, whose policy is coming more and more into conflict with the policy of the capitalists of Great Britain. Thus in India already protective tariffs are imposed on British goods. In Australia the nationalized merchant ship-

(Continued on page 4)