

THE  
STRUGGLE  
FOR  
NATIONAL  
INDEPENDENCE

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THE STRUGGLE FOR NATIONAL INDEPENDENCE

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IN ITS INTERNATIONAL SETTING

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Its Economic and Political Background  
and Its Manifestation in the Fourth Committee  
of the United Nations General Assembly

by

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Dissertation Offered for the Degree  
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## P R E F A C E

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I served with the United Nations Secretariat from 1951 to 1954 and attended the seventh and eighth sessions of the General Assembly as an officer in the Fourth Committee.

The work of the Fourth Committee relates to matters concerning the dependent people -- those living in the trust territories of the United Nations and in the non-self-governing territories (or colonies) of Western Powers. The central issue before the Committee emerges from the claims of national independence for the dependent people.

The point of view expressed in the following pages is a personal one, arising out of personal experience.

National independence impinges on a wide variety of subjects. I have attempted to give as much of the general background as might be proportionate to the main study; but this has imposed severe limitations and many of the topics have had to be drastically circumscribed. It seemed appropriate, further, to limit detailed analysis of activities of the Fourth Committee to a single Assembly session. These details are contained in Parts Three and Four. The session chosen was the eighth, which began in 1953, and with only one important exception the general plan has been carried out.

The issues of national independence confronting the Committee have made practical considerations paramount. I have emphasized this aspect and have tried, also, to avoid technical language in presenting them. This is the light in which observations concerning 'domination', 'subjection', 'emancipation', 'liberation', 'foreign Powers', and so on, should be viewed. Theoretical considerations and fineness of distinction had forcibly to be abandoned in the face of more practical usage; for it is with an active, real and growing movement that this study deals.

Page references to General Assembly documents are those of original texts or translations issued while the General Assembly was in session. They would not therefore in all cases apply to the more permanent printed records subsequently compiled in fascicule form under agenda-item classification and published as annexes to the official records of the General Assembly. Page references given in connexion with official summary or verbatim records of meetings, however, refer to the approved printed records and not to the restricted mimeographed drafts circulating among delegations for their approval after meetings. Changes in page-numbering in no way affect the reference number or title of the document itself. To facilitate reference, agenda-item classifications have also been given and a list of all eighth session documents quoted in the text has been added to the general list of references at the end of the volume. All references to pages of United Nations publications (as distinct from United Nations or Assembly documents) remain unaffected. For those reasons -- and because reprinted draft resolutions and amendments are usually brief -- difficulty in referring to texts other than the original will, it is hoped, be reduced to a minimum.

G. S. L.

Grahamstown,  
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October, 1956.

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## I N T R O D U C T I O N

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The decade following the close of the Second World War has been dominated throughout by the clash of political power of the United States and the Soviet Union. Their wartime alliance has crumbled. New, antagonistic alliances have come into existence. The so-called 'East-West' split, polar in its effect, has forced the admission that prospects of stable peace depend on how successfully bridges can be made to span the gulf.

This over-riding and pervading reality has blinded us to the importance of another struggle, which is everywhere mounting in force and intensity and which history may well record as a dominant theme of the twentieth century -- the world-wide struggle for independence. In some cases it has produced revolution and violence : full-scale wars have been fought in its cause in Indonesia and Indo-China; military engagements have taken place in Kenya and Tunisia; Cypriots and British garrison forces have exchanged fire; Malaysians have rioted; and 'incidents' too numerous to detail have been reported from a great variety of countries where political dependence exists.

These events are part of a chain linking the four quarters of the globe. Some will say that the force that links them is Communism : this is possibly too glib an assertion and too flattering; it credits international Communism with success in promoting disturbance and unrest which may well lie beyond its present powers of achievement. But whether

or not this is so, it still remains valid that there is no need for the assumption in the name of Communism, because there already exist other forces that are impelling the people of dependent territories toward the goal of national independence and which even the collapse and disappearance of Communism would not now seriously halt or check.

These are the forces of 'anti-colonialism'. Their composition, their conflict with 'colonialism' and the more important features of the backdrop against which the drama is moving are the principal points of concentration of this study.

What is colonialism? The frames of reference are multitudinous. The historian thinks of the rise and fall of empires, the sociologist of plural societies, the colonial demagogue of political bondage, the Colonial Office of emancipation from barbarism and the coming of welfare, order and law. It is almost impossible to use the term without evoking widely differing subjective concepts. The de jure definition of colonialism is unsuited to our purpose because it fails to disclose the fact that structures are frequently developing within the over-all framework of colonialism, providing an outlet for the energies and aspirations of colonial peoples. Furthermore, it would be a mistake to regard colonialism as something static: its forces are by nature dynamic. The colonialism of today differs greatly from the colonialism of the eighteenth and nineteenth centuries.

We have not yet answered the question: Of what elements is colonialism comprised? Although any criteria would be no more than arbitrary, the term should be applied to those cases in which there is no clear provision for self-government or in which there is no purposeful trend away from tutelage.

This is the central issue of the polemics over colonialism today. It must not be forgotten, however, that what a colonial Power may regard as a great and positive step toward independence may not be so received in anti-colonial quarters. An anti-colonial view might accept the contention that a change effected by a colonial Power in a dependent

territory is indeed a step forward; yet it might at the same time very easily consider that the advance is 'too little and too late' and assert that the change -- viewed in perspective against the compelling ideal of emancipation of dependent peoples -- does nothing to alter the fundamental existence of colonialism. Anti-colonial States generally regard as colonialism the exercise of extra-territorial power by a State over persons who do not directly contribute that power in full and who would otherwise be able to withdraw it at will.

The definition might thus be extended by stating that the issue of colonialism arises in situations in which a purposeful trend away from tutelage is lacking or in situations in which that is alleged to be the case.

This is not merely circumlocution for describing States which have colonial possessions and those which do not; our definition has to provide for the fact that anti-colonial States do not without exception brand the actions of colonial Powers as colonialism. It is patent, however, that the anti-colonial States believe that the trend in the direction of self-government is often not clear enough or not strong enough; and that colonialism is thus being perpetuated at the expense of national independence. I am fully aware of the difficulty; but our definition accurately describes what is understood in international politics when the terms 'colonialism' and 'anti-colonialism' are applied.

Who are the dependent people and why is their struggle important ?

In the trust territories of the United Nations and in the colonies of metropolitan Powers live nearly 200 million persons. The world-wide struggle for independence springs from the drive of those persons to assert their right of self-determination -- their right to govern themselves.

The proportions thus assumed by the independence movement would be large enough if the contest were limited to one between the dependent

people and the Powers they consider to be holding them in subjection. The dependent people, however, have a host of allies. With their allies they represent a numerical strength of at least 1,800 million persons, outnumbering their opposing forces by a ratio of three to one.

The struggle might long since have been decided if the issue depended on numbers alone. It does not. The vaunted 'equality of nations' is a myth which history has stabbed to the heart. The doctrine survives only as a concept of a highly specialized nature and is of strictly limited applicability.

States differ widely as populations -- in their numbers, distribution and density; in their rate of growth or survival. Their climates and their resources diverge; the production of food is disparate and the raw materials at their disposal are unequal. The degrees of economic achievement vary; levels of living contrast; individual average incomes show a wide range; productivity is far from constant; the application of technology is uneven; and the general development of economies fails to show a parallel rate of progress. In political and social fields there are important differences in the nature of institutions, in standards of education, health and skill, in basic systems like those of land tenure and in the degrees of political independence enjoyed. Economic and political growth have both been unequal. There is a concerted drive to eliminate some of the inequalities.

It is these very differences that have given impetus to the struggle. Material wealth and the capacity to produce relatively high incomes have become concentrated in a small group of States of the West. The countries which make up the select group not only enjoy sovereign political independence but also, in many cases, hold political and economic power in greater or lesser degree over dependent people. These are the so-called colonial Powers. The identification of riches with independence or colonialism spurs and incites the dependent people to continue their struggle for national independence. The benefits of

world trade are unmistakably clear. The dependent people, who participate in the world economy, are demanding a greater share of the benefits of that economy and the instruments they are seeking to use to advance their cause are those of economic and political development.

The question of economic development is critical. Economic development is the means by which a 'poor' country increases its wealth or becomes rich. It becomes rich by saving -- by producing more than its current needs and investing that surplus to produce increased wealth in the future. The problems of economic development are the problems of achieving greater efficiency of production and thus strengthening the economy; the burden of independence is supportable in the last instance only by the pillars of a strong economy, by an economy which will enable a country to trade profitably with the outside world. For that is the ultimate aim of all economic development within these terms -- to be able to increase the share of advantages offered by the world economy. The goal of independence, moreover, is not desired by countries now politically dependent on others so that they may cut themselves off from the world, but so that they may become more important members of the international community.

Intensified agricultural production and industrialization have increased the efficiency, productivity and prosperity of the West in a way that has given it the lion's share of the world's income. Such is the reward of economic development. But the States of the West contain about 20 per cent of the world's population; as the dependent people comprise only 7 per cent of the world's population, how do we account for the balance of the 'poorer' group -- an additional 70 per cent ?

It is made up of sovereign and independent States which are facing the fact of their own relative poverty in common with the dependent people of the world.

This is the first great link between the dependent people and their allies : they share the problems of 'underdevelopment', of absolute poverty or of a poverty that is relative when one considers the more highly developed countries of the West. This is the bond which gives to the dependent people overwhelming majority support in their struggle for independence.

There is another important fact : many of the relatively poor countries have recent histories of subjection to colonial rule or 'foreign domination'. The memory of that subjection and its overthrow is green. The newly independent States are urging their not-yet-independent allies to press their claims for national sovereignty and to take their place in the world community of States. The twin forces combine to give power to the world struggle.

In essence, this is the spirit of nationalism raised to the level of an international issue. In these pages the term 'nationalism' is given the widest interpretation. Nationalism is recognized by the assertion of claims for the nation-state, existing or still struggling to be born; it would even include an 'imperialistic' act if the basis of the action was national feeling. Nationalism is group sentiment for national characteristics, for the power that forms through the welding of elements with those characteristics -- a power supreme to the group, which sets it apart from the rest, repudiating universality, repudiating superior authority and making of national sovereignty a god.

Because of the tremendous advance in Man's power over Nature and his physical environment, a force is irresistably driving humankind together in the interest of survival. This is the founding philosophy of the United Nations. The greatest justification for the international organization exists if we interpret its establishment as an attempt to overcome nationalism. It has no obvious reason for existence unless at least some measure of interdependence of the people of the world is assumed.

International interdependence and national independence -- can we have both, or must we choose ? Can we choose ?

Part One

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THE

INTERNATIONAL

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## Chapter One

### THE MAIN ENCOUNTER

One of the greatest movements in international affairs today is the struggle to dissolve imperial rule and to break the ties of dependent people.<sup>1</sup>

The dependent people are spread over the globe.

More than 20 million live in trust territories<sup>2</sup> in Africa and in the Pacific, administered by the governments of other countries under legal agreements with the United Nations and with the stated aim of establishing self-government or independence for those people;<sup>3</sup> but the inhabitants of the trust territories are only a slender minority. Those living in the colonies (or non-self-governing territories), subject wholly or partly to

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1. Cf. Lord Hailey, 'British Colonial Policy', Colonial Administration by European Powers (London, 1947), pp.89-90.
  2. See also U.N., The Population of Ruanda-Urundi (1953.XIII.4); The Population of Tanganyika (1949.XIII.2); The Population of Western Samoa (1948.XIII.1).
  3. For texts of agreements, see U.N., Trusteeship Agreement for the Territory of the Cameroons under British Administration as Approved by the General Assembly on 13 December 1946 (1947.VI.A.6);.....Cameroons under French Administration..... (1947.VI.A.7);.....Nauru /approved 1 Nov. 1947/ (1947.VI.A.11);.....New Guinea..... (1947.VI.A.10);.....Ruanda-Urundi ..... (1947.VI.A.5); ..... Somaliland under Italian Administration ..... /approved 2 Dec. 1950/ (1951.VI.A.1);.....Tanganyika.....(1947.VI.A.4); .....Togoland under British Administration.....(1947.VI.A.8);..... Togoland under French Administration.....(1947.VI.A.9);.....Western Samoa.....(1947.VI.A.3). For text of the agreement in respect of the strategic area of the Pacific Islands, approved by the Security Council on 2 April 1947, see U.N., Yearbook of the United Nations, 1946-47 (1947.I.18), pp.398-400.

colonial rule and whose future is determined by the governing Power, are estimated at almost 170 million, living mainly in Africa, Asia and Oceania.<sup>1</sup>

Nearly 190 million of the world's people, therefore, are governed from abroad.

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A statistical approach<sup>2</sup> to the expansion of modern colonial empires shows that before Columbus crossed the Atlantic the States of Europe (including Russia) controlled about 9 per cent of the world's surface.

In 1801 Western States controlled about one third of the world. In spite of the loss by Spain and Portugal of their Latin American colonies between 1820 and 1840, Western Powers had doubled their holdings by 1878.

Between 1880 and 1913 they added a further 17 per cent, mainly in Africa; and within twenty years after the scramble for Africa began in the last quarter of the nineteenth century, Liberia and Ethiopia were the only African States under African governments.

Before that time 56 per cent of Africa was independent. By 1914 only 4 per cent remained.

France held 35 per cent of all African territory, Britain 19 per cent, Belgium 8 per cent, Germany 8 per cent, Portugal 7 per cent, Turkey 3 per cent and Spain 1 per cent. A further 8 per cent was under international control.

The share of the land area of the world controlled by European and Western Powers (including metropolitan territory in Europe and North America) was: Britain 23.9 per cent; Russia 16 per cent; France 9.3 per cent; United States 7.3 per cent; Germany 2.4 per cent; Italy 2.1 per cent;

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1. U.N., Demographic Yearbook, 1955 (1955.XIII.6), pp.99-114.

2. Grover Clark, A Place in the Sun (New York, 1936).

Belgium 1.9 per cent; Netherlands 1.6 per cent; and other Western countries 21.1 per cent.

The populations controlled by these Powers, expressed as percentages of world population, were: Britain 24.4 per cent; Russia 8.2 per cent; United States 6.9 per cent; the Netherlands 3.5 per cent; Italy 2.2 per cent; Belgium 1.1 per cent; and other Western countries 18.0 per cent.

About this time Europe's population was one quarter of the world's total.

By 1935-36 European countries, together with the United States, held sway over some 85 per cent of the world's area. Flags of Western States flew over some 43 million square miles of the earth's total of 51 million. Seventy per cent of the world's population deferred to Western governments.

At that time the Commonwealth and Empire of Great Britain stretched into Africa, Asia, Oceania and the Americas; France headed a large empire in Africa and the East; the Netherlands was sovereign over parts of South East Asia and Latin America.

Belgium was ruler of the Congo.

Spain had colonies in Africa.

Portugal had colonies in Africa and India.

The Danish flag flew over Greenland.

Australia extended into New Guinea.

New Zealand extended into the Coral Sea.

Germany, Italy and Japan had pushed forward their frontiers by military conquest.

The United States, in spite of its reluctance to be considered a colonial Power and without minimizing its traditional support for independence and the right of peoples to self-determination, was administering territories in the Pacific, in the far north of continental America and in the Caribbean.

Great parts of colonial territory still remain.

Australia's territories include Norfolk Island, Papua, Ashmore and Cartier Islands, Australian Antarctic Territory, Heard and MacDonal Islands.

Belgium governs the Congo.

Denmark rules the Faroe Islands and Greenland is a province of Denmark.

France administers Algeria as part of France and there are some 3.5 million square miles of territory which form the French Union: the overseas departments of Guadeloupe, Martinique, Reunion and French Guiana; the overseas territories of French Equatorial Africa, French West Africa, Madagascar and the Comoro Archipelago, French Somaliland, New Caledonia, French settlements in Oceania, Sainte-Pierre and Miquelon; and the Anglo-French condominium of the New Hebrides.

The Netherlands has territories in Netherlands New Guinea, Surinam and the Netherlands Antilles.

New Zealand administers the Tokelau Islands as part of New Zealand; it also administers Cook Islands and Niue and the Ross Dependency.

Norway's territories include the Svalband Archipelago, Jan Mayen Island, Bouvet Island, Peter I Island and the Norwegian Antarctic Continent Dependency.

Portugal administers as part of its own territory the islands of

Madeira and the Azores: its overseas territories include Angola, Portuguese Guinea, Cape Verde Islands, Mozambique, Macao, Portuguese Timor, Sao Tome and Principe Islands.

Spain administers as provinces the Balearic Islands and the Canary Islands and directs the affairs of the Spanish North African Colonies.

A list of British possessions would number Aden Colony and Aden Protectorate, the Bahamas, Barbados, Basutoland, Bechuanaland, Bermuda, British Guiana, British Honduras, the British Solomon Islands, British Somaliland, Brunei, the Channel Islands, Cyprus, the Falkland Islands, Fiji, Gambia, Gibraltar, Gilbert and Ellice Islands, the Gold Coast, Hong Kong, the Isle of Man, Jamaica, Kenya, the Leeward Islands, Malaya, Malta, Mauritius, Nigeria, North Borneo, Pitcairn Island, St Helena and Ascension, Sarawak, the Seychelles, Sierra Leone, Singapore, Swaziland, Tonga, Trinidad and Tobago, Uganda, the Windward Islands and Zanzibar.

Territories of the United States of America include Alaska and Hawaii, Guam, the Virgin Islands and American Samoa.

This array of what remains of overseas territories excludes the trust territories of British and French Togoland, the British and French Cameroons, Somaliland under Italian administration, Tanganyika, Ruanda-Urundi, New Guinea, Western Samoa, Nauru and the strategic area of the Pacific Islands.

Among all these territories there is a great variety of status, ranging from almost complete internal self-government to almost complete dependence on an overseas Power. Some are densely populated; others are uninhabited.

Colonial policies vary<sup>1</sup> and the differences are important.

The general policy of the United Kingdom Government toward its

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1. See René Maunier, The Sociology of Colonies (London, 1949), vol. I, pp.29, 37, 44.

dependent people is one directed at ultimate independence, although there are limitations; slow change and gradual cession of power are expected to lead the people of a dependent territory toward self-government.<sup>1</sup> The twentieth century is filled with examples of British colonial change which has led to self-government or independence.

French colonial policy aims at association. It aims at freedom for individuals or communities — a freedom not to initiate their own independent government but to develop and thus to earn greater privileges under an existing government, the Government of France.<sup>2</sup>

Belgian colonial policy is closer to the French model than to the British, but the similarities are few. Belgian policy seems to assume that people are subject people because of their slower historical development and to insist that only the firm and conscientious exercise of power by the colonizing State can begin to narrow that gap. No prospect of self-government or independence is currently entertained.<sup>3</sup>

These differences in status and differences in the manner of administering colonial territories are themselves in a state of constant flux. Change is so continuous a part of the story that any attempt to picture the fluid present is 'like trying to draw a galloping horse'.<sup>4</sup>

Whatever the conditions under which colonial rule is being exercised and however little overseas possessions or provinces may now resemble the historical prototypes of colonies,<sup>5</sup> the existence of colonial empires is

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1. Lord Hailey, An African Survey (London, 1938), p.248; Rita Hinden, ed., Local Government and the Colonies (London, 1950), p.227.

2. Hailey, African Survey, pp.543, 1640.

3. Hailey, African Survey, p.1641; Pierre Ryckmans, Dominer pour servir, rev. edn. (Brussels, 1948).

4. Elspeth Huxley, The Sorcerer's Apprentice (London, 1951), p.xvii.

5. For a general historical account of the period up to the beginning of the present century, see Albert Galloway Keller, Colonization (Boston, 1908). For a brief description of events involving international change between the two World Wars, see G.M. Gathorne-Hardy, A Short History of International Affairs, 3rd edn. (London, 1942).

an inescapable fact.

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Between 1936 and the present time, however, the political map of the world has been extensively re-drawn.

New identities have been given to territories formerly under the control of the Axis Powers, stripped by defeat in war. Germany's boundaries have shrunk; Japan has been thrust back from Manchuria, China and Korea; and the former Italian colonies each have new status: Libya is independent, Somaliland awaits its independence in 1960 and Eritrea is part of a federation under the Ethiopian Crown.

In the British Commonwealth the political change has been most marked.<sup>1</sup> Burma has left the Commonwealth. India has split into two independent States, Pakistan and the new India. Ceylon has become a separate Dominion. New constitutional status has come to the Gold Coast Colony and a date has been set for its imminent independence. The Rhodesias and Nyasaland now form a federation. The mandated territories of Palestine and Transjordan have gained independence as the State of Israel and the Hashemite Kingdom of Jordan.

France has withdrawn in Indo-China, the Near East and Africa: Cambodia and Laos have independence; so do Syria and the Lebanon; Tunisia and Morocco are no longer protectorates.

After the war in the East Indies, Indonesia is a separate State.

Portugal has made concessions in India.

Spain has made concessions in Morocco.

The Philippine Islands are independent and Puerto Rico, with internal self-government, has advanced to commonwealth status in its relation to

1. See James A. Williamson, A Short History of British Expansion, 2nd edn. (London, 1930), vol.II. For summaries of recent constitutional changes, see annual editions of The Commonwealth Relations Office List (London).

the United States. The United States is also considering revision of the status of Hawaii and Alaska.

An important new organization has superseded the League of Nations Mandates System.

In 1937 dependent people comprised 16 per cent of the world's population. World population was then below 2,130 million. Those in the mandated territories of the League of Nations numbered 18 million and 'colonial' populations totalled more than 320 million.

By 1954, however, the numbers of dependent people had slumped dramatically from 320 million to 190.

The percentage of world population represented by dependent people had been cut by more than half — from 16 per cent to 7 per cent — and the ratio of one-in-six had diminished to one-in-fourteen.

The growth and spread of independence is also a reality.

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It has been suggested that the whole history of modern international relations divides into three overlapping periods, marked by different concepts of the nation as a political entity.<sup>1</sup> The first was the period of the French Revolution and the Napoleonic Wars, lasting until the Congress of Vienna; the second phase, born out of the first, closes with the First World War and the Versailles Treaty; the third, which more truly had its beginnings after 1870, was ebbing between 1914 and 1939.

A fourth period has begun. It is a period of strident nationalism of a new kind.<sup>2</sup>

The economic roots of the new nationalism go deep. The historical

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1. Edward Hallett Carr, Nationalism and After (London, 1945), pp.1-2.

2. Carr, Nationalism and After p.34; P.E. Corbett, Post-War Worlds (New York, 1942), p.111.

picture of single communities forced to produce all their needs has been transformed into one of a gigantic modern world market. International exchange enables groups and States to specialize and thus take the greatest possible advantage of their productive capacity. Specialization has advanced so far that this exchange of goods has become a virtual necessity. The country that cannot participate in the world economy considers itself poor indeed.

The ability to exchange more freely in no way removes the need for being productive — regardless of the kind of goods produced — and in developing their capacity to produce both for their own and for the world's markets the countries of the West have gained a tremendous lead. They command an overwhelming proportion of the world's trade and an overwhelming proportion of its total income.

Less than one fifth of the world's population earns two thirds of the world's income<sup>1</sup>.

Many of the remaining countries, including those of the dependent people, are not only poor by the measure of their earnings or of their resources, but are becoming relatively poorer because the more highly developed countries of the West are advancing at a faster pace. In some cases, like that of the United States, the total volume produced by the country is doubling every generation.

The plight of the less developed countries is real. Their demand for a greater share in the benefits of the world economy is a prominent feature of the new nationalism.

The dependent people are thus part of the formidable front of 'underdeveloped' countries now pressing their claims on a world economy dominated by the countries of the West. Their own poverty unites them.

They see, moreover, that one factor is common to most of the States

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1. Ragnar Nurkse, Problems of Capital Formation in Underdeveloped Countries (New York, 1953), p.63, based on data included in U.N., National and Per Capita Incomes in Seventy Countries, 1949 (1952.xvii.8).

of the West: they are Powers with colonial possessions. It is difficult to escape the conclusion that colonies and riches go hand in hand. In the dependent territories and among the underdeveloped States of the world little credence is now given to the contention that the cost of modern empires, whether founded by exploration or built by victories in war, is considerably greater than any profits which may have come from colonization.<sup>1</sup> High incomes and high levels of living are characteristic of the homelands of colonial Powers.

This is so, the dependent people maintain, in spite of the fact that they produce the raw materials upon which much of the rich, industrialized life of the Western countries is based and that they also provide markets for the manufactures of the West.

The world's colonial territories produce half the world tonnage of bauxite, but manufacture no aluminium; they produce more than half the world production of cocoa beans but manufacture no cocoa powder or butter. Eighteen colonies produce 3.5 million tons of cane sugar between them each year but refine practically none. In many colonial territories cotton is being grown on a large scale by workers wearing imported cotton piece goods.<sup>2</sup>

The general poverty of the share of dependent people in world trade is reflected in the fact that Africa has less than 5 per cent of the world's exports and less than 5 per cent of the world's import trade.<sup>3</sup>

To the underdeveloped countries it would seem that further benefits have remained with the colonial Powers, the industrialized countries of the West. It is characteristic of the underdeveloped countries that they are vulnerable in times of depression, when the impact upon undiversified economies becomes especially severe, and in times of world war, when they become isolated from supplies of manufactured goods and markets for exports

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1. Norman Angell, The Great Illusion, 3rd edn. (London, 1911).

2. U.N., Special Study of Economic Conditions and Development in Non-Self-Governing Territories (1952.VI.B.2), p.338.

3. Hailey, African Survey, p.1656.

of raw materials in the more industrialized countries.<sup>1</sup>

From mid-1940 the Latin American countries were cut off from European markets which, in pre-war years, bought 500 million dollars' worth of their products, making up one third of their entire export trade.<sup>2</sup>

Seven countries of Africa south of the Sahara depend on one or two main exports for between 60 and 90 per cent of their income from exports; Northern Rhodesian copper accounts for 90 per cent of its exports; Nyasaland's tobacco and tea account for 90 per cent; Uganda's cotton for 73 per cent; the gold of the Union of South Africa for 70 per cent; the minerals of the Belgian Congo for 65 per cent; Tanganyika's sisal and gold for 63 per cent; and the tobacco and gold of Southern Rhodesia for 60 per cent.<sup>3</sup>

Modern colonial expansion has given power and strength to the prestige and ideal of the nation-state. Colonialism, in essence a process of concentration of power, has given rise to a splitting up of power. Each time a colonial possession has severed its bonds of dependence the splitting-up process has spread.

The drive has been spurred by the need for colonial reform, for better conditions for subject people. The constitutional changes and the active promotion of welfare in the dependent and formerly dependent territories over the last ten years are recognitions of this fact.

The dependent people, however, have seen the examples in modern colonial history of rewards for those who sought to reject colonial rule. Independence has often been won by violent revolution: of the twenty-two States comprising the Americas, only Canada and Brazil became independent without revolution; the remaining twenty all freed themselves by force of

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1. P.T. Ellsworth, The International Economy (New York, 1950), pp.787-8.

2. Percy W. Bidwell, Economic Defense of Latin America (Boston, 1941), p.14.

3. Raymond Burrows, The Development of Southern Africa (Johannesburg, 1945), p.22.

<sup>1</sup>  
arms.

The dependent people are being given 'the stimulus to change, the challenge to make progress'.<sup>2</sup> The doctrine of the right of peoples to self-determination has become more and more insistently invoked since President Wilson gave it resounding emphasis at the close of the First World War.<sup>3</sup>

Self-determination represents freedom to choose political status. The doctrine refers to the 'right of all peoples'; but the people of sovereign States have already exercised their right and would be concerned only if it were taken from them. The doctrine can have meaning only for the dependent people in their emergence from dependence.

In the view of the new nationalism there is one logical end in applying the principle of self-determination — the creation of new nation-states and the spread of independence. The dependent people are being encouraged to throw off the yoke of colonialism and to take part in the affairs of the world as fully independent nation-states.

This is part of the world-wide drive for independence.

Self-determination raises many problems, particularly when it conflicts with other humanistic or political principles, such as that of the protection of minorities; but the clue to its present insistence is the belief that self-determination and independence are identical.

Self-determination is the key to independence and all beyond; how you will treat with the world; what part you will play; where you will sell your goods and on what terms; in what markets you will buy; how you will develop your raw materials or your own industries; how you will use your labour; what measure of financial interest of the outside world you will demand or accept; and how you will generally conduct your present

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1. Ryckmans, Dominer pour servir, pp.11-12.

2. Neil MacVicar, Western Civilization and the Bantu (Johannesburg, 1947), p.33.

3. Norman Bentwich and Andrew Martin, A Commentary on the Charter of the United Nations (London, 1950), p.70.

and plan your future.

These are the attributes of sovereign and independent States. The demand for such attributes is the demand for political recognition — the second great feature of the new nationalism.

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The elements of the new nationalism are many.

An example of its complexity is given in a new survey of modern West African nationalism, which finds that nationalism includes the demand for constitutional reform and the transfer of political power; opposition to the power of the foreign-owned businesses; opposition to the power of the religious missions; the movement to strengthen the position of the commoners as against that of the chief; the re-awakening of interest in national culture and history; and the protest against poverty and the demand for improvements in the standard of living.<sup>1</sup>

The range of activities which the new nationalism embraces is wide. It is not confined to matters purely political; it is also intimately connected with relative values. The relative poverty of a country, its relatively low living standards or its relatively small recognition by the outside world might be important features of any given nationalism. All the elements listed, and many more like them, however, can be grouped round either of the two central goals — increased political importance and a greater share of the benefits of the world economy.

The same goals unite the dependent people and the sovereign independent States that are underdeveloped: the struggle to reduce their own poverty and the struggle to assert their independence in the world community.

A great and growing unity has become manifest among the people of

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1. Henry Collins, 'Towards Self-Government in British West Africa', The New West Africa, ed. Basil Davidson (London, 1953), pp.64-5.

underdeveloped regions.<sup>1</sup> Between the dependent people and the people of independent but underdeveloped States a firm identity has sprung up.

Expressions of the new nationalism are seldom hostile to one another. In general they conflict only with the old nationalism that built colonial empires. Today's nationalism raises an international chorus of approval when it rebels against the nationalism of yesterday — the nationalism that extended colonial empires in the latter half of the nineteenth century and consolidated them in the twentieth.

It is thus possible to describe the forces in the world-wide struggle for independence as the 'colonial' and 'anti-colonial' fronts.

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Two broad currents are swirling — sometimes together, sometimes apart — and within them the force of the world-wide movement for independence is to be found; the anti-colonial front, comprised mainly of underdeveloped countries, is seeking economic development as an instrument to gain greater benefits in the world economy and it is asking also for recognition of political independence.<sup>2</sup>

Self-government or independence are assumed to embody the assurance that groups or States will be subjected to a minimum of outside interference and be left free in the exercise of internal authority.

The anti-colonial forces are aiming at the goal of universal independence of the nation-state according to these principles: they say that freedom is indivisible; that while dependent people remain subject people the hopes for world peace are endangered; that a world so divided into a large number of nation-states is not one that will undermine itself; that national barriers are cross-structures in a world framework which strengthen rather than weaken it; that mutual respect is increased by independence, just as self-respect is enhanced; that a 'master is a master, even if he be a good master';<sup>3</sup> that power over a man's means of subsistence

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1. U.N., A Study of Trade between Asia and Europe (1953.II.F.3), p.1.

2. Cf. Hilda Kuper, The Uniform of Colour (Johannesburg, 1947), p.xii.

3. Maunier, Sociology of Colonies, vol.II, p.477.

amounts to a power over his will;<sup>1</sup> that good government by another Power is no substitute for self-government; that capacity for self-government must be developed<sup>2</sup> — if necessary at the price of less efficient government;<sup>3</sup> that nothing so educates a man for a task as performing the task itself.<sup>4</sup>

Colonialism, these forces say, is outmoded; it is corruptive in effect; it stifles liberty. By cherishing and nurturing the desire for liberty, man's true destiny can alone be fulfilled.

The colonial Powers contend that freedom is not an abstract condition that can be wished on any community; that the attitude toward freedom 'should not be cheerful approval but terrified apprehension'.<sup>5</sup>

Freedom, they say, is a measure of the reality of independence and this reality is achieved only through ability, strength and endurance. For many groups the granting of nominal independence could be no more than an illusion, as independence itself can be destroyed by the lack of a capacity to use it.

They contend further that independence of individuals is the goal toward which they are consciously striving. Independence will exist when individuals themselves have achieved it and its award will become no more than a technicality. Until that stage has been reached, it would be contrary to principle to encourage the destruction of what has painstakingly been built up.<sup>6</sup>

The ideals of freedom and liberty are accepted by the colonial Powers,

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1. Alexander Hamilton and others, The Federalist, ed. Max Beloff (London, 1948), p.403.

2. Joyce Carey, The Case for African Freedom (London, 1941), p.116.

3. J.C. Smuts, Africa and Some World Problems (Oxford, 1930), p.175; cf. Obafemi Awolowo, Path to Nigerian Freedom (London, 1947), p.134.

4. Tshekedi Khama, 'The Principles of African Tribal Administration', International Affairs, XXVII (1951), p.453.

5. Maurice Cranston, Freedom (London, 1953), p.58.

6. Cf. Bertrand Russell, New Hopes for a Changing World (London, 1951), p.13.

who do not challenge the goal of equal opportunity. The point of issue is found in the means by which such freedom may be achieved and protected.

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Among the allies of the dependent people are States which have comparatively recently become independent and States in which prevailing thought condemns the colonial empire as a barrier to human progress.

These States themselves form a majority in the world community.

A majority of States, speaking both for a large number of the world's 2,650 million people and in vindication of their own hard-won independence, have raised nationalism to a new level as a universal issue, creating a paradox in an interdependent world and giving to their cause a force and size that mark it unmistakably as a world struggle.

The effect of the alignment of colonial and anti-colonial forces is a major consideration in this study.

The evidence shows that more than two thirds of the States of the world represented in the United Nations are rallied by the cause of independence from foreign control of all dependent peoples, an independence in which the right of self-determination is inherent,

Moreover, the world-wide drive for the establishment of independence and the resistance to its precipitation is expressed only in the name of principles to which all of these States have openly subscribed in their endorsement of the United Nations Charter — world peace and world progress. The strong contrast of opinion is on the means by which attempt should be made to honour these principles and to bring them to active life.

It is the wall which divides States agreed upon a common aim and which splits the world community into unequal groups in a fission of serious consequence.

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1. Cf. W.K. Hancock, Wealth of Colonies (Cambridge, 1950), pp.17-18 n.

The division is not a division along racial lines.

Racial distinctions upon purely scientific lines would produce not merely two groups but many.<sup>1</sup> No issues of race are fundamental to the problem.<sup>2</sup>

If racial differences formed the basis for political groupings in the world-wide struggle for independence, we could not explain the composition of the anti-colonial group. Nor have the colonial Powers shown common adherence to the doctrine of racial determinism,<sup>3</sup> although members of the anti-colonial front sometimes accuse them of making unimportant differences in skin colour 'a convenient excuse for their own continued domination'.<sup>4</sup>

It may be true that the whole course of modern urban and industrial life is disgenic;<sup>5</sup> it cannot be true that the rising tide of colour is bringing it about. It may be true that the demand for liberty and the opportunity for self-development 'make common cause with every people in the world that is under white tutelage today',<sup>6</sup> but an important volume of that demand is contributed by people who are not under tutelage and who are themselves 'white'.

It is true that a pressing problem for the colonial Powers is the political integration of the plural society,<sup>7</sup> that the discontent of the peoples in the colonies is often due to the handling of the colour question.<sup>8</sup>

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1. See A.C. Haddon, The Races of Man and their Distribution, 2nd edn. (Cambridge, 1924); C.G. Seligman, Races of Africa, rev. edn. (London, 1939).
  2. Cf. J.H. Oldham, Christianity and the Race Problem. 9th edn. (London, 1933) p.262. See also G.M. Morant, The Significance of Racial Differences (Paris, 1952), (Unesco, SS.52.II.70A), p.46.
  3. Edward Reuter 'Race and Culture', An Outline of the Principles of Sociology (New York, 1943), ed. Robert E. Park, pp.187-8.
  4. Otto Klineberg, Race Differences, (New York, 1935), p.347.
  5. Lothrop Stoddard, The Rising Tide of Colour (New York, 1920), p.302.
  6. Basil Mathews, The Clash of Colour (London, 1925), p.74.
  7. Eric A. Walker, Colonies (Cambridge, 1945), p.94.
  8. Royal Institute for International Affairs, The Colonial Problem, (London, 1937), p.126.

It may also be true that there now exists a mystique of colour.<sup>1</sup> It is true that there is great organized activity for inter-racial harmony.<sup>2</sup>

These things are not challenged; but to ascribe the world-wide struggle for independence to issues of colour alone would be to narrow the field of an encounter which involves something far greater.

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Colonization in the nineteenth and twentieth centuries was overwhelmingly although not entirely Western. The general expansion by world Powers brought to primitive continents 'new wealth, new ambitions, new knowledge, new interests, new faiths and new problems'.<sup>3</sup>

Under Western influence, a new self-consciousness began to be born.<sup>4</sup> A new awareness of themselves spread among the subject peoples and 'new political notions dawned among people who had previously been conscious only of kinship and tribal association'.<sup>5</sup>

Western Imperialism laid the foundations for the new nationalism that was to emerge.<sup>6</sup>

Of Africa, the dominant colonial area, this was particularly true.<sup>7</sup> The old isolation was swept away;<sup>8</sup> Africa had reacted to Europe and was forcing the West to be aware of its wants.<sup>9</sup> In tropical dependencies

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1. Maunier, Sociology of Colonies, Vol.I, pp.416-17.
  2. For an early account of the inter-racial movement in the United States, see Paul E. Baker, Negro-White Adjustment (New York, 1934).
  3. Godfrey Wilson, Economics of Detribalization in Northern Rhodesia, part I, p.9.
  4. Lord Lugard, The Dual Mandate in British Tropical Africa, 4th edn. (London, 1929), p.46.
  5. Arthur Creech Jones, 'British Colonial Policy with particular reference to Africa', International Affairs, XXVII (1951), p.176.
  6. Morris Watnick, 'The Appeal of Communism to the Underdeveloped Peoples', The Progress of Underdeveloped Areas, ed. Bert F. Hoselitz (Chicago, 1952), p.152.
  7. Walter Russell Crocker, On Governing Colonies (London, 1947), p.14.
  8. Ifor L. Evans, The British in Tropical Africa (Cambridge, 1929), p.4.
  9. Robert Delavignette, Freedom and Authority in French West Africa (London, 1950), p.51.

elsewhere, social disintegration was proceeding apace and new values entered the sphere of what was once primitive life.

A natural channel for the expression of change was nationalism; a nationalism produced by — and in reaction against — the West.

The general revolt against Western imperialism is in essence nationalistic and not communistic.

The distinction is of the first importance.

The Second World Congress of the Communist International, which launched one of Communism's loudest appeals for universal support, took place in 1920, when the seeds of the nationalist revolt had already been sown,

Lenin's denunciation of imperialism as the monopoly stage of capitalism<sup>1</sup> was not faithfully echoed by the dependent people; some may have agreed that the economic compulsion in point of history is the first cause of the imperialism that accompanies or follows it,<sup>2</sup> or else that imperialism was an atavism in the social structure,<sup>3</sup> yet the aversion to capitalism was so weak that only an infinitesimal minority of dependent people cared to bring into being, on the achievement of their independence, anything remotely resembling a Communist State.

The success of the Communist appeal, in fact, was so little that its emphasis was later shifted to 'appeals which are not primarily directed to the material wants of man but rather to the human desire for status, equality, freedom from domination or oppression, especially from domination by foreigners'.<sup>4</sup>

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1. V.I. Lenin, Imperialism, rev. translation (London, 1934), pp.80-81.

2. J.A. Hobson, Imperialism, 3rd edn. (London, 1938), p.228.

3. Joseph A. Schumpeter, Imperialism and Social Classes (Oxford, 1951), pp.84-5.

4. Eugene Staley, 'Technical and Economic Assistance under Point Four', Proceedings of the Academy of Political Science, XXV. (1952), pp.30-1.

The Communists and the dependent people shared a distrust of imperialism, but they differed greatly in their ideas of what should replace it once the foreigner had been ejected.

In this limited sense there is common interest, but there the identity ends. The anti-colonial front is aided by Communist States because they are part of the anti-colonial front. Many of the members of the anti-colonial group, however, remain violently opposed to the principles of Communism and have denounced them forcefully.

Both the Communist and the anti-Communist alliances are specific in aim and intention and are, in most cases, the subject of formal treaties.

The world-wide struggle for independence, on the other hand, is not organized through any such treaty universally applied. The movement has no headquarters, no executives and no official members. It is true that in some sectors of the general movement compacts have been formed, but these are results and not causes of an identity of purpose that now stands revealed.

The world-wide struggle for independence, as such, is wholly independent of Communist and anti-Communist alliances and the tendency to obscure this distinction<sup>1</sup> has given rise to false conceptions of the problems involved in current world affairs.

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1. Cf. Jones, 'British Colonial Policy', p.182.

## Chapter Two

### THE SECONDARY ENCOUNTER

The spectacular nature of the post-war encounter between the Western Coalition and the Soviets has blinded us to the world-wide struggle for independence and obscured its full meaning.

While the Western and Eastern alliances faced each other as direct contestants in the world political arena, it was sometimes assumed that the remaining countries were engrossed only as spectators, waiting to accord their support to one side or the other.

The spectators were also actors in an entirely different drama. Absorption in the crises of the 'East-West' deadlock kept hidden a great part of the importance and continuity of what was really the main encounter, the world-wide struggle for independence, subordinating it to the secondary encounter, the encounter with Communism.

The new compelling drama in world affairs has been the clash between the United States and the Soviet Union.

Their failure to agree on major issues in the United Nations has brought about a deadlock which clogged machinery designed for their maximum

co-operation<sup>1</sup> and even threatened it with complete breakdown.<sup>2</sup>

Both inside and outside the world organization, attention has remained riveted on their moves and counter-moves, because of the widespread realization that until a working relationship became established between these two dominant States the prospects of peace were slight.<sup>3</sup>

It was with good reason, therefore, that preoccupation with this formidable encounter became intense.

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In spite of the realities of the 'East-West' crisis, they were enlarged in importance by a false element of surprise.

Partners in war and victory, joint-architects of the new international organization and pledged to the establishment of a new era of world peace, the United States and the U.S.S.R. seemed suddenly to be confronting each other in an atmosphere progressively deteriorating. As problem after problem demanded joint solution and the exercise of joint responsibility, the split seemed to widen until consultation almost inevitably produced even greater tension. The effect of accumulating disagreements was stunning. Forces that might have been harnessed for strong, concerted international action were spent on opposing each other.

The truth of the matter is that from the time of the revolution of October 1917 which swept the Communists to power, Russia and the West were marching in opposite directions and no changes in the form of evolving Communism or in Western systems of free enterprise -- or even alliance in war -- had wrought any substantial change.

This fact would have been more prominent in public memory but for the distraction of two important, drawn-out events. The first was the World

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1. Arnold J. Toynbee, Civilization on Trial (New York, 1948), p.135.
  2. Bentwich and Martin, Commentary on the Charter of the United Nations, London, 1950), p.xxvii.
  3. Leland M. Goodrich and Edvard Hambro, Charter of the United Nations, 2nd edn. (London, 1949), p.29.

Depression of 1929, with its absorbing domestic crises. The second was the break-up of power in Western Europe and the triumph of Hitler in 1933.

Fears of the effects of severe economic ills, followed closely by fears of a Second World War, drew attention from the revolutionary experiment in the early 1920's and brought it back to the Soviet Union nearly twenty years later with two swift shocks: disclosure of the secret Russo-German pact of non-aggression and its unexpected sequel, the march of Hitler on Russia.

The open clash between Germany and the Soviet Union then started a period of co-operation between the Soviets and the West which, with all the emotional overtones of war, came to a climax in 1945, on the verge of the German collapse, when the U.S.S.R. pledged its support for the crushing of Japan.

Men adrift in a lifeboat, facing the common dangers of the sea, forget those differences which mark their individuality and which reappear once the danger has passed.

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The break-up of power in Europe was a sobering fact, not a melodramatic projection of the sufferings of the war years.

The wars themselves and the World Depression had drained away the strength of Europe and made problematical the return of its States to positions of commanding strength and power.

Financially the three great Powers of Western Europe -- France, Germany and the United Kingdom -- were crippled or exhausted. In the years before the First World War these three States had together provided some 33,000 million dollars out of a total of 44,000 million of all international investment.<sup>1</sup>

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1. United Nations, International Capital Movements in the Inter-War Period (1949.II.D.2), p.2. Dollars at 1913-14 value.

For nearly seventy years Germany and Great Britain, together with the United States, had dominated world markets with their manufactures. In 1870 they produced more than two thirds of all the world's manufactured goods, Britain producing nearly one third, Germany one eighth and the United States nearly one quarter. By 1938 world output had risen tenfold, yet these three States accounted for more than half.<sup>1</sup>

In the reversal of the situation after the Second World War the story of change might be read: in the first three years after its close 70 per cent of the total of 26,000 million dollars in international loans from all sources were provided by the United States and almost three quarters went to Europe itself.<sup>2</sup>

Seven years after the end of the Second World War, Germany could claim only one twelfth and the United Kingdom only one eighth of all production by a limited number of Western States (Belgium, Canada, Denmark, France, Italy, the Netherlands, Norway, Sweden, the United Kingdom, the United States and Western Germany). The percentage would shrink even more if expressed in terms of total world production.<sup>3</sup>

In manpower, too, Western Europe had paid heavily in furnishing a large number of the more than 70 million men and women under arms in the Second World War, bearing her share of the 22 million dead and 34 million other casualties.<sup>4</sup>

The growth and expansion of both the United States and the U.S.S.R. — made relatively greater by the destruction, impoverishment and disarmament of the greater part of Europe — left them facing each other across a vacuum of power.

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1. Norman S. Buchanan, 'Deliberate Industrialization for Higher Incomes', Economic Journal, LVI (1956), pp.535-6.

2. United Nations, Selected World Economic Indices, (1948.II.A.2), p.45. Dollars at 1945-48 value. Loans by the International Bank and the International Monetary Fund excluded.

3. U.N., World Economic Report, 1951-52, (1953.II.C.2.), p.25.

4. L.Larry Leonard, International Organization (New York, 1951), p.21.

The gigantic expansion of the United States economy between 1900 and 1950 taxed domestic and foreign resources and set record levels of consumption, transforming the United States from a net exporter of materials to a net importer and foreshadowing a new pattern of demand for the next quarter century.<sup>1</sup>

In those fifty years the population doubled, the national output rose to five times its former level, individual incomes rose by 266 per cent and agricultural production stood at two-and-a-half times its 1900 level.<sup>2</sup> The United States was consuming four-and-a-half times the amount of energy and power. It was producing six times the quantity of minerals.

From its own resources of minerals it consumed, in the course of half a century, 26,000 million tons of coal, 40,000 million barrels of petroleum, 3,000 million tons of iron ore, 22 million tons of lead, 26 million tons of zinc and 33 million tons of copper.<sup>3</sup>

Expressed as percentages of world production, United States consumption of raw materials in 1953 reached these proportions: coal, 40 per cent; iron ore, 50 per cent; copper, 65 per cent; lead, 40 per cent; zinc, 50 per cent; tin, 45 per cent; natural rubber, 50 per cent; synthetic rubber, 90 per cent; rayon, 50 per cent; cotton, 35 per cent; and wool, 30 per cent.<sup>4</sup> Annual consumption of all raw materials in the United States in 1950 reached the level of 2,500 million tons<sup>5</sup> — this at a time when the Republic was producing only 70 per cent of its own needs.

Although in 1820 crude materials formed 60 per cent of its total exports, by 1946-50 this figure for the United States dropped to 15 per cent. To

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1. U.S. Govt., Resources for Freedom [The Paley Report] (Washington, 1952), vol. I.

2. Paley Report, vol. I, pp.4-5.

3. Paley Report, vol. I, p.25.

4. Royal Institute of International Affairs, World Production of Raw Materials rev. edn. (London, 1953), p.7.

5. Paley Report, vol. I, p.4.

satisfy manufacturing needs in 1950-51 the United States was obliged to import 10 per cent of its petroleum; 33 per cent of its copper; 33 per cent of its zinc; 45 per cent of its lead; 62 per cent of its bauxite; 74 per cent of its antimony; 80 per cent of its flake graphite; 90 per cent of its cobalt; 91 per cent of its mercury; and 92 per cent of its manganese.<sup>1</sup>

The record of consumption staggers the imagination.

The statistics spell out the breathtaking fact that the United States, with 10 per cent of the population of the non-Communist world and 8 per cent of its land area, was consuming nearly half the total volume of materials produced by that area.<sup>2</sup>

The story continues: by 1975, although the United States is expected to supply from 75 to 85 per cent of its own needs of raw materials, it will still require an estimated 50-60 per cent increase of all raw materials,<sup>3</sup> and will face a 90 per cent increase in the demand for minerals, a 40 per cent increase for agricultural products and a 100 per cent increase in the demand for energy and power.<sup>4</sup>

The Paley Commission, reporting that although one hundred years ago resources seemed limitless, United States sources of raw materials were weakening under the constantly increasing strain of demand, pointed out that with production of all raw materials increasing at an arithmetical rate and consumption bounding ahead at the compound rate there could be seen 'the ultimate threat of an arrest or decline in the standard of living we in the United States cherish and hope to help others to attain'.<sup>5</sup>

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Across the Atlantic and into the fastnesses of Europe stood the Soviet

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1. Paley Report, vol. I, pp.25, 126.

2. Paley Report, vol. I, p.6.

3. Paley Report, vol. I, p.59.

4. Paley Report, vol. I, pp.25-5. See also vol. III.

5. Paley Report, vol. I, p.1.

Union, its 9 million square miles of territory making it the largest State in the world and its population of more than 200 million ranking only below that of China (460 million) and India (360 million), professing its uneasiness at the turn of events since 1945, and telling its people that the expansionist aims of the West threatened a new war.

To proclaim this emergency, whether imagined or real, was to stroke once more the bell that had tolled so often during the thirty years of Communist rule and to begin again the recurring pattern of setback and recovery.

It took ten years to recover from the events which followed the Bolshevik accession to power in 1917.

By the end of that year the Supreme Economic Council had been launched and workers' controls were established with the limited objective of storming and capturing the commanding heights of the national economy; but already in mid-1918 this move had broadened into a general offensive of 'war communism' and extreme centralization of economic administration had become an accomplished fact.<sup>1</sup> Civil war, foreign intervention, military occupation, famine, drought, shortage of raw materials and general disorder resulting from the rapid seizure of power by the State<sup>2</sup> cascaded upon the new régime until, by 1919, production in all industries had dropped to below one quarter of its 1913 level: iron ore production fell by 98.4 per cent; pig-iron by 97.6 per cent; steel by 96 per cent; cotton manufactures by 95 per cent and sugar by 94.2 per cent. The following year production of 'prime necessity goods' and the sale of manufactured goods dropped to 13 per cent of the level in 1913.

In agriculture as well as in industry productivity swooped. Systems of transport and distribution decayed. Though the civil war had ended, by 1920

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1. Alexander Baykov, The Development of the Soviet Economic System (Cambridge, 1947), pp.2, 5, 39; Maurice Dobb, Russian Economic Development Since the Revolution, 2nd edn. (London, 1929), p.98.

2. Baykov, Development of the Soviet Economic System, p.2; Dobb, Russian Economic Development, pp.85-6.

some fifteen regions with a total population of over 20 million were in the grip of a disastrous famine.<sup>1</sup> Strikes broke out. Russia's foreign trade crumbled; between 1913 and 1920 exports fell from over 1,500 million to 1.4 million roubles and imports from 1,374 million to 28.7 million roubles. The 1913 credit balance in international trade of nearly 150 million roubles had plunged by 1920 to a deficit of 27.3 million.<sup>2</sup>

Central planning clearly demanded an overhaul.

Such was the picture of economic wretchedness that faced the people of Russia in 1921 when the régime created the New Economic Policy, replacing the system of requisitioning by a tax in kind, legalizing the operation of the free market, decentralizing the administration, creating the trusts and preparing the way for the recovery of financial and commercial independence of the co-operatives.

Six years of struggle from these abysmal depths restored production in the larger industries and brought the level of real wages of industrial workers back to their level of 1913.<sup>3</sup> Soviet Russia, now a nation of almost 150 million, embarked on its first Five Year Plan of reconstruction of the national economy; and within a decade raised the number of workers from 11.6 to 27.8 million and their average yearly wage from 700 roubles in 1928 to nearly 3,500 in 1938.<sup>4</sup>

The contrast with 1913 was striking: the value of production in the metal and engineering industries rose to twenty-four times its former level and the production of electric power was almost twenty times greater. The Soviets had quadrupled their production of coal, steel and locomotives; had trebled production of oil, iron ore, pig-iron, cement and rolling stock; had doubled production of manganese ore and raw sugar; had raised the production of cotton textiles by half and woollen goods by 20 per cent.<sup>5</sup>

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1. Baykov, Development of the Soviet Economic System, p.24.

2. Baykov, Development of the Soviet Economic System, p.29. Values adjusted.

3. Baykov, Development of the Soviet Economic System, pp.121, 148.

4. Baykov, Development of the Soviet Economic System, p.342.

5. Baykov, Development of the Soviet Economic System, p.307.

In industry as a whole the productivity of labour was increasing by leaps and bounds; so that between 1933 and 1937 yearly increases averaged nearly 13 per cent, lifting the index of production to above 180.<sup>1</sup> Strides made between 1928 and 1940 outstripped development of the national economy achieved in the previous half-century.<sup>2</sup>

Whatever the cost of achievement, or the varying values placed on the statistical record,<sup>3</sup> the economy of the U.S.S.R. had emerged from chaos and could look forward to a succession of Five Year Plans designed to strengthen it further.

These dreams were rudely shattered by the advance of the German army, heralding a long and costly war and bringing the prospect of an enervating period of recovery. The war the Russians survived; the long uphill road of reconstruction lay before them once more when their leaders told them that foreign Powers were again bent upon the destruction of Russia.

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The antagonisms of power were quick to show themselves in full variety.

Sources of dispute between the West and the Soviets since the end of the war in Europe included such questions as resistance to aggression, military siege and blockade, peace treaties, disarmament, administration of occupied zones, technical assistance, trade embargoes, trials for espionage, representation in the United Nations and a host of others.

Some were major issues, others relatively unimportant expressions of difference natural to different ideologies; but almost all were symptomatic of the distrust and suspicion evoked by the antagonisms of power.

The Soviets saw in the expansion of American influence their own isolation and a threat to their own security. The United States felt that the Soviets threatened the security of the entire non-Communist world, its raw

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1. Baykov, Development of the Soviet Economic System, p.344-5.

2. Baykov, Development of the Soviet Economic System, p.303.

3. Colin Clark, The Conditions of Economic Progress (London, 1951), p.163.

materials, its markets and opportunities for expanding development in the underdeveloped regions.

In two fields of activity the conflict was sharpest: those of defence and world markets. In these spheres the actions of both Powers were to make the split complete.

Two worlds now stood: one dominated by the strength and power of the United States, the other by the Soviet Union.

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The defence alliances brought into sharp focus the main division of the Communist and non-Communist worlds, at a speed which added shock to the 'surprise' discovery of antagonism.

Within four years after the end of the Second World War, twelve States signed a pact which called into <sup>being</sup> the North Atlantic Treaty Organization; on 24 August 1949 by its terms Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and the United States pledged their resources for the defence of Western Europe. Action was suited to the word.<sup>1</sup> The following December approval was given for the establishment of Supreme Headquarters, Allied Powers in Europe; and in 1952, with the admission to the organization of Greece and Turkey, the southern wing of defence was complete. A front shaped like a crescent declared a policy of containment.

The Soviets were closing their ranks. Albania, Bulgaria, Czechoslovakia, Finland, Hungary, Poland, Rumania, the U.S.S.R. and Yugoslavia became identified in aim and the area controlled by the Central People's Government of the People's Republic of China swelled until it covered most of the Chinese mainland. Twenty-three treaties of friendship and mutual assistance, pledging full military and other assistance for collective security for the next twenty years were concluded by Eastern European States between 1945 and 1949, insuring

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1. For a short account of the early development of the organization, see N.A.T.O., Alliance for Peace (London, 1954).

against aggression by Germany or the aggression of any Power 'directly or indirectly associated with Germany in a policy of aggression.'<sup>1</sup>

Disregarding the apparent defection of Yugoslavia in 1949, the Soviets could number among their supporters some 700 million. Political alliances with neighbouring States, linked with economic agreements which would bring to the Soviets food as well as capital goods required for a new period of reconstruction, might understandably have sprung from the freshly repeated historical lesson — that the U.S.S.R. could withstand attack so long as the invader were forced to extend himself well into Russian territory.

Concurrently, 'significant increases' in military spending were reported during 1951 and 1952 in all countries of the Eastern European group. The United States launched stockpiling programmes, which included restrictions on some of its exports under the Export Control Act of 1949. An embargo was placed upon strategic exports to mainland China and North Korea. Similar controls extended the system to other countries.<sup>2</sup>

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New political considerations aside, the growth of the industrial revolution in the United States forced the Republic from behind barriers of isolation, convinced that its prosperity was bound up with that of other nations.

The United States was following the example set by Great Britain in the nineteenth century: as its economic future and military security became dependent upon a broadening flow of materials from the outside,<sup>3</sup> it was inevitable that strategic frontiers should move out well beyond political frontiers.<sup>4</sup>

The growth of population and the increase of productivity of the United States doubled the output of goods and services between 1900 and 1925 and

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1. Andrew Martin, Collective Security (Paris, 1952), (Unesco, E.D.51.D.IA), App. IV.

2. U.N., World Economic Report, 1951-52 (1953.II.C.2), pp.45-6, p.130 (n).

3. Eugene Staley, Raw Materials in Peace and War (New York, 1937), p.3.

4. Hancock, Wealth of Colonies, p.45.

again between 1925 and 1950.

By 1947 the United States was producing between one third and two thirds of the total world production of electricity, coal, pig-iron, steel, copper, lead, zinc, motor vehicles and cement. In all those commodities it had advanced its share of world production since 1937 by proportions of up to 20 per cent.<sup>1</sup> By 1947, also, world production was lower than it had been a decade before and a shift in the world's production resources lay at the root of the shortage.<sup>2</sup>

The consumption of power and energy by the United States was a reflection of its growth. Since 1900 the use of power had expanded four-and-a-half times; electricity consumption had doubled every ten years during the last thirty; petroleum consumption was two-and-a-half times greater than in 1925; the use of water power had quadrupled; and that of natural gas had risen five-fold.<sup>3</sup>

With an estimated yearly growth of the United States economy of 3 per cent, the gross national product was expected to have doubled again between 1950 and 1975, taking into account an expected total population of 193 million and an increase of production of 2.5 per cent per man hour.<sup>4</sup>

The tremendous increase in production and consumption was attributable 'not only to the freedom of our institutions and the enterprise of our people, but also to the spendthrift use of our rich heritage of natural resources'.<sup>5</sup> Technical achievement greatly increased the efficiency of use of raw materials but it also greatly increased the drain on United States resources.<sup>6</sup>

For ensuring the flow of raw materials the United States had inevitably become dependent upon supplies from abroad in quantities of massive

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1. U.N., Selected World Economic Indices (1948.II.A.2), pp.16-17.
  2. U.N., Economic Report: Salient Features of the World Economic Situation, 1945-47 (1948.II,C.I) p.3.
  3. Paley Report, vol. I, pp.103-107.
  4. Paley Report, vol. I, pp.6-7.
  5. Paley Report, vol. I, p.5.
  6. Paley Report, vol. I, p.131; vol. IV, p.1.

proportions.<sup>1</sup>

In broad terms the United States was consuming roughly between one third and one half of the world's production of any commodity.<sup>2</sup>

This consumption was by no means confined to mineral production. The United States accounts for a major share of the purchases of other commodities entering into world trade: two thirds of the coffee; two fifths of the cocoa and sugar; one quarter of the cattle and cattle products; one fifth of the fish; one third of the soft timber; two fifths of the wood pulp; and nearly nine tenths of the newsprint.

For coffee it would look mainly to Brazil and Colombia, which together export 70 per cent of the quantity entering into world trade; for cocoa, to the Gold Coast, Brazil and Nigeria, which together export two thirds of the supply available in world markets; for sugar, to Cuba and Puerto Rico, which together export nearly half; for cattle, to Ireland, Canada and Argentina, which together export three fifths; for fish, to Norway, Canada, Iceland and Denmark, which together export two thirds; for soft timber, to Canada and Finland, which together export three fifths; for wood pulp, to Sweden, Canada and Finland, which together export over four fifths; for newsprint to Canada, Finland, Sweden and Norway, which together export 96 per cent.<sup>3</sup>

For some minerals, such as tin, quartz crystals and industrial diamonds, the United States was wholly dependent upon foreign sources. To varying degrees it depended upon Africa, Asia and its continental neighbours: on Canada and Latin America for antimony, asbestos, bauxite, copper, iron ore, lead, manganese, nickel, petroleum, quartz crystals, tin, tungsten and zinc; on Africa for further supplies of many of these items, but also for cadmium, chrome ore, cobalt, colombite, graphite and industrial diamonds; and on Asia

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1. Paley Report, vol. II.

2. Royal Institute of International Affairs, World Production of Raw Materials, p.8.

3. Oxford Economic Atlas (London, 1954), pp.34-41, 48-53.

for chrome ore, graphite, manganese, mica, petroleum, rubber, tin, titanium and tungsten.<sup>1</sup>

In world markets it was imperative and urgent that the United States should protect its supply.

The Paley Commission, established on 22 January 1951, declared that the over-all objective of a national materials policy for the United States should be to ensure an adequate and dependable flow of materials at the lowest cost consistent with the national security and the welfare of friendly States.<sup>2</sup>

More materials could be produced from domestic sources, patterns of use could be adapted to meet the shortage<sup>3</sup> and technology could be put to work to devise better or more economical use,<sup>4</sup> but such measures could hardly hope to eliminate the dependence of the United States upon other — sometimes remote — parts of the world.

The twin questions of defence and markets were thus linked. Supply would be much more vulnerable in the event of another war because of the greater need to go abroad for larger quantities of raw materials;<sup>5</sup> but even if the impossible could somehow be achieved by accomplishments in home production, this would still leave unsolved the problem of disposal of United States production in foreign markets.

Irrespective of its own large consumption, the United States contributes greatly to the volume of many goods entering into world trade.

It exports half the world's total export of coal; about two fifths of the world's total export of wheat, tobacco, cotton lint, machinery and electrical apparatus; about one third of the fodder grains and one quarter of

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1. Paley Report, vol. I, p.60.

2. Paley Report, vol. I, p.3.

3. Paley Report, vol. I, p.8.

4. Paley Report, vol. IV.

5. Paley Report, vol. I, pp.153-9.

the rolling stock; and between one tenth and one fifth of rice, cheese, groundnuts, woven cotton and refined petroleum.

In addition, it produces nearly 90 per cent of the world's motor vehicles, 60 per cent of the locomotives and 10 per cent of the ships. It produces 90 per cent of the crude sulphur, half the sulphuric acid and phosphate rock and a quarter of the potash. Smelter production of aluminium, copper, lead, tin and zinc ranges between one fifth and two fifths of world production.<sup>1</sup>

It needs customers for its trade as well as raw materials for its manufactures.

It has found them. Part of the story of the expanding foreign trade of the United States can be read in the formation on 16 April 1948 of the Organization for European Economic Co-operation, which promoted a design to solve the European trading deficit with Canada and the United States — estimated at 22,440 million dollars from 1948 to 1951 — and the formation of the European Payments Union on 1 July 1950.

As part of their plan to meet this tremendous deficit, Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, the United Kingdom and the Western Zones of Occupied Germany pledged maximum mutual help. In September 1950 they set themselves the task of a 25 per cent expansion of their economies in the next five years.<sup>2</sup>

The expansion of United States foreign trade, however, was only one salient change that had been introduced into the world economy; the other was the almost complete rupture of trade with Eastern Europe, leaving the two separate alliances to trade among themselves.

Before the Second World War, Eastern European countries transacted some

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1. Oxford Economic Atlas, pp.18-101, passim.

2. Royal Institute of International Affairs, World Production of Raw Materials, p.19.

90 per cent of their trade with the rest of the world and only 10 per cent with one another.

Since that time the trade of Albania, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland, Romania and the U.S.S.R. with the rest of the world has been cut by half and is reported to be 'of diminishing importance to both groups of countries concerned'.<sup>1</sup>

In 1950 Eastern Europe and China were increasingly affected by being cut off from a large part of the world.<sup>2</sup> By 1951 trade with the West accounted for only one third of trade of the centrally planned economies and represented as little as 2 per cent of the trade of the rest of the world.<sup>3</sup> By 1952 the foreign trade of the U.S.S.R. was three times its 1939 value, but 80 per cent of this trade was with members of the Soviet bloc — imports of heavy engineering equipment, tin rubber and wool; exports of industrial equipment, grain, timber, ores and raw cotton.

Intensified trade among members of each group was going on.<sup>4</sup>

The trade of mainland China with the countries of the Eastern European group, which accounted for less than 5 per cent of its total trade in 1937, jumped to 26 per cent in 1950, to 61 per cent in 1951 and to 72 per cent in 1952. The volume of exports from mainland China in 1951 was 60 per cent higher than in 1936. The trade of the countries of Eastern Europe with mainland China rose at least sevenfold in volume between 1937 and 1951, while the trade of Eastern Europe with the rest of the world was less than half its pre-war volume.<sup>5</sup>

In the first half of 1952 United States exports to Eastern Europe totalled less than half-a-million dollars and imports totalled 19.5 million,

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1. U.N., World Economic Report, 1951-52 (1953.II.C.2), pp.10-11.

2. U.N., World Economic Report, 1950-51 (1952.II.C.4), p.3.

3. U.N., World Economic Report, 1951-52 (1953.II.C.2), p.11.

4. U.N., Economic Survey of Europe Since the War (1953.II.E.4), p.216.

5. U.N., World Economic Report, 1951-52 (1953.II.C.2), pp.127-8.

compared with 35.8 million dollars in the first half of 1951. Imports from mainland China were valued at 22.6 million dollars. Exports were zero.<sup>1</sup>

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Those were elements of the division which came to be known as the split between East and West.

Its magnitude was forcefully demonstrated. This was the cold war between East and West which might become a prelude to a third world war. It emblazoned the new distrust. It could test decisively the early strength or weakness of the new machinery for international co-operation, the United Nations.

If the two great Powers and their allies could produce only a monotonous record of disagreement within the framework of the world organization, perhaps the organization had already failed; yet independent of the effectiveness with which it was credited, world peace was at stake as antagonism developed.

If Russia and the West were heading toward a clash of military power, concern over the issue of independence might easily be judged as trivial. The consciousness of the East-West division was such that it obscured what had been -- and what still remains -- an issue of high importance.

The two encounters were separate and distinct. At one point only could they be said to overlap.

A recent study maintains that the present world struggle is over the terms on which the people of the underdeveloped countries are going to organize their societies so as to live in an industrial age.

'Their elites are seeking, as did the American Revolutionary elite, to form new nation-states for the sake of national development. The struggle of these people for self-determination is complicated by the fact that the

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1. U.N., World Economic Report, 1951-52 (1953.II.C.2), p.130.

world is polarizing around two great powers, exponents of two very different answers to this global problem. The American answers are those of an elite forced to form a commercial nation-state; the Russian answers are those of an elite forced by events to form an industrial nation-state. These answers arise from the conditions surrounding these two revolutions, more than a hundred and twenty-five years apart, and from the measures taken by the American and Russian elites during the formation of these two nations..... circumstances attendant upon the organization of these two nation-states have contributed to the present polarization of the world'.....<sup>1</sup>

Through a shift in the economic and political centres of gravity from London to New York and Washington, Americans became heirs to world-wide political and economic responsibilities carried for nearly two centuries by the British Empire and the London metropolitan economy.

'The challenge of the Russians to the Anglo-American coalition arises from the fact that they are organizing their own world metropolitan community around their answer to the global problem of how to live with machines. They say that a machine civilization needs a new society led by a new elite and that the value system for this society is communism. The United States..... by a century and a half of development of the industrial revolution within a commercial society, has become the greatest exponent of private enterprise as the answer to how to live with machines. We head a coalition of allied nations seeking to defend this way of life and to hold this leadership'....<sup>2</sup>

This penetrating diagnosis goes to the heart of the matter. Separate experience has brought divergent convictions.

On the American side, faith in private enterprise, co-existent with the price system as a means of reaching industrial and commercial goals, offers as its economic justification the achievement of an unparalleled level of individual average incomes, the shares in a gigantic and prosperous enterprise.

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1. Robert K. Lamb, 'Political Elites and the Process of Economic Development', Progress of Underdeveloped Areas, p.30.

2. Lamb, 'Political Elites', p.31.

On the Russian side, the transformation of a foreign-dominated economy -- in which (before 1914) 90 per cent of the stock in mining industries, nearly 40 per cent in the timber industry and 30 per cent in the textiles industries was owned abroad, mainly by French, British, German and Belgian investors<sup>1</sup> -- to one in which (by 1940) foreign investment was practically non-existent, was held to be an achievement of Communism; just as the entire rebuilding of Russia, the progress brought about by the Five Year Plans and the turning of the German invasion were attributed to the same cause.

Neither State will relinquish its claims; neither will see its progress barred by the other; and neither will forego its right to proclaim its conviction abroad.

This background is part of the background against which the main encounter is taking place.

The struggle between the West and the U.S.S.R. has thus become not only a direct encounter in political, economic and social fields, but a drive to gain the support of the remaining countries -- the underdeveloped regions which 'are coming to nationhood, independence, and prominence and have to make selections and decisions at a time of much confusion, contrary counsel and political division of the world'.<sup>2</sup>

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1. Baykov, Development of the Soviet Economic System, p.3; Dobb, Russian Economic Development, p.70.

2. Morris E. Opler, 'The Problem of Selective Culture Change', Progress of Underdeveloped Areas, p.129.

Part Two

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THE

INTERNATIONAL

ECONOMY

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## Chapter Three

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### WORLD POVERTY AND WORLD PROSPERITY

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Two thirds of the world's population earn less than one sixth of the world's income.<sup>1</sup> Half this number disposes of less than 5 per cent of world income and has an average income of under fifty dollars a year.<sup>2</sup>

Out of a total population of some 2,650 million, increasing at the rate of 80,000 a day, half the people of the world live where diet is only 400 calories above starvation level.<sup>3</sup> Twenty-five countries of Europe show an average daily calorie consumption of over 2,800;<sup>4</sup> in some of these countries and in others abroad -- such as Argentina, Australia, Canada, Denmark, Finland, Iceland, Ireland, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom and the United States -- the figure is above 3,000; but in Brazil, Chile, Columbia, Cyprus, Egypt, Greece, Mauritius, Turkey and Venezuela, for example, the average is below 2,600 and in Burma and India it falls below 2,000.<sup>5</sup>

In many countries more than 100 out of 1,000 die before they have

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1. Ragnar Nurkse, Problems of Capital Formation in Underdeveloped Countries (New York, 1953), p.63-4.
  2. U.N., World Economic Report, 1949-50 (1951.II.C.I) p.10. Dollars at 1948-49 value.
  3. U.N., Pooling Skills for Human Progress (1953.I.29), p.1.
  4. William Vogt, Road to Survival (London, 1949), p.198, table 4.

completed their first year of life.<sup>1</sup>

About half the world's population can neither read nor write: in some countries of Europe the rate of illiteracy is well below 5 per cent; but in Honduras, Bolivia and Turkey it is above 65 per cent, in Egypt and Guatemala above 70 and in India and Haiti above 80 per cent. A recent survey showed that of eighty-six countries studied, thirty-five have rates of illiteracy above 50 per cent.<sup>2</sup>

These are some of the elements of poverty that lead to the world-wide movement for independence a force of undeniable strength. World poverty is real. It is increasing.

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The growth of populations has put added pressure on the world's resources. Between 1840 and 1940 the world population more than doubled from 1,000 million to 2,200 million, bringing a decrease in the relative amount of productive earth and increasing the demand made upon the limited carrying capacity of the land.<sup>3</sup>

Asia's population now stands at 1,450 million (excluding the 215 million of the U.S.S.R.), Europe contains over 400 million, North and South America more than 350 million, Africa 210 million and Oceania nearly 15 million. Continental population densities range from eighty-two persons to the square kilometer in Europe and fifty-four in Asia to ten in the U.S.S.R., eight in the Americas, seven in Africa, and two in Oceania.<sup>4</sup>

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1. U.N., Demographic Yearbook 1955 (1955.XIII.6), pp.682-706.

2. U.N., Pooling Skills for Human Progress (1953.I.29), p.1.

3. U.N., Demographic Yearbook, 1955 (1955.XIII.6), pp.436-71.

4. UNESCO, Basic Facts and Figures (ST.51.D.1A - Paris, 1952), pp.9-11.

5. Vogt, Road to Survival, pp.45, 61, 80, 194.

6. U.N., Demographic Yearbook, 1955 (1955.XIII.6), p.115.

Among the countries with populations of over 20 million are China, India, the U.S.S.R., the United States, Japan, Indonesia, Pakistan, Germany, Brazil, the United Kingdom, Italy, France, Nigeria, Korea, Mexico, Spain, Poland, Vietnam, Turkey, Egypt, the Philippines and Iran.<sup>1</sup> Thailand and Burma are just below the 20-million mark.

With the world's total now estimated at above 2,650 million;<sup>2</sup> with population growth showing rates of annual increase between 1900 and 1940 of up to 2.7 per cent in Central and South America;<sup>3</sup> and with advanced measures of public health improving the rate of survival and bringing marked changes to population structures,<sup>4</sup> the feeding problem alone assumes major proportions.

The value of the soil can be preserved only when it is used at a rate which sustains its yield;<sup>5</sup> yet the growth of populations demands that the earth should be forced to yield more.

Already in the Middle East nearly 90 per cent of the population is living at subsistence level,<sup>6</sup> in spite of the fact that the area has become far more productive. Thirty years of economic development in the Middle East have done little to raise the general standard of living because the increase in wealth has had to be shared among greater numbers.<sup>7</sup> Some areas actually decline in average earnings as populations increase; in the few countries of Asia and the Far East where, by 1947, national income had increased over the war period, even the low pre-war

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1. L. Dudley Stamp, Our Undeveloped World (London, 1953), p.33; U.N., Demographic Yearbook, 1955 (1955.XIII.6), pp.99-113.
  2. U.N., Demographic Yearbook, 1955 (1955.XIII.6), p.115.
  3. Stamp, Our Undeveloped World, p.30.
  4. See, for example, U.N., The Population of Western Samoa (1948.XIII.1), pp.1-2.
  5. Vogt, Road to Survival, p.67.
  6. U.N., Final Report of the United Nations Economic Survey Mission for the Middle East, part I (1949.II.B.5.Part I), p.34.
  7. Doreen Warriner, 'Land Reform in Egypt and its Repercussions', International Affairs, XXIX (1953), p.1. See also U.N., Review of Economic Conditions in the Middle East : Supplement to World Economic Report, 1949-50 (1951.II.C.3), p.13.

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 levels of income were not maintained because of the growth of population. Rapid increases in numbers not only make exacting demands on the earth's resources, but may also rob communities or States of some of the benefits of advances in productivity.<sup>2</sup>

Nor are the depths of poverty reached at the level of subsistence. Many groups have declined below that level. They are unable to provide the bare necessities of life and have become deficit communities. Among the examples are many African groups which now depend upon the export of their labour for the subsistence of their numbers;<sup>3</sup> in Nyasaland it has been calculated that 13 per cent of cash incomes emanates from workers abroad;<sup>4</sup> in one South African Native Reserve, with a 'domiciled' population of over 20,000, it was demonstrated that about 20 per cent were away earning incomes in cities and that of the average individual yearly incomes of the remainder, estimated at between £47 and £52, half derived from remittances from emigrant workers.<sup>5</sup>

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The aggravating factor is that while wide chasms separate the riches and poverty of groups and States, the richer (or more developed) countries are increasing their wealth far more rapidly than the poorer (or underdeveloped) countries.<sup>6</sup> Advances in the field of automation may accelerate this flight even further.

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1. U.N., Economic Survey of Asia and the Far East, 1947 (1948.II.F.2), pp.xii,xv.
  2. Vera Anstey, The Economic Development of India, 3rd edn. (London, 1946) p.474-5; Ralph Linton, 'Cultural and Personality Factors Affecting Growth', Progress of Underdeveloped Areas, pp.79-80; Joseph J. Spengler, 'The Population Obstacle to Economic Betterment', American Economic Review, (Proceedings No.) XLI (1951), p.354; U.S. Govt., Economic Strength for the Free World (Washington, 1953), pp.vi; Jacob Viner, International Trade and Economic Development (Oxford, 1953) pp.117-19.
  3. Lord Hailey, Native Administration in the British African Territories (London, 1950), part II, p.162.
  4. Phyllis Deane, The Measurement of Colonial National Incomes (Cambridge, 1948), pp.73, 149.
  5. D. Hobart-Houghton and Edith M. Walton, The Economy of a Native Reserve (Pietermaritzburg, 1952), vol.II, pp.96,112; D. Hobart Houghton, 'Keiskammahoek Rural Survey', Economic Development and Cultural Change, II (1953),p.355.
  6. U.N., World Economic Report, 1951-52 (1953.II.C.2), p.14.



Absolute poverty exists; relative poverty accentuates the reality.

A comparison of average yearly earnings by individuals presents a world picture of striking contrast.

It shows first of all that the basic problem of poverty has not been solved in spite of strong attacks upon it during the last thirty years.

Between 1925 and 1934, which includes the period of the world depression, more than four fifths of the world's population had less than 500 dollars a year per breadwinner.<sup>1</sup> Income per head was substantially lower. In 1947, although the value of the dollar had declined considerably, average individual incomes in the United States were over \$1,400 a year and in another 14 countries ranged between \$400 and \$900. In the same year, in 25 other nations and most of the Non-Self-Governing territories, containing together substantially more than half the world's population, average income was less, and sometimes much less, than \$100 per person.<sup>2</sup>

Current differences are also shown clearly in calculations of average individual incomes.

There are broad continental differences. With over half the world's population, Asia produces only one tenth of the world's income. North America, on the other hand, with less than one tenth of the world's population, accounts for 45 per cent of the world's income. Asia, Africa and South America together, with two thirds of the world's population, earn slightly more than 15 per cent of the world's income. The remaining areas, with only one quarter of the world's population, produce about

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1. Clark, Conditions of Economic Progress, pp.38-162 passim. International Unit dollars (1925-34 averages); see Clark, p.19.

2. International Bank for Reconstruction and Development, Fourth Annual Report (Washington, 1949), p.7.

40 per cent of the world's income.

In Asia average individual incomes are estimated at 50 dollars a year, in Africa at 75 and in South America at 170 dollars. In Europe and the U.S.S.R. they stand at about 350, in Oceania at 560 and in North America<sup>1</sup> at 1,100 dollars.

The contrasts are great. If the index of the North American average is set at 100, incomes in Oceania will show half that figure, European incomes will be below one third, South American incomes will be at the level of fifteen and Asian incomes below five.

The countries which are richest in terms of average individual yearly earnings form a select group in the class of 800 dollars or above. They are the United States (1,453 dollars), Canada (870), New Zealand (856) and Switzerland (859).

The next ranking group, comprising those countries in which average incomes are below 800 dollars but above 400, is larger and includes a number of countries of Western Europe : Sweden (780), the United Kingdom (773), Denmark (689), Australia (679), Norway (587), Belgium (582), Luxembourg (553), the Netherlands (502), France (482), Iceland (476) and Ireland (420).

The third group is larger still. Below 400 but above 200 dollars are listed Israel (389), Czechoslovakia (371), Finland (348), Argentina (346), Uruguay (331), Venezuela (322), Western Germany (320), the U.S.S.R. (308), Poland (300), Cuba (296), Hungary (269), the Union of South Africa (264), Portugal (250), Italy (235) and Austria (216).

In the group below 200 dollars are found half the States of the world : Chile (188), Panama (183), Yugoslavia (146), Colombia (132), Greece (128), Costa Rica (125), Lebanon (125), Turkey (125), Mexico (121),

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1. U.N., National Income and Its Distribution in Under-Developed Countries (1951.XVII.3), pp.2-3.

Brazil (112), Egypt (100), Japan (100), Peru (100), Syria (100), El Salvador (92), Nicaragua (89), Iran (85), Iraq (85), Paraguay (84), Honduras (83), Guatemala (77), the Dominican Republic (75), Ceylon (67), India (57), Bolivia (55), Pakistan (51), Afghanistan (50), the Philippines (44), Ecuador (40), Haiti (40), Saudi Arabia (40), Yemen (40), Ethiopia (38), Liberia (38), Burma (36), Thailand (36), South Korea (35), China (27) and Indonesia (25).<sup>1</sup>

Such statistics are graphic, but they are not absolute and their value is highest when least is claimed for them.

To give greater meaning to such comparisons, other factors are sometimes considered alongside these measurements of a country's income, such as the nature of its population; expectation of life; its medical services; its rate of literacy; the proportion of its income derived from farming; the amount of money per worker invested in industry; the amount of energy and power it uses; the number of miles of railroad in existence; the volume of freight carried by the railways; the quantity of its food supplies; the amount of textiles it consumes; and so on.

Caution is needed<sup>3</sup> because so many factors are involved in determining world differences in income: 'there are great differences in the kinds of activity to which a highly refined accounting concept of income can be applied',<sup>4</sup> and standards of living are not assessed according to any universally applied formula.<sup>5</sup>

Moreover, reservations are made on the value of comparing such statistics for the same community or State at different times, as well as

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1. Statistics from U.N., National and Per Capita Incomes in Seventy Countries, 1949 (1952.XVII.8). Dollars at 1948-49 value. See also U.N., National Income and Its Distribution in Under-Developed Countries (1951.XVII.3), p.3; U.N., Special Study on Social Conditions in Non-Self-Governing Territories (1953.VI.B.2), pp.141-5; U.N., National Income Statistics of Various Countries, 1938-1947 (1948.XVII.2); ..... 1938-1948 (1950.XVII.2); U.N., Statistics of National Income and Expenditure (1951.XVII.2), (1951.XVII.4), (1953.XVII.1), (1953.XVII.5).
  2. Simon Kuznets, 'International Differences in Income Levels', Economic Development and Cultural Change, II (1953), pp.5-6.
  3. Kuznets, 'International Differences in Income Levels', pp.3-26.
  4. S. Herbert Frankel, The Economic Impact on Under-Developed Societies (Oxford, 1953), p.30. For details on methods of statistical compilation, see U.N., Concepts and Definitions of Capital Formation (1953.XVII.6).
  5. U.N., Enquiries into Household Standards of Living in Less-Developed Areas (1950.IV.7), p.8.

on the value of comparison with those of other countries for the same period.<sup>1</sup> It has also been suggested that comparison between countries may be dangerous if any of the countries is underdeveloped; for although comparisons may throw light on circumstances of economic progress and show something of relative efficiencies and standards of living, 'they are very widely abused.'<sup>2</sup> Average incomes 'are a combination of cyclical, secular and random elements'<sup>3</sup> which may themselves have to be measured in any analysis of change.<sup>4</sup> In the case of underdeveloped countries the complexity is enhanced.<sup>5</sup>

All we may safely contend, therefore, is that statistics of average incomes provide a rough perspective (and no more) of inequalities in world levels of living.

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The inequalities are striking because the world community includes both developed and underdeveloped economies. States and territories like many of those in central Africa<sup>5</sup> have been catapulted into the midst of the world community, many members of which have economies of a highly developed nature. Although the gap has been bridged, these emergent economies, seen side by side with their more highly developed fellows, remain still relatively unspecialized and undeveloped. They are transforming themselves from 'unspecialized, locally self-sufficient, non-accumulating and poor primitive economies' so as to be able to take part in 'a highly differentiated, universally interdependent, rapidly accumulating, and rich civilized economy.'<sup>6</sup> It is this relative difference which has earned such economies the description of 'underdeveloped'.

The term 'underdeveloped' is a comparative term.

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1. Simon Kuznets, 'Long-Term Changes in the National Income of the United States of America Since 1870', Income and Wealth Series II (Cambridge, 1952), pp.29-53.
  2. Dudley Seers, 'The Role of National Income Estimates in the Statistical Policy of an Underdeveloped Area', Review of Economic Studies, XX(3), (1953), p.160.
  3. Frank A. Hanna, 'Cyclical and Secular Changes in [United States] State Per Capita Incomes, 1929-50', Review of Economics and Statistics, XXXVI (1954), p.320.
  4. See, for example, Deane, Measurement of Colonial National Incomes.
  5. Audrey I. Richards, ed., Economic Development and Tribal Change (Cambridge, undated).
  6. Godfrey and Monica Wilson, The Analysis of Social Change (Cambridge, 1945), pp.4-5.

It has been used to describe 'poor' countries, 'backward' countries, countries with few industries, countries with small populations and large areas, or countries which are all or any of these.

Because of the looseness with which the term has been applied, many economists have demanded a return to logic. They say that if economic development can take place by the use of more capital or more labour or more available natural resources -- or all of these -- to raise the level of living or to support larger populations at the same level, then any country capable of such development is, technically speaking, an underdeveloped country. This leads to the conclusion that a country may be underdeveloped whether it has capital or not; whether its levels of living are high or low; or whether the country has or lacks industry.<sup>1</sup>

If we accept this definition we must include among the underdeveloped such countries as the United States and Canada. While well farmed European lands support some 640 persons to the square mile, lands in the United States and Canada considered to be 'developed' by modern Western methods produce only enough food per square mile to support between 200 and 240 persons. This is 'underdevelopment' in a technical sense;<sup>2</sup> but it is the antithesis of the meaning now assumed by the term 'underdeveloped' in the language of world diplomacy. Usage applies the term overwhelmingly to those countries with low average individual incomes -- the poor countries.

The poor countries are those which are poor in capital when we consider their natural resources;<sup>3</sup> they lack the means to exploit their own latent riches.

The United States has given an index to underdevelopment: it has decided that a country applying for aid through existing United States programmes of technical assistance to underdeveloped countries should qualify for assistance only if its average individual yearly income figure is below a certain level.<sup>4</sup>

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1. Viner, International Trade and Economic Development, pp.94-8.
  2. Stamp, Our Undeveloped World, pp.19, 178.
  3. Nurkse, Problems of Capital Formation, p.1.
  4. Stamp, Our Undeveloped World, p.16.

This may be considered quite arbitrary. It may also be questioned whether it is advisable to use statistics of income alone as a measure of underdevelopment; yet it is refreshing to find any concrete term for describing underdevelopment, because the definition of an underdeveloped country exists by default.

United Nations experts admitted that they were unable to define its nature satisfactorily. They decided to use the term to denote those countries in which real incomes were low in comparison with those of the United States, Canada, Australasia and Western Europe.<sup>1</sup>

This is the practical meaning of underdevelopment -- relative or comparative poverty. Its use in these terms has persisted and spread so that now, except in a highly theoretical discussion, 'underdeveloped' is applied almost exclusively to the countries with low average individual yearly incomes -- the poor countries.

Which are the poor countries ?

Not the countries of North America, of Australasia or of Western Europe -- almost all of which are represented in the two richest groups, with average individual incomes ranging from 400 to above 1,400 dollars.

Not the countries of Eastern Europe or of Southern Europe, such as Portugal or Italy, where incomes are lower but where they still remain above the level of 200 dollars.

The poor countries are almost all those of Latin America, of South Eastern Europe, of Africa, of the Near and Middle East, of South East Asia, of the Far East and of Africa.

Asia, Africa and most of Latin America are thus united by their own comparative poverty, their own relatively slender share of the benefits

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1. U.N., Measures for the Economic Development of Under-Developed Countries (1951.II.B.2), p.3.

of the world economy, bringing from half to two thirds of the world into the category of 'underdeveloped'.

Although relative poverty cannot be finely measured, its existence can no longer be doubted.

Low levels of living need not mean that all needs felt by individuals or communities are not being satisfied, nor, for that matter, that those low levels mean high discontent;<sup>1</sup> but it is also true that no State or group is actively and conscientiously seeking to prolong its condition of relative poverty.

The road away from poverty or underdevelopment is the path of economic development; and the underdeveloped countries of the world have expressed their choice resoundingly in favour of economic development,<sup>2</sup> whatever the obstacles. They have diagnosed their condition and prescribed the cure -- economic development of their national economies.

The primary and driving reason for their choice is that they are inevitably part of world trade. They want to gain for themselves the conditions which will promote their prosperity by improving their share in the world economy.

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The entire history of economic activity can be written from the standpoint viewing the interaction of two great forces : the force driving individuals or groups closer together for meeting their economic needs and the force that pulls in the opposite direction, preventing or disrupting the wider integration.

In primitive societies the basis of economic life was the crop or the flock, supplemented by simple crafts. Together these elements provided the means of subsistence. Specialization could hardly be

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1. M.K. Bennett, 'International Disparities in Consumption Levels', American Economic Review, XLI (1951), p.649.

2. See, for example, U.N., Economic Development in Selected Countries -- Plans, Programmes and Agencies, vol. I (1948.II.B.1); vol. II (1950.II.B.1).

traced. Trading was almost exclusively limited and local. Capital accumulation in any form was slight. Economic life bore the unmistakable stamp of local self-sufficiency.<sup>1</sup>

In the complex economic life in which we now take part, the frontiers have been broken down. Our economies are part of a world-wide organization. Local self-sufficiency has vanished from all but the last strongholds of primitive economic life. Specialization has flourished. New riches are flowing; new wealth is accumulating. Goods made by the outside world have become necessities. For our own products the outside world is raising its demand.

This does not mean that one force has eliminated the other. The forces of economic disintegration are active and may destroy much of what has already been built up;<sup>2</sup> but the process that brings groups closer together has been strong in asserting itself over a long period.

Many States that we now refer to as single units were once greatly divided. There were good economic reasons why separate States of the United States of America should band together in a single group, dissolve the barriers which kept them economically apart and build strength out of unity. The union of the republics now comprising the U.S.S.R.,<sup>3</sup> or of the republics and colonies now comprising the Union of South Africa, or of the territorial units comprising the British Empire in the nineteenth century, had strong economic justification. These unions provided a wider framework for economic operations.

By contrast, Western Europe and Africa remain sub-divided; and speculation is sometimes made on what advances might have been achieved in the economic field if Europe or Africa south of the Sahara comprised single economic units and knew no frontiers or political boundaries.

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1. Wilson, Analysis of Social Change, pp.3-4.

2. See Wilhelm Röpke, International Economic Disintegration (London, 1942).

3. L.C.A. and G.M. Knowles, Economic Development of the British Overseas Empire (London, 1930), vol. II, p.16.

The fact still remains that the provision of wider exchange has led to a recognition that world trade brings with it desirable benefits and the force driving toward this goal has achieved the establishment of a world economy.

In an interdependent community of States, the possibility of war cannot be wholly wiped out so long as unrest is stirring in any quarter. In the world economy the poverty of individual countries remains a threat to the ultimate and permanent prosperity of all. World peace is a reality only when it has become established everywhere. The world economy is truly thriving only when all its members thrive.

Those principles are part of the philosophy of the United Nations and their recognition is universal. The question of economic development of the underdeveloped countries thus ceases to be the concern of the underdeveloped countries alone and is projected into the world community.

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Important as it is for the underdeveloped countries to promote their own economic development, it assumes new importance for the more highly developed countries of the West.

The more highly developed countries know that in making the poorer countries more prosperous through making them more productive they can help improve the economic well-being of the world, to improve its political stability and even to lessen the possibility of war. Their interests in promoting development abroad is real and direct.

Development and welfare became the dominant themes of colonial administration in the British Parliament after the Second World War. Activity of this kind by the United Kingdom has provided an almost endless stream of material for study. Concern over development and welfare abroad -- a concern which echoed the new and insistent demand of the underdeveloped countries themselves -- began to grow too in the legislatures of many colonial Powers; but nowhere did that concern find greater practical expression than in the action of the United States.

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1. Hancock, Wealth of Colonies, p.56.

In the first five years after the war, grants and loans by the United States to foreign countries were, as we have seen, on a scale never before experienced. Much of the aid that flowed from the United States was aid for the huge task of reconstruction; but aid to countries weakened or wasted by war was only a beginning.

A new, imaginative, world-wide programme became a reality in 1950 with the first use of funds for economic development of the poorer two thirds of the world.

In 1951 sums totalling 34 million dollars were voted as technical aid under the Technical Co-operation Administration of the United States.

By 1952 a total of 85 million dollars had been voted in this way, but it was less than one third of the total amount used by all United States agencies -- a figure rising to 300 million dollars; for by 1952 also the United States had signed Point Four general agreements with twenty-seven States and had begun operations in thirty-five countries. Nine tenths of the Technical Co-operation Programme was concerned with agriculture, health and education, with more than half the funds devoted to the development of agriculture alone.<sup>1</sup>

By 1953, although the Point Four Programme was undergoing considerable change, it was still felt that the United States should accentuate 'continuing responsibilities in today's interdependent world'.<sup>2</sup> The work of the technical assistance programmes confirmed the conviction of the United States that its over-all prosperity was closely bound up with the prosperity of other countries.

Government and international agencies have been active in supplying technical assistance for the economic development of underdeveloped countries.

The United Nations Expanded Programme of Technical Assistance,

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1. Konrad Bekker, 'The Point Four Program of the United States', Progress of Underdeveloped Areas, p.232.
  2. U.S. Govt., Economic Strength for the Free World, p.ix.

to which more than sixty governments contribute some 20 million dollars yearly, is active in many fields,<sup>1</sup> notably those of food, health and education.

Between 1947 and 1952 the International Bank for Reconstruction and Development made loans totalling 1,300 million dollars to member countries to finance 250 large projects, many of them in underdeveloped regions.<sup>2</sup>

Between 1945 and 1950 the United States Export-Import Bank was lending an average of 35 million dollars yearly only for mineral development outside the United States. In 1951 and 1952 it doubled its loans.<sup>3</sup>

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For the United States the conviction had first of all been that aiding the economic recovery of the world was a policy of enlightened self-interest.<sup>4</sup> Experience had widened it to include recognition that the economic development of underdeveloped countries was 'a necessary means to the achievement of economic balance throughout the free world.'<sup>5</sup>

Balance had become increasingly desirable. World trade had become seriously unbalanced in favour of the United States. The indebtedness of the rest of the world could not long continue : its very existence was hampering the exchange of goods and only a developing prosperity in the remaining countries of the world could hope to lessen its degree.

A single fear might have troubled the more developed countries of the West -- the fear that in promoting the development of underdeveloped countries they might be nursing a serpent; the fear that in building up the productivity and the prosperity of other States they might be helping to undermine their own.

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1. See U.N., Technical Assistance for Economic Development Available through the United Nations and the Specialized Agencies (1948.II.B.2); U.N., Technical Assistance for Economic Development : Plan for an Expanded Co-operative Programme through the United Nations and the Specialized Agencies (1951.II.B.1).
  2. International Bank for Reconstruction and Development, Seventh Annual Report (Washington, 1952), pp.8-9.
  3. Paley Report, vol. V, p.120. See also Raymond F. Mikesell, United States Economic Policy and International Relations (New York, 1952), p.214.
  4. Jacob Viner, 'America's Aims and the Progress of Underdeveloped Countries', Progress of Underdeveloped Areas, p.178.
  5. U.S. Govt., Economic Strength for the Free World, p.iii.

The shadow of fear was driven out by the host of examples of increased prosperity at home after economic growth or development abroad.

Historically it had been shown that foreign economic development had coincided with tremendous increases in the external trade of the great trading nations of the world.<sup>1</sup>

The imports and exports of Great Britain in 1929 were seventy times greater than they were in 1775.

United States imports in 1929 were twenty-five times greater than they were in 1850 and exports were thirty-six times as large.

Japan's imports in 1937 were forty-two times greater than in 1873. Its exports were sixty-five times greater.

The imports of France in 1914 were ten times greater than in 1840 and exports were eight times greater.

Germany quadrupled its exports and imports between 1880 and 1913.

If the historical argument failed, there was more recent evidence in the records of United States trade. The records showed that from 1936 to 1940 imports from the United States by well developed countries averaged 5.80 dollars per person per year; those by countries described as 'intermediate' averaged only 1.25; and those by underdeveloped countries were as little as .70 dollars a year.

A developing country, learning to process its own raw materials, might well be expected to destroy the market for foreign-made goods. By helping an underdeveloped country to set up an industry for cotton piece-goods, for example, the Western countries might be closing the door on their exports of finished cloth to that country; but the loss in this field need by no means represent a total loss of exports.

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1. Staley, World Economic Development, pp.117-22. Values adjusted.

Because two thirds of all imports are not the traditional exchange either of raw materials for finished goods or of finished goods for raw materials, the effects of development which would be adverse to that kind of foreign trade are offset by the new income created by development and the new demand that accompanies it.

Exporters and manufacturers in the more highly developed countries would thus stand to gain by an industrializing programme abroad, particularly in the supply of machinery or capital goods and in the supply of consumers' durables.<sup>1</sup> Development would open up markets hitherto stunted or small, or create markets where they had never existed.

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In spite of the background of fact which made it desirable that the States of the West should come to the aid of the underdeveloped countries in stimulating a new productivity, the policy of assisting development might, in practice, have been negated by another factor.

A guiding principle in the world economy is that a country should concentrate on producing those goods in which it has the greatest advantage and exchanging its surplus for those in which it has not. Sweden, Finland and Canada have such advantages in the production of newsprint that it would be folly to cut their output in order to devote the manpower and resources to other (and more difficult) manufacturing tasks.

This principle of specialization involves also the question of comparative costs.<sup>2</sup>

If goods or raw materials could have been made more cheaply at home or imported more cheaply from a developed country than from an underdeveloped, the economics of individual enterprises might have been

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1. Albert O. Hirschman, 'Effects of Industrialization [in Underdeveloped Countries] on the Markets of Industrial Countries', Progress of Underdeveloped Areas, pp.270-83.
  2. Stephen Enke and Virgil Salera, International Economics (New York, 1947), pp.7-12.

disturbed by any government action which directed buyers to the underdeveloped countries.

In the case of the United States, however, the inflow of raw materials had become so large and of such importance that the principle<sup>1</sup> of comparative costs, which remained a consideration, became subordinated to new needs. The United States was concerned with promoting the economic expansion of its trading partners; but, as United States expansion progressed, it also became vitally concerned with ensuring the flow of raw materials from abroad.

One pressing demand for ensuring the flow arose from strategic needs. Much of the post-war planning of the United States was based on the belief that the destinies of the non-Communist countries were inseparable. For the United States, heading the non-Communist alliance, economic and political objectives were both clear.

We have seen that the Paley Commission forecast that the United States would itself require in 1975 some 60 per cent increase in the volume of raw materials. To this must be added its prediction that the rest of the non-Communist world as a whole would need between two thirds and three quarters more and that only part of the United States needs<sup>2</sup> could be met by domestic output.

Politically the United States was aware of 'the challenge which confronts the West in its efforts to deny the underdeveloped areas..... to the Communist appeal.'<sup>3</sup> The United States had long held the belief that economic welfare and resistance to aggression go hand in hand. It now saw that 'healthy economic growth depends importantly upon military security to keep that climate of confidence in the future in which private enterprise flourishes.'<sup>4</sup>

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1. Edward S. Mason, 'Raw Materials, Rearmament and Economic Development', Quarterly Journal of Economics, LXVI (1952), pp.332-7; Paley Report, vol. I, pp.1, 13.
  2. Paley Report, vol. I, pp.59-60.
  3. Watnick, 'Appeal of Communism to the Underdeveloped Peoples', p.172.
  4. Paley Report, vol. I, p.153.

A basic problem was how to promote production in underdeveloped countries with rich resources amid fears of unstable markets, especially as instability itself increased the military demands on the economy. The Paley Commission found that even under 'cold war tension' United States military needs could rise to 20 per cent of all raw materials consumed by the United States and that in the event of war this figure could rise further to 50 per cent.<sup>1</sup> 'Cold war tension', moreover, had intensified the feeling that the underdeveloped countries should be aided in their economic development for the sake of the Western political alliance as a whole.

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The call was for change -- change at speed.

Speed was demanded to correct the balance of world trade and to give stability to a political situation felt to be growing dangerous. The tick of the clock became more ominous; the eye of the calendar more accusing. Planning proceeded on the unquestioned assumption that the United States considered it essential that the underdeveloped countries, containing from half to two thirds of the world's population, should achieve sustained economic development at least within the twentieth century.<sup>2</sup>

What the West found desirable was desirable also to the underdeveloped countries. Urgency was a common motive. The underdeveloped countries were striving for the rapid establishment of a pattern suggested or dictated by the more developed countries of the West.<sup>3</sup> Unchallenged was the contention that raising the incomes of those living in the poorer countries was a desirable goal,<sup>4</sup> although it was impossible to gauge the effect on those societies of giving effect to the design.

The West, in fact, was recommending selective culture changes which

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1. Paley Report, vol. I, p.158.
  2. Harvey S. Perloff, 'Requirements of an Effective Point Four Program', Economic Development and Cultural Change, I (1952), p.209.
  3. Melville J. Herskovits, 'The Problem of Adapting Societies to New Tasks' Progress of Underdeveloped Areas, p.110.
  4. Frankel, Economic Impact on Under-Developed Societies, p.59; Sol Tax, 'Selective Culture Change', American Economic Review (Proceedings No.) XLI (1951), p.320.

had as their purpose a single goal -- economic development.<sup>1</sup>

But in Africa, for example, the social and political rigidities were such that the vast potential would remain in chains until some of the links were burst open; resistance to change would vary in different communities,<sup>2</sup> but it would be brave indeed to promise that Africa could be incorporated 'into the world economy at a rate, and in a manner, which will not endanger the peace and political stability of Africa itself.'<sup>3</sup>

It was well enough for the West to declare that economic betterment depended on greater efficiency and that the change should be effected with haste. Simplification of the problem in those terms was misleading and the obvious was also the treacherous.<sup>4</sup>

Even without the multitudinous problems of domestic capital formation,<sup>5</sup> consideration of which had swollen the already large proportions the literature on economic development,<sup>6</sup> the problems were large enough and demanded time for a solution. Time was an essential requirement in providing room for manoeuvre and to enable a developing country to subdue and solve the manifold problems of economic development.

Japan took sixty years to complete the process which transformed it into an industrial economy.

The U.S.S.R., after more than thirty-five years of exacting economic planning, does not hope to rival the United States in the production of iron, steel, power and transport even in 1960.<sup>7</sup>

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1. Morris E. Opler, 'The Problem of Selective Culture Change', Progress of Underdeveloped Areas, p.130.
  2. Monica Hunter, Reaction to Conquest (London, 1936), p.549.
  3. Frankel, Economic Impact on Under-Developed Societies, p.139.
  4. Joseph A. Schumpeter, Capitalism, Socialism and Democracy (London, 1943), p.235.
  5. See U.N., Methods of Financing Economic Development in Under-Developed Countries (1949.II.B.4).
  6. For a commentary, see James Baster, 'Recent Literature on the Economic Development of Backward Areas', Quarterly Journal of Economics, LXXVIII (1954), pp.585-602. For an annotated reading list, see Arthur Hazlewood, ed., The Economics of 'Under-Developed' Areas (London, 1954).
  7. Ellsworth, International Economy, pp.811-12.

Yet time was denied the West in its pressing drive for world economic balance and for world political stability. The search for peace and prosperity had become a vital quest.

The United Nations was calling for 'the necessary acceleration of economic development'<sup>1</sup>; it was calling for 'rapid action'<sup>2</sup> in this field and pointing to 'the relatively slow advance of the under-developed countries'<sup>3</sup>.

In their turn the underdeveloped countries were only too ready to acquiesce in pressing the claims of time, to dismiss or discount the conservatism which warned that true economic development is often unspectacular and slow.<sup>4</sup>

The progress from primitive to civilized, the march from poverty to riches -- with all their allurements -- bred a growing impatience among the underdeveloped countries as well as in the West.

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1. General Assembly Resolution 400(V).
  2. U.N., Measures for the Economic Development of Under-Developed Countries (1951.II.B.2), p.9.
  3. U.N., World Economic Report, 1951-52 (1953.II.C.2), p.11.
  4. Ponna Wignaraja, 'Some Reflections on Rational Policy for Economic Development in Underdeveloped Areas', Economic Development and Cultural Change, II (1953), p.115.

## Chapter Four

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### THE THEORY OF ECONOMIC DEVELOPMENT

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The contrast of poverty and plenty throws into high relief the question : Why are poor countries poor ?

The community that spends all it earns on current needs can save nothing. When almost all that is produced is required to provide the bare essentials of life, there is no surplus, or 'saving', which can be invested to produce greater wealth in the future.

Low productivity reflects itself in low levels of living. Low levels of living themselves produce poor health. Poor health results in inefficient labour. Inefficient labour means low productivity.<sup>1</sup>

This is the vicious circle of poverty. Poverty perpetuates itself and forms a barrier to progress.

The means of breaking this circle lies in the process of economic development. It is the process by which a community produces a saving and invests that saving to build a more powerful means of advancing its economy, to increase its capacity to produce, to create greater wealth and to accelerate its progress in economic terms.

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1. Nurkse, Problems of Capital Formation, p.4.

Economic development is not merely growth. Growth suggests a uniform process and ignores the fact that when economic development takes place there is actually a shrinkage or contraction in some parts of the economy. The idea of economic development must be broadened in terms of the long-range changes which take place in the economy of a country when it is attempting to raise the average individual incomes of its people.<sup>1.</sup>

Economic development takes place when new combinations of the factors of production produce new wealth or develop the economy. It 'consists in a different employment of existing services of labor and land... the carrying out of new combinations take place through the withdrawal of services of labor and land from their previous employments'.<sup>2.</sup> Development lies in innovation, or historical changes in the way of doing things,<sup>3.</sup> not merely in invention or experiment, although applying advanced technical developments may contribute toward economic development.

A combination of methods which increases the capacity of a community to produce and therefore to consume, which raises the level of total income through increased individual production so that each individual will be able to consume more --- such is economic development.

The economic development of underdeveloped countries is the process by which poor countries become richer through becoming more efficient.

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How can the process begin?

One of the classic examples of economic development has its culmination in the history of eighteenth century England and the agrarian

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1. Wignaraja, 'Rational Policy for Economic Development', p.109.

2. Joseph A. Schumpeter, The Theory of Economic Development (Cambridge, Mass., 1951), p.950.

3. Joseph A. Schumpeter, 'The Analysis of Economic Change', Readings in Business Cycle Theory (Philadelphia, 1944), p.7.

revolution, the great prelude to the industrial revolution. The need for 'resting' hard-worked farmlands was wasteful in agriculture, but a change in crop rotation was made possible by the introduction into cultivation of the turnip for the first time. This brought about a tremendous rise in agricultural productivity. A direct result of the increased productivity in agriculture was a lessening of the demands made upon available labour for the production of food.

The manpower thus released became available for the work of capital construction. Its employment to this effect brought about a growth in industry which might otherwise not have been possible.<sup>1.</sup>

The eighteenth century English turnip sends out its lesson to the underdeveloped countries of the twentieth century: increased efficiency of production brings greater wealth which can be put to the service of economic development and raising the general standard of life.

Capital is accumulated as the result of a 'surplus' of goods produced - a quantity larger than the community or individual can consume. Increased efficiency, producing more than the current needs of a community, creates this surplus. The surplus can be invested in new activities which will increase the wealth of the community.

An underdeveloped country seeking economic development must begin to effect this saving by making fewer persons through increased efficiency produce the food it needs, freeing 'surplus' farm labour and making it available to help expand the economy.<sup>2.</sup>

This is the path taken by many of the more highly developed countries; it is often the first step in economic development.

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1. Nurkse, Problems of Capital Formation, pp.52-3.

2. Theodore W. Schultz, 'The Supply of Food in Relation to Economic Development', Economic Development and Cultural Change, I (1952), p.249.

The prospects of a ready release of all surplus labour for economic development is dimmed by the thought of the absorption of vast proportions of the world's population in agriculture.

This is a demographic fact of great magnitude.

In 1949, when the total world population was below 2,200 million, 60 per cent of that number -- nearly 1,300 million persons in all -- were dependent upon agriculture for their livelihood.

In Europe only one person in three and in North America only one person in five was so dependent; but in Asia and Africa, three out of every four obtained their living from the land<sup>1</sup>. In the colonial territories four out of five gain their living in this way<sup>2</sup>.

In many countries between 66 per cent to 80 per cent of the total labour force is employed on the land, and an estimated 15 to 30 per cent of this labour may be surplus of in 'disguised unemployment'<sup>3</sup>.

It is palpably false that a high proportion of the population must be chained to the land in order to provide the means of subsistence for all.

In the United Kingdom some 6 per cent of the population produces nearly one third of the country's entire requirements of primary produce.

Other countries with large export trades in primary produce show low proportions of their populations engaged in primary production<sup>4</sup>.

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1. U.N., Land Reform : Defects in Agrarian Structure as Obstacles to Economic Development (1951.II.B.3), p.3.

2. U.N., Special Study on Economic Conditions in Non-Self-Governing Territories (1952.VI.B.2), p.50.

3. Nurkse, Problems of Capital Formation, pp.34-5.

4. Oxford Economic Atlas, pp.8-9, 48-9, 96-7, 100-101.

Of Australia's total working population of 3.3 millions, less than 600,000 are employed in agriculture and more than 80,000 are employed in industry.

Denmark has a working population of more than 2 million, of which half-a-million are in agriculture, 600,000 in industry and 700,000 in commerce.

The Netherlands, with 3.8 million workers, has below 150,000 in agriculture, 925,000 in industry and nearly 790,000 in commerce.

New Zealand, with 680,000 workers, has less than 20 per cent employed on the land.

Such relatively small proportions engaged in agriculture produce not only sufficient food for the subsistence of their people, but sufficient to raise those countries to positions among the world's most important exporters of agricultural produce.<sup>1</sup>

In spite of the difficulties, this transfer must be made. It can be made. It has been made.

The course of successful transfer of surplus farm labour (or labour engaged in producing raw materials) into activities which help to create new wealth is forcefully shown in the history of modern Japan.

After 1869 and the surrender of the fiefs of the Japanese feudal lords to the central government under the Emperor, adoption of a new economy and its application to national defence 'became a national goal to which every Japanese, great and small, gave unremitting and loyal service'.<sup>2</sup>

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1. Clark, Conditions of Economic Progress, pp.401-2.

2. Daniel H. Buchanan, 'Differential Economic Progress : Some Cases, Comparisons and Contrasts -- Japan versus "Asia"', American Economic Review, (Proceedings No.)XLI (1951), p.361.

Japan was at this stage producing raw materials which it exchanged for manufactures, but the change that was taking place was reflected in accounts of its trade with the rest of the world in succeeding years.

By 1914 nearly a third of Japanese exports comprised finished manufactures and by 1930 this figure had risen to nearly half. The transition was accompanied by a doubling of the population, which rose from 35 million in 1873 to 73 million in 1940.

Japan had entered the industrial orbit as a manufacturer of finished goods. It had witnessed a large transfer of its population from country to town. It had made a further transfer of great numbers from primary production (or the production of food and raw materials) to secondary (or manufacturing) and tertiary (or commercial and service) activities. Although the view is challenged that a high proportion of labour in tertiary production 'is both a consequence of and a pointer to a high standard of living',<sup>1</sup> it remains true that in prosperous economies like those of the United Kingdom, the United States, Australia and New Zealand, half the working population is engaged in tertiary activities.<sup>2</sup>

Japan had expanded productivity on a national scale and new industries had grown as development proceeded. It had watched over a great domestic accumulation of capital.<sup>3</sup>

Japan not only made the saving from surplus labour in primary production but it also applied that saving to its own national development and constructed the engine which gave power for its economic advance.

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1. F.T. Bauer and B.S. Yamey, 'Economic Progress and Occupational Distribution', Economic Journal, LXI (1951), p.747.

2. Clark, Conditions of Economic Progress, p.401.

3. Hancock, Wealth of Colonies, pp.34-5.

This mobilization of saving for the needs of development is the second vital element.

For a closer view of the way in which mobilization of savings may be carried out in economic development, Venezuela provides a modern example.<sup>1</sup> Development in Venezuela has been based entirely on the production of oil. Oil provides 60 per cent of the country's income and 90 per cent of its foreign exchange through the export of 95 per cent of the total production.

Under the Government-sponsored slogan, 'Sow the Petroleum', vast profits in oil have been ploughed back to create new income-producing activities and to increase the efficiency of the economy.

Between 1942 and 1952 Venezuela invested 100 million dollars in agriculture, 21 million in harbour construction and 45 million in super-highway linking Caracas, the capital city, with La Guaira, the country's chief port.

Venezuela also built more than 12,000 housing units, spent 42 million dollars on public health and set aside 43 million dollars for schools and three State-financed, tuition-free universities.

In 1949 it bought abroad 700 million dollars worth of goods, over 500 million of which came from the United States, making Venezuela the largest dollar market in the world outside those countries of the Economic Co-operation Administration.

The budget was balanced and Venezuela stood free of foreign debt.

The mere existence of surplus output did not produce economic development, as Venezuela might well have learned from the experience of South East Asia : from 1900 to 1940 the countries comprising that

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1. Paley Report, vol. V, pp.99-109.

region had a total export surplus of some 10,000 million dollars; and if such surplus had been mobilized for investment it would have permitted 'a prodigious rate of increase in capital formation'.<sup>1</sup>

These contrasting cases illustrate part of the theory of the need for capital accumulation in economic development. In the case of Venezuela the surplus production was turned back into the economy to make it more viable, to develop its productive resources and thus increase its capacity to produce. In the case of the countries of South East Asia, much of the surpluses produced was dissipated or diverted from channels in which it could have given impetus to economic development; much was 'wasted' in the sense that it was consumed - that it was not 'saved' to become part of accumulated capital.

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Isolating the main problems of economic development makes it easy to declare the solution to the problem of poverty. The underdeveloped country must save; it must invest its saving for increased future production.

If the problem could be solved as easily, this study would have no purpose.

The underdeveloped countries know and understand the line along which their advance must be made. Their true problems are only beginning when they try to steer the new course.

One of their greatest problems arises from the fact that in many cases the emergence from primitive to developed economy is a telescoped process. History decrees that the progress from primitive to civilized is a slow, evolutionary change; the acceleration of the drive for economic development has transformed it into a revolution.

It is impossible to separate the economic life of a community from

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1. Bekker, 'Point IV Program', pp.237-9.

its life as a whole, to allow each to develop as a thing apart, each part unaffected by the other, each self-contained and independent.

Emergence from primitive to developed economy involves tremendous and far-reaching social change -- political change, religious change, technical and scientific change.<sup>1</sup>

It would be wholly mistaken to seek causes of poverty and backwardness only in the economic field or to assume that the question of economic development confines itself conveniently to purely economic factors. Economic development 'has much to do with human endowments, social attitudes, political conditions - and historical accidents'.<sup>2</sup> As a concept it fails to remain within rigid economic boundaries and overflows into social and other fields.

Elements in the social organization of groups or communities may often be inseparably bound up with their economic activity, and change in one may be impossible without reform in the other.<sup>3</sup> The repercussions of economic change are often profound in their effect upon the social organization of a community and the major service of applied sociology is its calculation of the probable effect of contemplated change.<sup>4</sup> In turn, the social organization of a group may be either hindrance or help in the course of its own economic development.

One congress called to study specifically the question of the economic development of underdeveloped areas considered, among other thing, problems in the field of anthropology, commerce, ecology, economics, education, finance, government, history, industry, international relations, labour, philosophy, political science,

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1. Wilson, Analysis of Social Change, pp.6-13.

2. Nurkse, Problems of Capital Formation, p.1.

3. Raymond Firth, Elements in Social Organization (London, 1951), p.153.

4. E.E. Evans-Pritchard, Social Anthropology (London, 1951), p.110.

psychology, religion, sociology, taxation and technology.<sup>1</sup> Dozens of others might legitimately have been added.

This study is not one of social change but it gives full recognition to its importance and the vast field opened up by any consideration of economic development.

There is scarcely any limit to the field of subjects in which social change may be considered in direct relation to economic development; but the primary choice confronting the underdeveloped country remains unaltered.

The choice confronting an emerging economy is whether it should accept a progressive economic ideal.

If the choice is in favour of development, it has to face the fact that a static social ideal 'cannot co-exist with a progressive economic ideal'.<sup>2</sup>

India's economic future was judged to depend in the main upon 'fundamental social reforms and reorganization'.<sup>3</sup>

Of Africa it was predicted that if a much larger population was to be supported, 'the whole scheme of African life must be transformed'.<sup>4</sup> No progress was seen for Africa without change,<sup>5</sup> and adjustment to changing circumstances was 'the most certain guarantee for the survival of what is best in the traditional institutions'.<sup>6</sup>

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1. Bert F. Hoselitz, ed., The Progress of Underdeveloped Areas (Chicago, 1952).

2. Anstey, Economic Development of India, p.476.

3. Anstey, Economic Development of India, p.487.

4. A.M. Carr-Saunders, World Population, (London, 1936), p.306.

5. J.H. Oldham, White and Black in Africa, (London, 1930), p.39.

6. Hailey, Native Administration in the British African Territories, part V, p.144.

Latin America missed seizing fully the opportunities which technical improvements and an expanding world economy afforded for attaining higher average standards of living because 'the fundamental barriers to material progress were institutional'.<sup>1</sup>

These facts may please those who contend that economics should not comprise a field of study enclosed within arbitrary boundaries,<sup>2</sup> but they intensify the problem for the underdeveloped countries and call for attack on the problems of underdevelopment on an extensive front.

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It may dishearten the underdeveloped country to realise that even if it should succeed in the gigantic task of transforming its social institutions, its attitudes and its very way of life in order to take advantage of the benefits of economic development, its main task still lies ahead.

The first essential of economic development is saving; but the underdeveloped country, striving to achieve it, is handicapped by the burden of its own poverty.

Productive capital for economic development depends on the availability of factors of production -- land (or raw materials), labour and capital. The underdeveloped countries are relatively short of capital in relation to the other factors -- raw materials and labour.

The underdeveloped countries are making their primary objective the provision of capital equipment of various kinds in order to provide the prerequisite for economic development.

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1. Sanford A. Mosk, 'Differential Economic Progress : Some Cases, Comparisons and Contrasts -- Latin America versus the United States', American Economic Review, (Proceedings No.) XLI (1951), p.375. See also Robin A. Humphreys, The Evolution of Modern Latin America (London, 1946), p.84.

2. Clark, Conditions of Economic Progress, pp.1-2; G.L.S. Schackle, 'Economics and Sincerity', Oxford Economic Papers, 5(n.s.) (1953), p.3.

In this search there are two sources to which they may turn.

The first is the home front. By increasing saving in the underdeveloped country and by investing that saving to increase its productivity, economic development becomes possible.

The difficulties in effecting such saving are tremendous.

In a poor country so much of productive effort is required to meet current needs that little surplus remains as saving which can be invested. The classic activity of providing capital is that of abstaining from the immediate consumption of goods;<sup>1</sup> in a highly developed country the surplus of production over consumption may be large enough for saving to take place often without severe hardship; but in a poor country the difficulties are accentuated.

The developed countries are the 'rich' countries, the underdeveloped are the 'poor'. The propensity to consume is always higher in the case of the poor than it is in the case of the rich; for the poor always consume a higher proportion of their income than the rich.

The drive for economic development, the drive to close the gap between poor countries and rich countries, is one of the things which has brought them closer together. An effect on the underdeveloped countries of closer contact with the more highly developed has been the increase in importance of the psychological factors on which the propensity to consume depends.

It introduces a salient new feature, the demonstration effect of higher levels of living.

The essential task of saving is made more difficult as a result.

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1. D.H. Robertson, Banking Policy and the Price Level, 3rd imp., rev. (London, 1932), p.40.

An account of the importance of the demonstration effect in the United States shows that in that country one of the principal social goals is a higher standard of living and the force of the urge toward that goal is strengthened by the characteristics of the social structure of the United States.<sup>1</sup>

The argument points out that although the society of the United States is formally without distinction of class, it has, in fact, a system of differentiated social status. The differences are marked by differences of standards of consumption. Movement from one status to another is possible to a marked degree.

Because the society is not stratified, there are frequent opportunities for the individual person to make invidious comparisons between the quality of his own living and that of others. The social goal of a high standard of living, the thesis maintains, converts the drive for self-esteem into a drive to get higher quality goods.

Because of the possibility of movement up the scale, the drive for self-esteem can be converted into a drive for higher social status. But because, further, high social status demands the maintenance of a high standard of consumption, the drive is again converted into a drive to obtain high quality goods.

The dependence on one another of the preferences of consumers affects the choice between consumption and saving to an important extent.

The findings can be applied in some ways to international economic relations. International inequalities in income may have to be regarded as an impediment to domestic saving and to capital formation in the poorer countries.<sup>2</sup>

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1. James S. Duesenberry, Income, Saving and the Theory of Consumer Behavior (Cambridge, Mass., 1949), pp.28-32.

2. Nurkse, Problems of Capital Formation, p.61.

The demonstration effect has become much more marked than in the nineteenth century. The twentieth century has brought with it an aspiration for equality that is finding a new expression in reducing the gaps in individual countries between rich and poor.

Where there exists a greater measure of equality there is less saving potential. Where the distribution of income is more equal, the propensity to save will tend to decline.

A historic phase of economic development in the nineteenth century took place at a time when the distribution of income was unequal. Shorn of the golden fleece of foreign investment, economic development in the U.S.S.R. became possible only after a system of enforced saving had been introduced; the first Five Year Plan might be regarded as a plan to introduce saving to finance succeeding Five Year Plans and to make them possible at all. It is true to say that almost all economic development which took place during the nineteenth century was possible because of the unequal distribution of income which existed. The inequalities are now fast disappearing.

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On the home front, poverty places a further obstacle in the path of economic development.

In many cases the natural resources of the underdeveloped countries are poor, making harder the struggle to increase efficiency of production;<sup>1</sup> and it remains true that 'a rising standard of living cannot be based upon a falling level of soil fertility'.<sup>2</sup>

The creation of new income-producing activities and the development

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1. Sir Alan Pim, The Financial and Economic History of the African Tropical Territories (Oxford, 1940), p.37; Viner, International Trade and Economic Development, pp.102-5.

2. Hailey, African Survey, pp.1108.

of productivity are basic essentials,<sup>1</sup> yet many of the underdeveloped countries lack the foundation for the development of skills.

In pre-industrial societies skill was at a premium<sup>2</sup> -- such that in Thailand and China the wage of a truck driver and of an electrician or clerk are from two to three times that of an unskilled worker.<sup>3</sup>

Although 'the educational function... is not exercised solely in schools and colleges'<sup>4</sup> educational standards are often astonishingly low and the numbers on which a developing country might draw to administer the new development are unenviably small.<sup>5</sup>

Among Nigeria's nearly 30 million of population there are reportedly only 10,000 African holders of the senior certificate and in the Central African Federation this figure is less than 1,000.<sup>6</sup>

The ruling tribe of Bechuanaland has produced only four university graduates in sixty-five years under colonial rule and two thirds of the children of school-going age have had no schooling at all.<sup>7</sup>

Moreover, a great abundance of so-called cheap labour has worked against the spread of high-productivity methods,<sup>8</sup> making capital-saving

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1. Pim, Financial and Economic History of the African Tropical Territories, p.74.
  2. See U.N., Fields of Economic Development Handicapped by Lack of Trained Personnel in Certain Countries of Asia and the Far East (1951. II. F.6).
  3. Clark, Conditions of Economic Progress, p.459; J.D. Rheinallt Jones, 'Industrial Relations in South Africa', International Affairs, XXIX (1953), pp.48-9.
  4. C.K. Meek and others, Europe and West Africa (London, 1940), p.138.
  5. L.P. Mair, Welfare in the British Colonies (London, 1944), pp.24-7; U.N., Measures for the Economic Development of Under-Developed Countries (1951. II.B.2), pp.6-7.
  6. W.M. Macmillan, 'African Growing Pains', African Affairs, 52 (1953), p.199.
  7. Tshekedi Khama, 'Principles of African Tribal Administration' p.455.
  8. G.St.J.Orde Browne, The African Labourer (London, 1933), p.31; Clark, Conditions of Economic Progress, p.234.

devices more important than labour-saving devices and hindering technical progress.

The introduction of new skills often disrupts social organization and produces resistance to change;<sup>1</sup> yet if underdeveloped countries are seeking industrialization as a means of gaining a greater share of 'the benefits of technical progress and of progressively raising the standard of living of the masses',<sup>2</sup> they are forced to face the problems of creating an industrial labour force.

In primitive economies many of the wants upon which economic life is based are of an immaterial kind and an outstanding feature is 'the absence of money, of a price mechanism and in many cases the absence of a formal market'.<sup>3</sup>

Many underdeveloped countries have not advanced far from the primitive stage.

In Africa the most general feature of almost the whole of the tropical area is that the native peoples are in process of change from a stage of almost complete dependence upon subsistence activities to one in which they are taking part in various forms of cash earning.

In a subsistence economy it is extremely difficult to develop a market.

In South Africa in 1865 about three quarters of the white population was engaged in agriculture and private capital was not attracted in

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1. Walter R. Goldschmidt, 'The Interrelations between Cultural Factors and the Acquisition of New Technical Skills', Progress of Underdeveloped Areas, p.137; Oscar Handlin, 'International Migration and the Acquisition of New Skills', Progress of Underdeveloped Areas, p.59.

2. Raul Prebisch, The Economic Development of Latin America and Its Principal Problems (U.N., 1950. II. G.2), p.2.

3. Raymond Firth, Human Types (London, 1938), p.82. See also Richard Thurnwald, Economics in Primitive Communities (London, 1932), p.xiii.

large amounts until after 1867, when first diamonds and then gold 'brought the nineteenth century and the Industrial Revolution to South Africa'. This tremendous discovery of mineral wealth opened up possibilities never dreamed of, shattered the chains of subsistence farming and almost total dependence upon the products of the soil, opening 'the final stage of exploration of the continent as a whole'.<sup>1</sup>

Before the discovery of diamonds there were less than seventy miles of railway in South Africa,<sup>2</sup> but the mineral discoveries promoted a huge network. Railway development in the rest of Africa showed a similar growth: about three quarters of all the loans raised by the governments of British Territories in Africa has been for railways; because development of internal trade - the development of home markets - was being retarded by lack of transportation. This was quite apart from the need to get out raw materials for markets abroad.<sup>3</sup>

In the Middle East, too, the diversity of their resources is being revealed only as the Arab countries advance beyond the level of a subsistence economy.<sup>4</sup>

In Latin America one of the principal handicaps to development is held to be the lack of a broad middle class market.<sup>5</sup>

How important the development of the market has become we shall see in the following Chapter.

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1. S. Herbert Frankel, Capital Investment in Africa (London, 1938) p.51.

2. H.M. Robertson, '150 Years of Economic Contact between Black and White', South African Journal of Economics, III (1935), p.12.

3. Hailey, African Survey, pp.1657, 1661-2. See also Nurkse, Problems of Capital Formation, pp.86-7.

4. Charles Issawi: 'The Bases of Arab Unity', International Affairs, XXXI (1955), p.46; 'Prospects for Economic Development in the Middle East', Proceedings of the Academy of Political Science, XXIV (1952), pp.467-82.

5. Mosk, 'Latin America versus the United States', p.375.

The difficulties which confront the underdeveloped countries are great. Here we have given only some of the more important aspects, some of the major issues of the problem before them; but, large and small, they crystallize in the now urgent demand for capital.

Capital is needed for economic stability. Capital is needed to help solve the 'persistent disequilibrium in international payments',<sup>1</sup> the growing debt of the poor to the rich. Capital is needed to raise individual average levels of production and consumption.<sup>2</sup>

To break the vicious circle of poverty, to prime the engine of economic development, capital has become essential. Without it the possibility of development could wither and even die.

Time is pressing and 'the formation of new capital is proceeding at a much slower rate than in the nineteenth century'. The share of labor and the cost of welfare are rising. The minimum cost per worker of modern equipment is much higher than in earlier periods. A high rate of investment is required to keep ahead of population growth, but the actual rate of private investment in productive projects is insufficient for such a rapid advance.<sup>3</sup> The underdeveloped countries foresee that although they have to create capital for themselves, it will never be sufficient in the face of overwhelming difficulties.

For this capital they have decided to look beyond their frontiers. The sources they are turning to are the richer and more highly developed countries of the West.

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1. U.N., World Economic Report, 1951-52 (1953.II.C.2), p.11.
  2. U.N., Review of Economic Conditions in Africa : Supplement to World Economic Report, 1949-50 (1951.II.C.2), p.117; U.N., World Economic Report, 1951-52 (1953.II.C.2), p.15.
  3. Henry G. Aubrey, 'The Role of the State in Economic Development', American Economic Review, (Proceedings No.) XLI (1951), p.272.

## Chapter Five

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### PRACTICAL ISSUES AND REALITIES

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If capital for promoting the economic development of the underdeveloped countries were flowing in abundance from the West, the underdeveloped countries would still be faced with important problems of putting the capital to its best use.

The underdeveloped countries, however, have scarcely been troubled by such problems; they are wrestling instead with the primary problem -- the problem of securing capital for development -- and in their search abroad they have been meeting with difficulties of major proportions.

We have seen that France, Germany and the United Kingdom, the giants of international finance before 1914, lost their importance as foreign investors outside their own empires in later years.

Before the First World War Great Britain was investing abroad half its annual savings<sup>1</sup> and nearly half of this amount was in the Dominions and colonies.<sup>2</sup> Between 1932 and 1938 British foreign investment

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1. Viner, 'America's Aims and the Progress of Underdeveloped Countries', p.181.

2. Frankel, Capital Investment in Africa, p.18.

dropped considerably and was at the comparatively low level of £30 million a year. But between 1938 and 1948 British overseas capital shrunk by 45 per cent, as assets in India, Canada, Argentina, Australia, the United States, Brazil and the Union of South Africa were rapidly liquidated.<sup>1</sup>

The countries of Western Europe -- far from seeking new avenues of investment abroad -- were anxiously concerned with their own balance-of-payments problems with Canada and the United States.

So indeed were almost all countries outside the Western Hemisphere.

The international trade of the United States had increased to such magnitude that during the first half of 1947 the rest of the world owed the Republic 4,700 million dollars for general trade alone.<sup>2</sup>

Export balances of the United States were smallest in Oceania, where Oceania's debt stood at 37 million dollars.

Europe owed 2,450 million dollars for trade.

Asia owed the United States 450 million.

Africa stood in debt to the United States for 250 million dollars.

On the American Continent itself the United States also had huge balances in her favour ; in South America these amounted to 950 million dollars and in North America they totalled 550 million.

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The indebtedness which made the United States the outstanding creditor nation was, however, of less importance to the underdeveloped

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1. U.N., National Income and Its Distribution in Under-Developed Countries (1951. XVII.3), pp.11, 14.

2. U.N., Selected World Economic Indices (1948.II.A.2), p.43.

countries than the over-riding fact that the United States had become the only important net exporter of capital.

Between 1945 and 1948 only 30 per cent of international grants and loans came from sources other than the United States, the largest of the remaining investors being the United Kingdom, with a 12.3 per cent share, and Canada, with 8.1 per cent.<sup>1</sup>

Net capital exports from the United States at that time averaged 8,000 million dollars a year.<sup>2</sup>

In the following two years (from July 1948 to July 1950) the United States furnished 10,740 million dollars in grants and loans and a further 1,240 million dollars in private investment.

In the calendar year 1950 it contributed a total of 6,000 million dollars, 4,500 million of which were in the form of government grants and loans, 500 million in private gifts and 1,000 million dollars in private investment.<sup>3</sup>

By 30 June 1953 grants and loans to member countries of the Organization for European Economic Co-operation alone totalled 14,500 million dollars, of which 90 per cent represented grants made through the Economic Co-operation Administration (applying the European Recovery Programme), the Mutual Security Agency and the Foreign Operations Administration.

For the year ended 30 June 1954, the United States Congress set aside 4,500 million dollars in new funds for such purposes.

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1. U.N., Selected World Economic Indices (1948.II.A.2), p.45.

2. Ellsworth, International Economy, p.843.

3. Viner, 'America's Aims and the Progress of Underdeveloped Areas', pp.180-1.

The United States was emerging as the one country in the world with the financial resources adequate to undertake a large-scale lending programme.

The great question was whether the resources of the United States could meet any important part of the demands of the underdeveloped countries for capital for economic development.

One authority has made this calculation<sup>1</sup>:

'If we take as a modest goal that suggested tentatively by Eugene Staley, namely a rate of development similar to that experienced by Japan in the period 1900-1935, the total investment (calculated at 1936 prices) in Asia, eastern and southeastern Europe, and Latin America would amount to approximately \$5 billion [five thousand million] per annum in the first decade.....

'If we ruled out China and eastern and southeastern Europe as fields for development under Russia's leadership, and included a sum for the Middle East and Africa as large as the estimate for Latin America (\$600 million), annual investment for the first decade would be close to \$2.5 billion [thousand million] a year, and would amount to some \$10 billion [thousand million] thirty years later. At postwar levels of prices, these figures would have to be approximately doubled.....

'On a fifty-fifty basis of participation [that is, if the underdeveloped countries themselves met half the costs of financing economic development], this would mean that the advanced industrial countries, for some time mainly the United States, would have to provide loans of some \$2.5 billion [thousand million] per annum at the outset.

'In view of the fact that in the late 1920's, with our [U.S.] national income at less than half the levels of recent year, we made

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1. Ellsworth, International Economy, pp.815-16.

foreign loans of approximately \$1 billion [thousand million] a year, and in view also of postwar rates of gross domestic investment of from \$30 to \$45 billion [thousand million] a year, a rate of foreign investment of this magnitude should not be beyond the capacity of this country [the United States] alone.

'As for the later stages of the program, it is to be expected that as the borrowing countries' incomes and productivity rise, their ability to finance their requirements would increase.

'Moreover, assuming the restoration of European equilibrium, the nations of western Europe could be expected to resume their former practise of foreign lending.

'Allowing also for continued increase in the wealth and income of the United States, annual foreign loans in the fourth decade of \$6 or \$7 billion [thousand million] per annum would appear to be within the bounds of reason.'

This is a highly conditional estimate but its value lies in showing that the possibility of the United States' financing the development of underdeveloped countries is not so fantastic as it may at first have been thought.

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It is important to remember that the United States Government recognized fully the importance of contributing in large measure toward the economic development of underdeveloped countries, thus aiding the recovery or development of the rest of the world.

It is important, also, to remember that grants and loans by the United States Government, of themselves, could by no means supply the large-scale capital needs of the underdeveloped countries.

The Point Four Programme did not comprise large-scale capital assistance. It envisaged only 'technical co-operation for basic improvement in economic well-being, as distinct from short-term relief, rehabilitation, recovery programs, military and capital assistance'.<sup>1</sup>

Technical assistance was relatively small-scale aid to help the underdeveloped countries help themselves. It was 'relatively small-scale' because it only touched the surface of what the underdeveloped countries believed to be their true capital needs.

Technical aid was supplied in the hope that it would be used to expand capital facilities, yielding returns which would enable further investment to take place indefinitely. It was widely held that underdeveloped countries should finance at least a substantial part of their economic development from domestic sources<sup>2</sup> and that self-help should be a primary feature of all economic development.<sup>3</sup>

The Colombo Plan, for example, was put into action on the understanding that half the finances would have to come from internal sources.<sup>4</sup>

The formation of capital in the underdeveloped countries was required to be progressively rapid; yet by 1951 it was noted that although net capital formation in most countries where rapid economic development was occurring was at least 10 per cent of national income, in underdeveloped countries -- even with foreign investment -- it was less than 5 per cent.<sup>5</sup>

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1. Bekker, 'Point IV Program', p.233; U.N., Special Study on Economic Conditions in Non-Self-Governing Territories (1952.VI.B.2), p.48.

2. Wignaraja, 'Rational Policy for Economic Development', p.116.

3. U.N., Report on a Special United Nations Fund for Economic Development (1953.II.B.1), p.5.

4. Frederic Benham, 'The Colombo Plan', Economica, XXI (n.s.) (1954), p.112.

5. U.N., Measures for the Economic Development of Under-Developed Countries (1951.II.B.2), p.35.

Technical assistance without large-scale capital investment has met with a poor response in the underdeveloped countries and their fears that too little capital would be forthcoming have been borne out by events. The problem of securing large-scale capital investment has not been solved by grants and loans from governments and international agencies.

Government aid could never supplant the function of direct private investment, from which the main flow of much-needed capital could only derive.

The underdeveloped countries have not been getting the capital they need for economic development.

This is strange if it is true that the more developed countries, recognizing their own needs as well as those of the underdeveloped, want them to develop immediately and rapidly; and that the underdeveloped countries share that objective, calling for economic development now.

It remains strange only if we ignore the hard economic realities. The realities and their consequences are complicating the relationship between the underdeveloped countries and the West.

The problem can be simplified as largely a problem of inducing the United States private investor to send his capital to work in the underdeveloped countries.

The United States private investor is the central character in the drama which is unfolding. Unless he can be persuaded to send his funds abroad to the underdeveloped countries, hopes for any early solution to the problems of the poorer countries (and thus those of the general growth of world prosperity) may be slender.

With encouragement from his own Government, with a loud demand from

the underdeveloped countries, what has been the reaction of the United States private investor ?

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A flicker of encouragement for the underdeveloped countries came in 1950, five years after the Second World War had ended, with the report that nearly four fifths of all United States private foreign investment made between 1947 and 1949 had been in underdeveloped countries.<sup>1</sup>

If the underdeveloped countries had hoped that this was the beginning of a new trend which would lead to an awakening from slumber of the over-all vast potential, they were rudely shocked by a further examination of the statistics.

In the first instance, the total volume of United States private foreign investment in those years was small -- small enough to emphasize even more clearly the extent of the unsatisfied capital needs of the underdeveloped countries.

In the second instance, analysis disclosed that over 90 per cent of the direct investment in underdeveloped countries went into the production of petroleum.<sup>2</sup>

United States private investment in 1947 was 650 million dollars. In 1948 it was 850 million. It was almost entirely direct investment and almost all of it was investment in oil.<sup>3</sup>

In 1950 a total of 13,500 million dollars of United States direct private investment was abroad. About 6,000 million dollars was in materials development, of which oil investments accounted for two thirds. Oil investments represented one third of all private foreign investment

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1. U.S. Govt., Report to the President on Foreign Economic Policies (Washington, 1950) The Gray Report, quoted by Nurkse, Problems of Capital Formation, p.83.

2. Nurkse, Problems of Capital Formation, pp.82-3.

3. Ellsworth, International Economy, p.842.

outstanding in the name of the United States investors.<sup>1</sup>

Further, three fifths of American business capital in underdeveloped countries at that time was in mining industries, producing mainly for export.

The pattern of United States private investment in the Republics of Latin America is indicative of what was happening.

After the Second World War it was heavily concentrated in one or two countries and in one or two rapidly expanding industries, notably the petroleum industry.

Between 1946 and 1949 as much as 72 per cent of the direct investment capital moving from the United States to Latin America went to Venezuela for expansion of petroleum production.

If Venezuela were excluded, the volume of foreign investment in 1948-49 would work out at considerably less than United States direct investment in Latin America between 1925 and 1929,<sup>2</sup> the years preceding the World Depression.

The reasons which decide the field in which the private individual will invest his money may be entirely different from those of his government. Most government investment takes into account community welfare and often ignores the possibility of direct short-term benefits.

The private investor is interested first and foremost in private and direct profit, estimated on the relatively short-term possibilities of returns.

A government may willingly invest in afforestation schemes because

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1. Paley Report, vol. I, pp.60-1.

2. U.N., A Study of Trade Between Latin America and Europe, (1952.II.G.2), p.8.

it feels the need for such development in the continuing life of a country. A private investor, on the other hand, may have no interest whatever in sinking his funds into a development programme which could not be expected to yield a return within his own lifetime and yet easily applaud the investment. He could also approve the investment by his government in the development of underdeveloped countries as a contribution toward increasing world-wide prosperity, but he need have no incentive to imitate its action by investing his private funds in such a way.

That situation is the situation prevailing among United States foreign investors today.

It would be absurd to claim that in the United States there is no objection to foreign grants and loans made by the United States Government to underdeveloped countries for their economic development; but it would also be dangerous to suggest that the opposition is great; foreign loans and grants continue.

United States private investment, however, is not following the broad course of action set by the Point Four Programme, first outlined by President Truman in 1949.

The main concern of the United States private investor is to find the most suitable field for his capital and the most suitable fields is not necessarily the field that altruism recommends.

He has not been choosing the underdeveloped countries.

Oil investments excluded, only the barest trickle of private United States funds has been flowing into manufacturing industries, distributive industries, or public utilities in the underdeveloped countries.

Capacity to lend is one thing, willingness to do so is another.<sup>1</sup>

In the first instance the United States foreign investor is deterred from investing in the underdeveloped countries by the smallness of the markets.<sup>2</sup> For the foreign investor, as well as for the domestic investor, the size of the market is all-important. Extension of the size of the market is a first essential - not only to make possible the use of more capital but also to attract the capital of the private investor.

It was long ago admitted that foreign brains, capital and energy have not been, and never will be, expended in developing the resources of Africa from motives of pure philanthropy.<sup>3</sup> This principle applies in the case of underdeveloped areas everywhere when the private investor considers his choice. He looks for investment benefits that will come from the buying power of the people living where his investment is made and if the size of the market is limited, this is only another way of saying that real purchasing power is low.<sup>4</sup>

There is thus little to persuade private capital to go into the low-income countries. The task of improving productivity and increasing prosperity in the underdeveloped countries is not the task of private capital. Private capital hopes to reap the benefits of improved productivity and greater riches.

The significant fact about the size of markets in underdeveloped countries is that domestic purchasing power is so small that foreign business capital does not find it worth while to come in and work for the home market.<sup>5</sup>

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1. Ellsworth, International Economy, p.816.

2. Nurkse, Problems of Capital Formation, pp.6-8.

3. Lugard, Dual Mandate, p.617.

4. Nurkse, Problems of Capital Formation, pp.17, 20.

5. Nurkse, Problems of Capital Formation, pp.8-9, 84-6.

There are other discouragements to the United States foreign investor.

The first concerns an almost indefinable condition known as the 'climate' of investment.

The fact that it is an indefinite, composed of indefinites, does not mean that it is not easily recognized as 'good' or 'bad'.

The sensitivity of investors to the climate of investment is one of the now celebrated factors in any search for capital.

The new economic thought of the 1930's<sup>1</sup> placed great stress on climate as a deciding factor in investment, and experience has shown that its elements are numerous.

A favourable or 'good' climate of investment exists when a number of conditions are met ; among them, such things as political stability; proper safeguards against seizure of capital and property; a 'go-ahead' economy; a sound currency and an efficient system of banking; a guarantee that investments may be withdrawn whenever the investor so wishes; a just system of taxation and a balanced budget; and the offer of fair returns on investment.<sup>2</sup>

A good investment climate exists when normal hopes of profit-making can be held, when risks of loss are also 'normal', and when no conditions which predispose toward interference or failure are threatening investment.

An investor looks to the climate as a yachtsman looks to the weather.

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1. J.M. Keynes, The General Theory of Employment, Interest and Money (London, 1936).

2. A. Jann, 'Southern Africa as a Field for Swiss Capital Investment', Optima, 4 (1954), pp.3-4.

The investor, however, seeks more; his investment must be openly wanted. It is not enough to remove his fears of confiscation or seizure; he must have the positive indication of an active and continuing interest in his operations.

Investment practice has made this abundantly clear.

The United States Economic Co-operation Administration Act of 3 April 1948 instituted a system of guarantees for United States foreign investment, but was somewhat restricted in scope. It was thought that its restrictions were themselves responsible for the fact that greater advantage was not taken of the protection offered by the Act.

There were further amendments in the two following years and later, on 10 October 1951, the Mutual Security Agency Act extended the scope of guarantees still further, although it did not provide coverage for fluctuations in exchange, for war damage or for the loss of future earnings.

The Mutual Security Agency was finally authorized to give guarantees against inconvertibility and expropriation in most parts of the non-Communist world; yet, in spite of these provisions, by the end of 1951 only 34 guarantees had been issued, guarantees totalling 31.7 million dollars and covering five countries - Germany, France, England, Italy and the Netherlands.

By 30 April 1952, about 44 million dollars (or less than one quarter) of the guarantee funds had been used, leaving uncommitted a total of 156 million dollars, of which about half was earmarked for pending applications.<sup>1</sup>

It was obvious that United States private foreign investors were making no stampede for guarantees.

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1. Paley Report, vol. V, pp.110-15.

Their disinterest arose from the verdict that if foreign investment needed a system of guarantees, the climate was hardly encouraging.

Insurance was offered because risk was real and not the normal risk of investment.

Foreign investors were aware, too, that if an investment climate were hostile, they could be harassed in their operations in spite of the legality of any treaties or Acts.

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The basic demand of the United States foreign investor is that he will have time and opportunity to realize his investment.

Within these terms, he wants to be sure that he will be able to keep direction and control of his investment.

He wants to be sure of a reasonable possibility of getting full returns.

He wants to be sure that he will not be subjected later to any arbitrary change in the conditions of investment<sup>1</sup> -- that the rules will not be altered after investment has begun.

He can only be satisfied with pledges to this effect by a foreign country if he accepts, in the first place, the good faith and the stability of its government. Stability of government must also hold the promise that there will be no undue State interference in private enterprise.<sup>2</sup>

He wants efficient public finance<sup>3</sup> and an efficient public

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1. Paley Report, vol. I, p.640.

2. Raymond F. Mikesell, 'Economic Doctrines Reflected in U.N. Reports', American Economic Review, (Proceedings No.) XLIV (1954), p.581; David McCord Wright, 'Private Enterprise in the Economic Development of New Countries', Optima, 4, (1954), p.27.

3. C.G.F. Simkin, The Instability of a Dependent Economy (London, 1951), p.204.

administration based on stability of government.<sup>1</sup> He looks to the creation by the State of social overhead capital -- of economic facilities he would expect to exist in a developed country -- to provide 'a skeleton structure into which the economy must be encouraged to grow'.<sup>2</sup>

He knows something of the rising nationalism in the underdeveloped countries and remembers examples of nationalization.<sup>3</sup> Outright nationalization of resources has been frequent; but the investor also fears 'creeping' expropriation, loss of status and tax laws which discriminate against the foreign investor.

Risks of such kind are 'political' risks, but to the foreign investor they remain economic.

Above all, the nominal success of investment is insufficient alone; for there remains the risk of inflation, which would diminish the value of profits.<sup>4</sup>

Inflation is one of the most important hazards.

The International Bank declared that vigorous steps by the underdeveloped countries to halt inflation was essential for the promotion of development.<sup>5</sup>

In seven Latin American Republics the cost of living rose between

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1. Cf. U.N., Standards and Techniques of Public Administration, with Special Reference to Technical Assistance for Underdeveloped Countries (1951.II.B.7), p.9.
  2. Murkse, Problems of Capital Formation, p.154; Paley Report, vol. I, p.73.
  3. Cf. Lord Hailey, 'A Turning Point in Colonial Rule', International Affairs, XXVIII (1952), p.183.
  4. See U.N., Report on a Special United Nations Fund for Economic Development (1953.II.B.1), pp.18, 53; U.N., Survey of Current Inflationary and Deflationary Tendencies (1947.II.5).
  5. International Bank for Reconstruction and Development, Sixth Annual Report, (Washington, 1951) p.9.

1945 and 1950 at an average annual rate of between 10 and 20 per cent.<sup>1</sup>

In countries of the Middle East the rise was even more pronounced -- so much so that one country abandoned entirely its cost-of-living index and chose a new base year.<sup>2</sup>

Inflation could play havoc with the value of capital invested abroad; yet a world depression or a world war might result in its complete disappearance.

Safety thus became the watchword of the bulk of United States private investors and foreign investment sought 'safe' areas.

At the end of 1950 more than half of the total of United States private investment in petroleum abroad was in the Western Hemisphere<sup>3</sup> -- an area considered 'defendable' in the event of another world war.

More than four fifths of United States private investment in mining and smelting were also in the Western Hemisphere.<sup>4</sup>

The lessons of the World Depression twenty years before had left an indelible imprint on the mind of the United States foreign investor. He had reacted immediately, withdrawing his capital from abroad. United States foreign investment in the years before the World Depression, flowing at the rate of well over 1,000 million dollars a year, shrunk immediately to a yearly average of only 28 million.<sup>5</sup>

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1. U.N., A Study of Trade between Latin America and Europe (1952.II.G.2), p.8.

2. U.N., Review of Economic Conditions in the Middle East: Supplement to World Economic Report, 1949-50 (1951.II.C.3), p.84. For an interesting international comparison of prices, see U.N., Retail Price Comparisons for International Salary Determination (1952.XVII.5).

3. Paley Report, vol.I, p.63.

4. Paley Report, vol.V, pp.107-9.

5. U.N., International Capital Movements in the Inter-War Period (1949.II.D.2), p.25. Dollars at 1924-28 and 1932-38 values.

One authority contends that except in special circumstances '... no American private capital will now venture abroad unless the prospects are [so] good that, aside from political risks, the returns will amortize the investments within five years or so.'<sup>1</sup>

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The operative phrase is 'venture abroad'.

To venture is to dare in the face of danger; to 'venture abroad' implies that the hazards in foreign countries are greater than those at home.

Here is the clue to a major reason for preference.

Private United States capital is encouraged to stay home, both by uncertainties of investment abroad and by the promises which appear to exist in established markets in the United States.

If the size of the market determines the direction of investment, the choice of the established home market is almost inevitable; all that might alter the choice is the temptation of greater reward elsewhere. Reward in the home market is high -- high enough to make prospective investment complacent about home fields and sluggish in its impulse to move abroad.

A United Nations study found: 'Domestic markets and investment outlets usually offer sufficient diversity and scope for available talents and funds.... In general, foreign investment is regarded as a new frontier and appeals only to more adventurous investors.'<sup>2</sup>

The possibility of greater risk in foreign investment seemed to be

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1. Viner, 'America's Aims and the Progress of Underdeveloped Countries', p.84.

2. U.N., United States Income Taxation of Private United States Investment in Latin America (1953,XVI.1), p.67.

unjustified by the slight advantage in the general level of reward. In 1948 domestic investment in the United States offered an average return of 14 per cent; in the foreign field the average return on United States investments was 17.<sup>1</sup>

The established markets of the United States, it was true, could be subject to fluctuations which might change the aspect of individual investments; and capital working for the production of raw materials abroad had to contend with staggering changes.<sup>2</sup>

During the 1936-37 business expansion gaps between minimum and maximum prices of copper were 100 per cent; the gaps in the case of lead were 99 per cent; of rubber, 91 per cent; and of tin, 66 per cent.

In 1938 rubber prices dropped 66 per cent from their peak; lead dropped 53 per cent; copper 48 per cent and tin 45 per cent.

In the 1949 business contraction, the price of zinc fell 45 per cent.<sup>3</sup>

In 1950 the increased demand for raw materials for immediate armaments production and the large expansion of United States stockpiling helped hasten a huge rise in many commodity prices the following year.<sup>4</sup>

It was not surprising that by 1952 increasing attention was given to the problem of avoiding instability in the prices of primary commodities.<sup>5</sup>

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1. U.N., Measures for the Economic Development of Under-Developed Countries (1951.II.B.2), p.81. See also U.N., National Income and Its Distribution in Under-Developed Countries (1951.XVII.3) pp.9-14.
  2. U.N., Instability of Export Markets of Under-Developed Countries (1952.II.A.1), p.3.
  3. Paley Report, vol. I, p.83.
  4. Klaus Knorr, 'Market Instability and United States Policy', Journal of Political Economy, CXII (1954), p.386.
  5. See U.N., Review of International Commodity Problems, 1952 (1953.II.D.1); U.N., Measures for International Economic Stability (1951.II.A.2).

The markets for raw materials and foodstuffs produced in the underdeveloped countries for export to the more advanced had not been enjoying the same rate of long-term expansion as they had in the nineteenth century and United States private investment had reacted to the change. It has preferred investment for primary production for export from the underdeveloped countries to the more developed only in those cases in which the expansion appeared to give the promise that its nature was long-term.<sup>1</sup>

The promises of the market were a dominant consideration.

Much had been made of the question of 'double taxation' -- the taxation of foreign investment abroad and its further taxation when returns reached the home country --<sup>2</sup> but its effect on investment was slight. The special risk of foreign investment was the principal deterrent.

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Rejection of their demands for capital has wounded the underdeveloped countries.

Embitterment has been increased by the assertion that aspirations in the underdeveloped countries have grown more rapidly than production,<sup>3</sup> and that capital may become available if conditions for favourable investment are first created.

The International Bank in 1949 made the astounding statement that it would be able to meet all financial needs of member countries 'for sound, productive projects in its member countries that will be ready for financing for the next few years'.<sup>4</sup>

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1. Nurkse, Problems of Capital Formation, pp.87-8.

2. U.N., The Effects of Taxation on Foreign Trade and Investment (1950.XVI.1); U.N., Foreign Investment Laws and Regulations of the Countries of Asia and the Far East (1951.II.F.1); U.N., Measures for the Economic Development of Under-Developed Countries (1951.II.B.2), p.81.

3. W. Arthur Lewis, The Theory of Economic Growth (London, 1955), p.434.

4. International Bank for Reconstruction and Development, Fourth Annual Report (Washington, 1949), p.13.

It has been contended that too much stress has been laid in the United Nations on the argument that outside capital in the form of public loans and grants is the major bottleneck preventing the rapid development of underdeveloped countries; and that too little attention has been given to the problem of absorbing the capital and to the political and social obstacles to rapid change in backward economies.<sup>1</sup>

This is no comfort to the underdeveloped countries, seeking immediate large-scale capital investment as a solution to their problems.

It angers the underdeveloped countries, moreover, to be reminded that some of their own nationals prefer investing abroad to promoting economic development by investment at home and that in some countries of Latin America and the Middle East commercial banks keep up to 95 per cent of their assets abroad.<sup>2</sup>

For the underdeveloped countries the conviction remains that they are the producers of raw materials,<sup>3</sup> providing the base for the industrial economies of the West and that their poverty is a result of an unjust share of what they help to provide. It has been pointed out that where 'objections to foreign "exploitation" are made, they are based on the smallness of profit that accrues to the native, not on the introduction of an exchange economy as such'.<sup>4</sup>

The struggle to obtain capital in the name of justice is far from being abandoned. Many underdeveloped countries have been importuning the West with 'moral' claims : responsibility for the right of the

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1. Mikesell, 'Economic Doctrines Reflected in U.N. Reports', p.580.

2. U.N., Domestic Financing of Economic Development (1951.II.B.1), p.65n.

3. U.N., Special Study on Economic Conditions and Development in Non-Self-Governing Territories (1952.VI.B.2), pp.36-7.

4. I.C. Greaves, Modern Production Among Backward Peoples (London, 1935), pp.213-14.

poorer countries, they say, involves an obligation.<sup>1</sup> They are also declaring their conviction that advanced countries will be forced to export surplus capital to keep their domestic equilibrium.

The failure to attract capital in sufficient volume for large-scale economic development seems, to the underdeveloped countries, to have broken much of the theory of economic interdependence expounded by the West.

To the argument that the major source of increased domestic capital formation must be increased domestic savings and that the controlling factor in economic development is the domestic effort,<sup>2</sup> the underdeveloped countries respond that the savings required for an even moderately rapid rate of development are beyond present resources and that the low level of incomes means that it is probably impossible, by voluntary methods alone, to mobilize the resources needed.<sup>3</sup>

They point out, moreover, that it is false to pretend 'that the relatively high rates of capital formation in the past were due solely to domestic saving, that nations lifted themselves up by their bootstraps. There was much resort to foreign "saving".'<sup>4</sup> The United States, Canada, Australia, and South Africa, are countries in which rapid advance was owed at least in large measure to investment from abroad.

They also emphasize that social overhead capital -- the existence of economic facilities -- is lacking in many of the backward areas of today and total incomes are relatively lower; so that the required rate

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1. Cf. Robert W. Rietz, 'Leadership, Initiative and Economic Progress on an American Indian Reservation', Economic Development and Cultural Change, II (1953), p.68.
  2. U.N., Relative Prices of Exports and Imports of Under-Developed Countries (1949.II.B.3), p.19.
  3. U.N., Mobilization of Domestic Capital in Certain Countries Asia and the Far East (1951.II.F.3), pp.224, 230.
  4. D. Hamberg, 'Economic Growth in Secular Stagnation and Inflation', Economic Journal, LXIII (1953), pp.623.

of domestic saving might 'force large numbers of their populations over the brink into starvation'.<sup>1</sup>

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Capital equipment and financing, they insist, are essential to meet the economic needs of the underdeveloped countries and to establish the conditions under which peace can be maintained.<sup>2</sup>

This is the point at which economics enters the field of politics in the struggle of the underdeveloped countries to secure their capital.

The political reality is the main weapon in the armoury of the underdeveloped countries in their assaulting demand for capital.

If the West is calling for their economic development - to produce more raw materials at greater speed and with greater efficiency, to replace poverty by prosperity in individual countries and so to increase the general prosperity and political stability of the world - then let the West supply the capital.

As part of a world economy and an international community of States the underdeveloped countries feel a claim for assistance on the wider community.

They are not asking the more developed countries to step in and manage their affairs. Their demand, on the contrary, refuses in most cases to allow any foreign 'interference'.<sup>3</sup> This 'fear of the foreigner' does not extend to the provision of capital though it places some conditions on its acceptance; and the conditions so placed are sometimes confusing as a result of a conflict between realism and national pride.<sup>4</sup>

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1. Hamberg, 'Economic Growth', p.624.

2. A. Appadorai, Collective Security (UNESCO, Paris, undated), pp.33-4.

3. George Hakin, 'Technical Aid from the Viewpoint of the Aid-Receiving Countries', Progress of Underdeveloped Areas, p.266.

4. Ellsworth, International Economy, p.789. See also Buchanan, 'Deliberate Industrialization for Higher Incomes', p.535.

Part Three

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THE

INTERNATIONAL

PACT

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## Chapter Six

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### INTERNATIONAL INTERDEPENDENCE AND NATIONAL INDEPENDENCE

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The interdependence of national economies is an essential feature of the world economy. International trade binds them together in their common interest. The greatest benefits are to be obtained not by the isolation of individual economies but by their integration into a larger and wider framework. For the national economy the international exchange of goods opens up a host of new possibilities.

There are parallel benefits in the political association of States. Individual States share interests which draw them closer together. Political association may make possible the achievement of common ends where individual action would fail.

The international social and political ideal is as old as the concept of the universal brotherhood of man, yet it has remained little more than an ideal and its achievements have always fallen short of the goal.

But the historic events of the twentieth century, particularly those of the development of world trade, the growth of communications and the advances of physical science, <sup>1</sup> have hastened the need for a wider recog-

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1. Morris Ginsberg, Sociology (London, 1934), pp.232-3.

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 nition of the principle of international interdependence.

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 A receptive world was thus waiting when the Atlantic Charter was proclaimed in 1941 and within a few eventful years a new world organization was launched. In January 1942 twenty-six States signed the Declaration by United Nations;<sup>3</sup> on 26 June 1945 the United Nations Charter bore the signatures of fifty countries.

The Atlantic Charter declared that the Allies renounced any and all territorial aggrandizement; that territorial settlement should be made in accordance with the freely expressed wishes of the people in the territories concerned. It proclaimed the right of all peoples to choose the form of government under which they would live and the right of access of all States on equal terms to the trade and raw materials of the world. It proclaimed the freedom of the high seas. It called for full economic co-operation for raising the standards of life; for the establishment of social security; for freedom from fear and want. It called for the abandonment of the use of force by nation against nation.

Within four years the foundations of a world organization, promoted by infusing zeal for principles such as these, were publicly and ostentatiously laid. What was its nature?

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The Atlantic Charter was concerned mainly with presenting the kind of settlement foreseen by the Allies when peace would be concluded. It involved, however, more than the relationship between victor and vanquished. Its acknowledgment of rights was not an explicit statement of interdependence, but its proclamations have full meaning only if some measure of interdependence is assumed. By the same token, the birth of a new world organization was impossible without the assumption that interdependence -- the dependence of States on one another -- was a reality.

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1. Lionel Curtis, Civitas Dei (London, 1937), vol.II, p.534.

2. Joint Declaration by the President of the United States and Mr Winston Churchill, Representing His Majesty's Government in the United Kingdom, Known as the Atlantic Charter (14 Aug. 1941).

3. Declaration by United Nations (Washington, 1 Jan. 1952).

The interdependence of peoples is not a universally accepted doctrine. Moreover, its acceptance shows varying degrees, from the limited recognition of the interdependence of one country and its neighbour to the recognition of a need for linking together in a single society of all the peoples of the world.

The recognition given by the architects of the United Nations was not absolute but curbed with reservations. The reservations determined the kind of organization that would emerge and the direction in which it could move.

If the supporters of internationalism were encouraged by the language of the Atlantic Charter, they knew also that the spirit of nationalism was stirring in the uttermost parts.

The two principles of national independence and international interdependence are directly conflicting and no confusion of their separate identities can be entertained.

Internationalism starts from the assumption that all States and their peoples are, in one sense or another, interdependent. Nationalism is based on the concept of national sovereignty, of the supremacy of the nation-state which cannot be violated by another.

Internationalism calls for the creation of a supra-national body, in which reposes some power or sanction contributed freely by its individual members for the creation of supra-national authority. Nationalism maintains that the moment some portion of rights under national sovereignty is conceded to a supra-national body, national sovereignty becomes limited and therefore a contradiction in terms.

Yet international organization without international authority is no more than a machine without an engine to drive it; and international organization backed by international authority is possible only if members of the organization subject themselves in some way to the superiority of the organization.

This is only the beginning and not the end of legal argument, but the interpretation of legal aspects of the Charter is not a point of emphasis of this study. We are concerned here with the simple and basic conflict of interest between nationalism and internationalism and the forces behind the struggle.

The conflict is one in which States confessed their need for the aid and support of one another, yet responded to their need to assert their individual independence.

The task of reconciling those two conflicting interests was great, but the attempt was nevertheless made.

The consequence is of the highest importance.

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In the general approach to the possibility of a new world organization to replace the League of Nations there could not long have existed a glimmer of hope or fear that the new organization would be based on any principle which conflicted with the principle of national sovereignty.

If such there were, the Moscow Declaration<sup>1</sup> must have snuffed it swiftly. The new organization, the Declaration announced, would have as its aim the maintenance of peace and security and would be based on the sovereign equality<sup>2</sup> of all peace-loving States.

In the 1919 peace settlement there had been no question of setting up any form of supra-national government or of seriously limiting the sovereignty of national States.

The proposals, widely canvassed during the [Second World] war, for a more organic association of States on a federal basis were not likely to be implemented. The political atmosphere made it unlikely that, at the end

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<sup>1</sup>. Moscow Conference - Declaration of the Four Nations on General Security (1 Nov. 1943).

<sup>2</sup>. Moscow Declaration, Art. 4.

of hostilities, the Allies would be more ready than they had been in 1919 to accept serious inroads on their national sovereignty.<sup>1</sup>

Although the advocates of world federal government were asserting that the basic flaw in an alliance of democracies was the nationalist philosophy responsible for it<sup>2</sup> and that organic union was the only basis of international stability and peace,<sup>3</sup> the concept of national sovereignty would be preserved; the concept of equality of sovereign States would remain.

The assertion of equality was blandly modified fifteen months after the Moscow Declaration by the news from Yalta that agreement had been reached on a system of voting in what was to become the Security Council of the United Nations.<sup>4</sup>

Before the time of Yalta it had been agreed at Dumbarton Oaks that the Security Council of the proposed organization would have primary responsibility for keeping world peace and that the functions of the General Assembly should be limited to discussion and recommendation.<sup>5</sup>

Keeping the peace would be the main function of the United Nations, which was to become 'a league of peace-loving nations with an alliance of great powers for keeping the peace as its hard core of military strength and political reality.'<sup>6</sup> The Great Powers would be permanently represented on the Security Council and to the Council were to be accorded special prerogatives.<sup>7</sup>

The Big Five had been obviously unwilling to plan or to take part in an organization in which power could not be concentrated at the head.

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1. Bentwich and Martin, Commentary on the Charter of the United Nations, pp. ix, xii.
  2. Clarence K. Streit, Union Now (New York, 1939), p. 15. See also Clarence K. Streit, Union Now with Britain, 4th edn. (New York, 1941).
  3. Lionel Curtis, World War -- Its Cause and Cure (London, 1945), p. 78.
  4. Report of the Crimea Conference (11 Feb. 1945), Ch. IV.
  5. Dumbarton Oaks Conversations on World Organization (21 Aug. - 7 Oct. 1944), Chs. V, VI.
  6. Goodrich and Hambro, Charter of the United Nations, p. 29.
  7. U.N. Charter, Chs. V-VIII. See also U.N., Rules of Procedure for the Security Council (1947.I.2).

This was impossible without discrimination against the smaller States.

The new voting system in the Security Council, with its provisions for unanimity among the permanent members and other provisions concerning the totality of votes, gave (in effect) to the negative vote of one of the permanent members the weight of the negative vote of five smaller States in the aggregate.

Permanent seats for the Great Powers were also reserved in the Trusteeship Council.

'Equality' had assumed for itself a highly qualified meaning.<sup>1</sup>

Qualifications on sovereignty were to follow.

The Security Council was endowed with powers never possessed by the Council of the League of Nations.

Under the United Nations Charter the Security Council would have the power to create obligations for keeping the peace. Those obligations (except in the case of the permanent members of the Council) might well fall on States which did not agree with the Council's decisions. In any enforcement action applied by the United Nations, however, every member would have to join.

The power of the Security Council to compel members to take such action amounted to 'a delegation of authority, irrevocable for the duration of the Organization, and involving a duty for the principals [the member States] to give effect to the decisions of the agent [the Security Council] in all matters relating to sanctions.'<sup>2</sup>

In terms of the obligations of member States, their own sovereignty had become limited.

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1. Bentwich and Martin, Commentary on the Charter of the United Nations, pp. 10-12.

2. Bentwich and Martin, Commentary on the Charter of the United Nations, pp. xiv, xvi.

It can be argued that by accepting international obligations a State does not violate or sacrifice its sovereignty. It is true that the principle of equality can be construed as an equality before the law, without any reference to concepts of political equality.<sup>1</sup> It is true, also, that the equality of United Nations members is without qualification in the General Assembly.

The legal argument, however, does not change the fundamental fact that the architects of the United Nations had refused to bend themselves to the task of planning world government of any kind.

The ground for rejecting world government was the need to preserve the principles of sovereignty and of equality.

Both had suffered in a compromise which was far-reaching in effect.

The fundamental compromise on the question of power, hiding a compromise on the principle of international interdependence, had far from solved the basic problem of providing power for the new organization.

The powers given the organization in the field of collective security were unparalleled in other spheres.

Except for the enforcement measures for use when peace was involved, the United Nations was committed to refraining from intervention in matters 'essentially within the domestic jurisdiction of any State.'<sup>2</sup>

The international organization could thus not hope to become a world parliament or to progress beyond the stage of a world forum.

There was no reason, on the other hand, why the United Nations should have been abandoned as an international organization merely because it was

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1. Goodrich and Hambro, Charter of the United Nations, pp.99-100.

2. U.N. Charter, Art. 2, para. 7.

not a world government. Nor was there any reason why the world should not be encouraged to hope for signal benefits from the international exchange of opinion on items of common or regional interest. But there was every reason to be sceptical that a loose association of nations,<sup>1</sup> lacking true power and positive responsibility at the centre,<sup>2</sup> would be able to accomplish the tasks set for itself.<sup>3</sup>

Except in matters of collective security, the sovereignty of individual member States had nevertheless been preserved. The Charter conferred upon its signatories obligations of a wide nature but failed to invest the organization with the means to enforce adherence to the Charter. This meant, in practice, that 'law' existed without sanction; that power to ensure its observance was non-existent.

The ghost of sanction, however, was lurking. The status of an international assembly, representing the great majority of the peoples of the world, would be such (the architects may have hoped) that its voice could not easily be stilled nor the wisdom of its decisions brought seriously into question. When the world assembly reached a majority decision through a vote the decision could be regarded as representative of world opinion and the censure or praise of world opinion might create a special value of its own. Effective power might lie in the moral suasion of the world organization.

The right to express opinion was upheld; any right to enforce it was denied.

The kind of sanction embodied in disagreement is a weak sanction indeed. It has proved vain to hope that because a majority of members of the United Nations express their disfavour of action by a single State or group of States, this will induce the 'errant' State or group to satisfy the majority will.

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1. Toynbee, Civilization on Trial, pp. 135-6.
  2. J.B. Condliffe, The Reconstruction of World Trade (New York, 1950), p. 388.
  3. Norman Hill, International Organization (New York, 1952), pp. 562-3.

Time was to display this truth even in the earliest days of the United Nations. It was to show that the price put on the esteem or regard of other States was less than the price put on sovereign independence, with all its implications that a sovereign State might do what it pleased, when it pleased and how it pleased, without any interference from outside.

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The compromise on the question of power, important as it was, was equalled by a compromise of another kind -- one with direct bearing on the issues of colonialism and independence.

The second compromise owes its origin in no small measure to the fervour for freedom reigning at the close of the Second World War.

When the Charter was signed at San Francisco, the Allied victory in Europe was barely six weeks old. Victory in the East and the end of the war were likewise only six weeks distant, and whether or not some sense of its nearness obtruded at the San Francisco Conference, the first accomplished victory had brought an atmosphere of flushed success.

The atmosphere of the time is enshrined in the Preamble to the Charter : it is lofty, liberal and courageous, speaking with unmistakable accent the language of reform and change, setting a seal on the proclamations and promises made in the heat of war.

Throughout the war the Allies had insisted that they were fighting for principle -- the principle of freedom -- and for fundamental human rights; for the rights of persons to manage their own affairs and not to be subjected to suppression.

This insistence was the insistence that the Second World War was being conducted by the Allies as a war of liberation and not of conquest. When the time came to divide the spoils they were loudly reminded of the standards beneath which they had fought.

They were reminded also that here for the colonial Powers, as important members of the Allied complex, lay a splendid opportunity for

showing their good faith by conceding to the dependent people a portion of that freedom they had saved from extinction.

Much of the British Commonwealth at that time held subject people. Until the present century Africa was almost exclusively an assembly of colonies; parts of the Near, Middle and Far East were either colonial possessions or mandates.

The war had brought a new crisis to the colonial system and the upsurge of the world-wide drive for independence, encouraged by the turn of events, had come to a crest.

The first demand in this sphere was for a system that would mark an advance over the Mandates System of the League of Nations.

The concept of trusteeship had then been part of practical politics for more than 150 years, but the theory and ethics extolled by Edmund Burke in relation to India had been undergoing change with the passage<sup>1</sup> of time.

In its most modern form it was represented by the Mandates System under the League, but the League at the end of the Second World War was almost in ashes. The opportunity was thus created for a new beginning, for a system<sup>2</sup> which, it was hoped, would promote colonial autonomy; a system which introduced striking new measures for greater supervision, subjecting the affairs of the trust territories to the supervision of the United Nations through the creation of the International Trusteeship System.

There are no grounds for the assumption that the International Trusteeship System was merely the old Mandates System bearing another name.

Members of the old Mandates Committee, for example, had served on the Committee in their personal capacities and nationals of Mandatory Powers were required to be in a minority on the Committee.

In the Trusteeship Council, the new supervisory organ of the United

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1. H. Duncan Hall, Mandates, Dependencies and Trusteeship (London, 1948), p. 11.  
2. J.S. Furnivall, Colonial Policy and Practice (Cambridge, 1948), p. 534.

Nations, members were representatives of governments, and in spite of the fact that administering and non-administering States in equal numbers were to comprise the Council, the Council itself was to be subject to the final authority of the General Assembly.<sup>1</sup>

Moreover, the International Trusteeship System embodied the principle of the 'open door', giving equality of business opportunity in the trust territories to administering and non-administering States alike.<sup>2</sup>

Where once the trust territories (the former mandates) had been watched over by a committee of individuals, reporting and commenting as they saw fit, the people of the trust territories were now made the concern of the entire world organization, whose member States would deliver judgment on the conduct of affairs in those territories.

The system of greater supervision introduced for the first time the system of visiting missions,<sup>3</sup> which enabled the same organization, the assembly of governments, to send into the trust territories persons of its choosing who would act as the eyes and ears of the General Assembly in ensuring that the conduct of affairs met with the satisfaction of the Assembly at large.

The open-door policy, moreover, showed that the concern for the people of the trust territories extended to their economic welfare and to the development of economic interests by States which might hitherto have felt embarrassed by the presence in a mandated territory of an administering Power. It emphasized that the people of the trust territories should be allowed unhampered trade with the rest of the world, and implied that responsibility for the administration of a trust territory did not give to the administering Power any special privileges in the matter of trade. The open-door policy was aimed at ensuring the free access of the rest of the world and denying, so far as it could, any opportunity for exploitation by the trustee.

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1. U. N. Charter, Art. 85, para. 2; Art. 87.

2. U. N. Charter, Art. 76, para.(d).

3. U. N. Charter, Art. 87, para.(c).

To the basic objectives of international trusteeship the Charter added the further objective of encouraging recognition of the interdependence<sup>1</sup> of the peoples of the world; and in declaring that the direction of the development of the trust territories should be toward self-government or independence,<sup>2</sup> it 'diminished the force of the charge that international trusteeship means still more new sovereignties in a world already suffering from too great fragmentation.'<sup>3</sup>

The disguise of the motive to produce colonial autonomy was thin, as we shall later see. For the present it is important to remember that the atmosphere in which the International Trusteeship System was born was strikingly different from that of the Mandates System.

'The volcanic forces were still active that had burnt up the old League and molded a new, destroyed three of the great powers of the old League, thrust into the front ranks of the United Nations three -- the United States, the Union of Soviet Socialist Republics, and China -- which had hardly played leading parts in the League, and weakened other powers, both great and small.....the trusteeship system was finally launched, with the legal basis of the agreements challenged by some great powers, and in an atmosphere of political tension and profound ideological division.

'It was launched, not like the mandates into the quiet waters of a non-governmental body that had debated in private, eschewed politics in the main, and worked closely with the mandatory governments on a practical policy of welfare -- but into the midstream of world politics and the turbulent waters of the world frontier.

'The trusteeship system was not a piece of machinery and a set of principles free to operate in a rational and ordered world.

'The "circumstances" in which it had to operate included ; the chaos

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1. U. N. Charter, Art. 76, para.(c).

2. U. N. Charter, Art. 76, para.(b).

3. Hall, Mandates, Dependencies and Trusteeship, p. 280.

resulting from the fall of the empires of the Axis; the vast new expansion of the Soviet system and empire; the threat to peace and order caused by the weakening of some of the major colonial powers that had borne first and alone the brunt of the enemy onslaught; the revolutionary spirit quickened by the war in Asia; the outbursts of passion and hatred, following the transfer of sovereignty in India, bringing death to hundreds of thousands and exile to millions; the new anxieties for all nations created by long-range weapons and the atomic bomb; and the general doubt whether man had yet reached the stage in his evolution when his own passion and irrationality could be mastered by any machinery he could himself devise.<sup>1</sup>

In spite of the troubled nature of the world in which the International Trusteeship System found itself, it would be an exaggeration to say that it was not generously launched.

Tension there may have been; but the new system of trusteeship would never have been instituted unless at the time of the launching there had existed a certain willingness on the part of the colonial Powers to concede.

They conceded in the face of strong demands by newly independent States and by those States which were historically or ideologically opposed to colonial rule of any kind; and (the Union of South Africa alone excepted) all the former mandatory Powers of the League of Nations voluntarily placed under the International Trusteeship System those territories which had formerly been mandates and which had not yet achieved independence.

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In considering the case of those living in what were to become the trust territories of the International Trusteeship System we are considering only a fraction of the world's dependent people.

The demand for a revision of the Mandates System represented only a part of the general demand. Acceptance of the International Trusteeship System by no means marked the end of demand and concession in respect of the dependent people.

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1. Hall, Mandates, Dependencies and Trusteeship, pp.91, 290-1.

It was urged that all dependent people, including the people of the colonies, should become the care of the United Nations so that their future might be safeguarded, their progress watched -- closely and critically -- and that in time they should come to exercise their own right to self-determination, to choose their own political future and to govern themselves.

The pressure to concede came from the sources we have indicated; but further pressures arose from internal sources : from the spreading conviction on the part of the dependent people themselves that they were entitled to a larger share in the conduct of their affairs; and from the feeling on the part of the colonial Powers that the dependent people might be given a greater measure of recognition.

The measure of recognition which colonial Powers were willing to concede at that time was possibly slender. Concessions made so that the International Trusteeship System might operate may have been accorded with some reluctance or with some doubt of their wisdom; yet they were made. But the related part of the campaign for independence of the dependent people opened up an entirely new field.

It did not seem to deter the anti-colonial front at San Francisco that precedent was being created. The subjection of the trust territories to the supervision of the United Nations was only part of their goal; they set out to bring into line all the colonial territories and to make success in the name of the growing movement for independence a total victory.

The colonial Powers were prepared to recognize the principle of trusteeship in the case of the trust territories. Administration became a matter of trust and that trust was to be subject to open inspection or supervision. It could even be so interpreted that in administering a trust territory a governing Power was acting in the name of all members of the United Nations to which it formally bound itself in responsibility by the legal instrument of agreement with the world organization. Now these Powers were being asked to give similar guarantees in respect of their non-self-governing territories or colonies.

The idea was revolutionary that a colonial Power, administering overseas territories as part of its empire, should make itself accountable to any other State or group for its conduct of affairs in the territory. Such situations might be only a shade removed from those in which sovereign States would invite or accept intervention in their domestic affairs by the United Nations -- a possibility explicitly excluded by the proposed Charter.<sup>1</sup>

Yet the colonial Powers agreed.

Their agreement led to the establishment of an important new relationship with people in the dependent territories.

Agreement was owed to a development at San Francisco which marked a turning point not only in the relations of colonial Powers with dependent people but in relations between colonial Powers and other independent States, affecting the very operation of the United Nations itself.

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A recent study points out that it was liberal opinion in the United Kingdom which took the lead in pressing for the 'no annexations' policy in 1917 and it was again liberal opinion which insisted on a 'new deal' for colonies in 1942 and 1943.

'However, it was primarily American sources which furnished the impetus and they now demanded more than merely international supervision over colonial administration.

'The issue raised during the second World War involved nothing short of emancipation of colonial peoples from foreign rule and the inauguration of an internationally controlled colonial policy aimed at preparing dependent areas for independence.....

'Liberal humanitarianism thus took the initiative in the creation of the postwar Trusteeship System.....It was the United States which took the initiative in advocating an expanded principle of trusteeship after the war but the aspirations of the dependent areas provided the chorus which produced the underlying demand for such a system.....

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1. U.N. Charter, Art. 2, para. 7.

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'National independence, then was the watchword for the Asian and Arab delegations [at the United Nations Conference on International Organization at San Francisco].....While the total motivation of the former colonial areas was not realized at UNCIO the acceptance of the expanded Trusteeship System itself constituted a recognition of the demands of the new nationalism.'

It must not be forgotten that at this time the Soviets were among those pressing for a wider trusteeship system and, in fact, for any measures which would reduce the extent and influence of imperialism.

France was the only member of the Big Five which was wholly opposed to developments along the lines indicated. The liberal programme of the British Labour Party for the colonies made the attitude of the United Kingdom more liberal. The United Kingdom, moreover, had to meet the demands of its American and Soviet Allies, quite apart from the now more pressing demands from the dependent people. Acceptance, it was noted, would cost nothing in terms of effective control and might gain something in terms of Arab and Indian goodwill.

With this general background to the whole question of the dependent people, the colonial Powers made concessions in respect of the trusteeship system. In giving ground on this issue they had, in a sense, somewhat prejudiced their attitude toward the question of the colonial territories; and although colonial concessions were marked by reservations, the deadlock had been broken.

When the final draft of the United Nations Charter emerged at San Francisco it carried specific provisions with regard to the operation of the International Trusteeship System. Also written into the Charter was the Declaration Regarding Non-Self-Governing Territories, laying down certain principles of colonial administration to which signatories to the Charter automatically attested.

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1. Ernst B. Haas, 'The Attempt to Terminate Colonialism', International Organization, VII (1953), pp.3, 5, 10, 12.
  2. Haas, 'Attempt to Terminate Colonialism', pp.12-14,17.
  3. U.N. Charter, Chs.XII-XIII.
  4. U.N. Charter, Ch. XI.

Article 73, one of the two Articles comprising Chapter XI, contained recognition of the principle that the interests of the indigenous inhabitants of the non-self-governing territories were paramount. By the same Article, the colonial Powers accepted as a sacred trust the obligation to promote to the utmost the well being of the inhabitants of the colonial territories and, among other things, agreed to transmit to the Secretary-General of the United Nations regularly for information purposes statistical and other information of a technical nature relating to economic, social and educational conditions in the colonial territories.

The colonial Powers had conceded almost to the limit by thus bringing within the purview of the United Nations the whole body of dependent people.

Whatever the limitations or reservations by colonial Powers, the forces charging the growth of independence had won the day. The affairs of the dependent people in the colonies could now come before the world organization.

The locked door had snapped open.

## Chapter Seven

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### CONSEQUENCES OF COMPROMISE

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Diplomacy thrives as the art of the possible but is never exempt from the consequences of compromise.

The compromise over power was to bring in its train problems of a special kind, not entertained by the Great Powers at the time of Yalta, when some of the critical decisions regarding the composition and organization of the United Nations were reached.

The tide turned when the unanimity rule ceased to be referred to by its technically correct name and became popularly known as the 'veto'. Frustration had by then reached an advanced stage.

Time and again the veto was recorded in the Security Council by the U.S.S.R., expressing disagreement with almost every decision of importance and thus rendering sterile much of the work of the Council. The smaller States had earlier foreseen that 'if one of the Big Five or one of their protégés, menaced the peace the Security Council would be powerless to act; and they therefore struggled to reduce the right of veto. But the Great Powers held out on this vital provision.....'<sup>1</sup>

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1. Bentwich and Martin, Commentary on the Charter of the United Nations, p.xxii.

By 1950 the Soviet Union had used the veto with such insistence and frequency that it became obvious to the United States, among others, that the machine would have to undergo modification if it were not to grind to an embarrassing halt.

Out of the deadlock came the Acheson proposals, which resulted in the adoption by the General Assembly of the <sup>1</sup>Uniting for Peace resolutions. The resolutions provided that if the Security Council should again become deadlocked over any question concerning a breach of the peace and thus fail to fulfill its primary function of maintaining the peace, the question would revert to the General Assembly for disposal.

In the Security Council one adverse vote by a permanent member of the Council had been sufficient to stifle action. The United Nations now decided that in cases of questions involving the maintenance of peace that were deadlocked in the Council, the right to recommend action would devolve on the General Assembly -- hitherto debarred from action in security matters -- which was, after all, the supreme advisory body of the world organization.

The compromise on the question of power had come home to roost.

The new move had done nothing to strengthen the Security Council; but the Council, by its own inaction, had already been steadily diminishing its status. Envisaged as a repository for the power of the Big Five, it was designed to give those Powers control over decisions concerning the maintenance of the peace as they would be mainly responsible for carrying out those decisions.

The Big Five, however, had planned the functioning of the Security Council on the false premiss that their unity was solid and permanent :  
'.....the original conception of this new system...rested on the assumption that the unanimity between the Great Powers, which had made the winning of the war possible, would remain a permanent feature of international

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1. General Assembly Resolution 377(V).

The unanimity rule was incorporated to protect any member of the Big Five against being committed to action against its will. It was designed to ensure that any action to preserve world peace would be united action; and to make action possible only under complete agreement. The veto was thus seen as a measure for use in an emergency. It was not intended to serve as a clutch built into the engine, which any one of the Big Five could depress and thus prevent the engaging of gears and the advance of the machine. This was the precise effect achieved by the Soviet use of the veto.

It is not necessary to consider the causes of disagreement, the occasions on which the veto was used, or whether its persistent use was justified. It is sufficient to accept the fact that the Security Council had become seriously immobilized and was not functioning in anything like the manner which had been expected.

The Uniting for Peace resolutions were the result of a realistic appraisal of the situation. If the U.S.S.R. were able to block at every turn any proposed action by the Council, there remained only one course -- to take measures to bypass the obstruction.

This was brought about by the provision for the reversion to the General Assembly for its action of matters having to do with the maintenance of the peace which had been deadlocked in the Council. The measures were strongly supported in the General Assembly and succeeded in their aim of contriving new power for the world organization and removing the block which had made it inert.

The Uniting for Peace resolutions were not merely a clever device : they were revolutionary.

They were clever in obviating a frustrating obstruction. As a device they were ingenious in bringing paralysis to the veto, which had itself

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1. Bentwich and Martin, Commentary on the Charter of the United Nations, p.xxvii.

been paralysing action. But this verdict sees them only in the short term.

Their major effect was to shift the centre of gravity of the United Nations. From the moment of their adoption they imposed on the Security Council the threat that unless its permanent members agreed on any matter concerning the peace brought before the Council, the Council would lose its jurisdiction in the matter and power would revert to the full body of member States represented in the General Assembly.

In cases of deadlock in the Security Council on matters concerning the maintenance of the peace, the smaller States -- representing a majority in the General Assembly -- could commit the organization to action which would, in the main, have to be carried out by the Great Powers themselves.

The case in favour of binding provisions in the matter of collective security had been strong.

The United Nations was brought into being at a time when it was widely believed that the existing disorder of the world was at least largely due to the continued toleration of successful lawlessness in the period between the two World Wars and that this had 'undermined the traditional belief, a belief which lies at the basis of European civilization, in the impersonal authority of law as a force which should control the exercise of all power.'<sup>1</sup>

Government without law within the boundaries of a sovereign State was<sup>2</sup> unthinkable; yet the principle of law in a community of States had been largely abandoned. In its place had been accepted the principle of anarchy, or absence of government,<sup>3</sup> and international law had remained 'an attempt to preserve the principles of social order while preserving in<sup>4</sup> theoretical absoluteness the independence of the state.'

The ultimate function of law, which is the elimination of force for the solution of human conflicts, could not be fulfilled if the concept

1. H.A. Smith, The Crisis in the Law of Nations (London, 1947), p.94.

2. Cf. Hamilton and others, Federalist, p.451.

3. Norman Angell, The Unseen Assassins (London, 1932), p.22; Curtis, World War, Its Cause and Cure, p.71.

4. Corbett, Post-War Worlds, p. 105.

of absolute national sovereignty was to be preserved; for absolute sovereignty postulates that the State shall be ultimately free to resort to the final arbitrament of war. The need 'for some change in the traditional international system of a community of sovereign States' was obvious.

Warnings had earlier been sounded that the construction of community institutions without fundamental reform in the legal theory of the community 'would be like setting out to build a house on plans designed for rapid collapse.'

The breakdown of centres of authority and order preceding the Second World War clearly suggested that the stability of the new organization would be endangered if each member were to be permitted to co-operate or not to co-operate as it thought fit and the experience of the League of Nations had proved that responsibility and power were essential to the success of international institutions.

The problem was that of mobilizing power behind law and consent behind power. International order could be possible only through international law. To existing procedures for peaceful change the Charter of the United Nations added something; 'but peace is not preserved by fashioning an elaborate procedure for the settlement of disputes.'

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The General Assembly was to be further hounded by the consequences of the second compromise -- the compromise involving agreement by the colonial Powers to transmit regularly to the Secretary-General of the United Nations information on the colonial territories under their control. Article 73e, which provides for the transmission of such information, 'does not go beyond the supply of information to the Secretariat; and even this duty is hedged about with reservations...'

1. Philip C. Jessup, A Modern Law of Nations (New York, 1948), pp.1,2,40.

2. Corbett, Post-War Worlds, p.105.

3. Walter Lippmann, Some Notes on War and Peace (New York, 1950), p.46.

4. Herbert Vere Evatt, The United Nations (Melbourne, 1948), p.123.

5. Cf. W.K.Hancock, Argument of Empire (London, 1943), p.138.

6. Gilbert Murray, From the League to U.N. (London, 1948), p.59.

7. Frederick Sherwood Dunn, Peaceful Change (New York, 1937), pp.81-124.

8. Smith, Crisis in the Law of Nations, p.94. Cf. Russell, New Hopes for a Changing World, p.97.

9. Bentwich and Martin, Commentary on the Charter of the United Nations, p.24.

Although the Declaration Regarding Non-Self-Governing Territories, embodied in Chapter XI of the Charter, did not provide supervision machinery as in the case of the trust territories, it raised, as we shall see, the important question of whether the principle of international accountability for the non-self-governing territories or colonies had been accepted.

The underlying struggle to promote independence emerged.

On 9 February 1946, during the first part of its first session, the General Assembly adopted a resolution in terms of which information was promised on some seventy colonial territories.<sup>1</sup>

At the second session of the Assembly, India (which had achieved world status as a crusader against unequal treatment before it had achieved self-government<sup>2</sup> and which had become 'the hero of the subject countries')<sup>3</sup> led a move designed to bring colonial territories into line with territories to be placed under the International Trusteeship System. The move took the form of a proposal that colonial Powers should be required to submit trusteeship agreements for colonial territories.

By a narrow margin of twenty-five votes to twenty-three, with three abstentions, the Indian resolution was adopted by the Fourth Committee on 14 October 1947, but was rejected by the General Assembly in plenary meeting on 1 November, by a vote of twenty-four in favour, twenty-four against, with one abstention.<sup>4</sup>

The manoeuvre to blur the distinction between trust territories and colonies had failed,<sup>5</sup> but the end of the struggle was not yet at hand. The commitment on the part of colonial Powers to supply information on their colonial territories remained; and the composition and organization of the bodies which were to consider that information became a matter of special significance.

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1. General Assembly Resolution 66(I).
  2. W.K. Hancock, Survey of British Commonwealth Affairs (London, 1937), vol. I, pp. 248-9.
  3. Awolowo, Path to Nigerian Freedom, p. 25.
  4. U. N. Doc. A/PV.106.
  5. Hall, Mandates, Dependencies and Trusteeship, pp. 285-90.

To create the context it is necessary to repeat some of the A.B.C.'s of organization in the United Nations. The machinery and functions of the United Nations are governed by its rules of procedure as well as by the rules embodied in the procedural provisions of the Charter.

Although the General Assembly retains the over-riding authority,<sup>1</sup> the organ mainly concerned with the day-to-day supervision of the trust territories is the Trusteeship Council.

The Trusteeship Council is the body of first instance for reports or petitions, which are almost always directed to the Council. The Trusteeship Council occupies itself with matters arising out of the administration of the trust territories and there are several important considerations in respect of the Council.

Rules governing its membership provide that the Council shall consist of an equal number of States that administer trust territories and those that do not.<sup>2</sup> Decisions are reached by a simple majority.<sup>3</sup> The Trusteeship Council reports annually to the General Assembly.

From this point the General Assembly takes over. Its agenda is almost always heavy and work is compressed into a relatively short period of the year. Sessions begin early in September, unless otherwise decided, and are normally adjourned well before the end of December.

To accomplish as much as possible during that time, the General Assembly has adopted a method of dealing with its agenda items which makes for expeditious and thorough treatment. It multiplies its capacity by creating a series of main committees.

At the beginning of each session it is customary for the General Assembly to allocate agenda items appropriate to their function to these committees -- committees specialized in handling political matters, economic matters,

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1. U. N. Charter, Art.85, para.2; Art.87.

2. U. N. Charter, Art.86, para.1. See also U.N., Rules of Procedure for the Trusteeship Council (1947.I.9).

3. U. N. Charter, Art.89, para.2.

social matters, trusteeship matters and matters concerning the finances of the United Nations organization.

This convenient administrative arrangement enables the Assembly to exist in many halls of debate at one time. It disperses its tasks among the committees and reassembles later in plenary meeting for formal acceptance or rejection of recommendations on matters which have already been extensively discussed.

The committees reach their decisions by a simple majority in voting and their decisions take the form of recommendations to the General Assembly in plenary meetings. The General Assembly is free to accept or reject these recommendations.

The General Assembly has also decided that its own rules of procedure should require, for a decision on 'important' questions, a qualified majority of two thirds, <sup>1</sup> and not merely a simple majority.

By practice and precedent two features of interest here have become established in the Assembly.

The first is that the General Assembly would transmit for discussion and recommendation to its Fourth (or Trusteeship) Committee all questions concerning the dependent people -- both questions relating to trusteeship and those relating to the non-self-governing territories or colonies.

The second feature is that matters affecting the dependent territories should be considered as important within the meaning of the rules of procedure and would thus require a two-thirds majority for adoption by a plenary meeting.

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The procedural arrangements, viewed in the abstract, are attempts to achieve equity; but against the procedure loud and critical voices were soon raised.

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1. U.N., Rules of Procedure of the General Assembly, (1951.I.4).

Non-administering States -- those responsible for the administration of neither trust territories nor colonies -- came forward with the assertion that the Trusteeship Council was failing. They contended that the principle which sought to balance the representation of administering and non-administering members, by its very conservatism, was binding the Council.

Among the important items which the Council has to consider are petitions from persons in the trust territories. More often than not, a petition embodies a charge or complaint against an administering member and seeks the intercession of the Council in redressing what the petitioner considers to be a wrong. If administering members should feel that a petition raises a more general issue of principle and thus combine in a vote to deny or uphold it, a majority in favour of support for the petitioner becomes impossible to achieve.

The non-administering States, moreover, did not much favour a system in which complaints against administering authorities were heard by administering authorities themselves, comprising, with non-administering States, a virtual bench of judges. The anti-colonial States harboured the conviction that the Trusteeship Council had become a prejudiced bench. With this persuasion, it was tempting therefore to try to discredit many of the decisions made by the Council.

The way was open for such a process to begin. Its route lay through the avenues of procedure which we have just described.

The report of the Trusteeship Council is made to the General Assembly and the General Assembly gives to the Fourth Committee the task of considering the report on the Assembly's behalf.

This provided the opening for the thrust of those States which complained of the conduct of the Trusteeship Council.

In the Fourth Committee the situation to which those States objected no longer prevailed. The Fourth Committee is composed of all members of the United Nations and not merely the select dozen which gain election or

which are permanent members of the Trusteeship Council. The relative importance of the administering Powers is thereby reduced : in the Fourth Committee, as in the organization at large, they stand in emphatic minority; and as only a simple majority is required for the Fourth Committee to make any recommendation to the General Assembly in plenary meeting -- including a recommendation which is critical (however diplomatically phrased) of the conduct of the Trusteeship Council -- such a recommendation might optimistically be sought.

It is not easy to dismiss the question as merely an issue of politics confined to the United Nations, for in the trust territories themselves confidence in the Council seems to be lacking. By 1953 petitions had<sup>1</sup> reached an annual total of 400.

The satisfaction or discontent of the people of the trust territories cannot safely be measured by the number, volume or intensity of the petitions which find their way to the United Nations, but the evidence of the increasing number of petitions cannot be brushed aside.

Although it could be said that the increasing number of petitions were due to a greater awareness of the Council's existence, to a greater accessibility to the Council or even to a greater hope in what the Council might be able to achieve on behalf of petitioners, such an answer would still have to account for the fact that accompanying the increase is an increase in the number of petitioners who have decided on another approach.

Those petitioners are beginning to address their appeals direct to the Fourth Committee and not to the Trusteeship Council.

In some cases the persons or groups concerned openly state that they have failed to gain redress through the Trusteeship Council. This is a straight vote of no-confidence in the Council. In other cases petitioners ignore completely the existence of the Trusteeship Council and go over the head of the Council to the General Assembly itself.

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1. U. N. Doc.A/G.4/SR.377, p.413.

The by-passing of the Trusteeship Council is a serious constitutional issue.

Anti-colonial States, convinced that the approach to the Trusteeship Council is often a waste of time, encourage petitioners in their direct advances to the General Assembly by voting to approve requests by petitioners to make personal appearances before the Fourth Committee.

On the evidence of such oral presentations the Fourth Committee is thus able to recommend to the General Assembly in plenary meeting without an interim judgment by the Trusteeship Council.

Whatever the reception given to a recommendation by the Committee to the General Assembly in plenary meeting, the acceptance in the first instance by the Fourth Committee of any implied censure of the Trusteeship Council or the administering Powers would already represent a battle won by the anti-colonial forces.

The final battle, however, is the telling battle; and this would take place in plenary meeting when, if the General Assembly stood by precedent in requiring a qualified majority vote of two thirds, the anti-colonial forces would need greater and more full-bodied support.

The precedent of requiring a two-thirds majority in matters concerning the dependent people is not unbreakable. The Assembly has ruled against this precedent on occasions, but we may here assume that the maximum demand is made.

What are the prospects in plenary meeting ?

The issue might fairly be said to depend on the intrinsic merits of the case in a 'free' vote, in which each delegation would vote according to the interpretation and judgment of the government it represented; but if votes were in any way tied to blocs or groups, an illuminating situation would result.

The record of voting in the General Assembly readily establishes that the parliamentary practice of party-line voting is not without parallel in the debating chambers of the world assembly.

One of the most notable features of action in the United Nations has been the 'bloc' voting of members in recognizable groups.<sup>1</sup>

It would be false to pretend that these divisions are hard and fast and that there exist no nuances which may cause members of any particular group to vote outside the group. The development of systems of bloc voting and the tendency to congregate on such controversial issues as that of independence, however, are blatant realities.

Questions concerning independence form the major category of questions before the United Nations on which the vote may in any sense be said to be predictable.

The rough division into bargaining groups which showed fainter outlines at San Francisco has now become much more distinct and the coalitions which have formed in the United Nations up to 1955 may be broadly described in this way.

The twenty republics of Latin America have committed themselves within the Organization of American States to an active policy of removing from the American continent the last vestiges of colonialism.

Their goal is not far short of achievement : for colonial territory on the mainland is now represented only by comparatively small portions of land on the shoulder of South America and the tiny flake of British Honduras to the north.

All the Latin American republics have long histories of subjection to colonial rule and their opposition to colonialism in principle and practice

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1. Norman J. Padelford, 'Regional Organization and the United Nations', International Organization, VIII (1954), p.215.

2. Ninth International Conference of American States, Resolution XXXIII.

is deeply embedded in their history. Their particular aversion to colonialism on the continent of America gives them solidarity in a common aim.

Geographically, however, their objective cannot be so conveniently circumscribed.

The tradition which brought independence to the republics is strongly alive and its force and its eloquence do not easily permit opposition to colonialism in the Americas to exist side by side with support for it in other parts of the world. The conviction that freedom from 'foreign domination' is the right of all people everywhere lives on in their collective political philosophy.

Moreover, the Latin American republics are reluctant to believe that the dependent people, frustrated in their attempt to assert those rights, may not turn to Communism for aid and inspiration for the overthrow of their rulers. Such action, they believe, would endanger the peace of the world.

Those are the shared views of the Latin American States which are members of the United Nations -- the States of Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

To the Arab-Asian group, fifteen in number, the fears of the Latin American republics that colonialism breeds Communism and that Communism endangers the peace of the world may sometimes appear exaggerated; but its members are at one with the Latin American republics in the view that there can be little progress for the dependent people until the control of the colonial Powers -- whether benevolent, paternal or 'imperialistic' -- has been extinguished.

Progress for the dependent people is a goal which has been written into the Charter as one which the United Nations has set itself to achieve. The cry of the Arab-Asian group is for the liberation of the dependent people in conformity with those aspirations.

Many of the members of the Arab-Asian group are 'new' States. Some became sovereign States even after the birth of the United Nations itself. To them the argument sometimes voiced by the colonial Powers -- that independence for certain of the dependent countries would be premature -- is held to be utterly unfounded. There can be no political life, these States assert, until there is complete political freedom.

The members of the Arab-Asian group holding such views are Afghanistan, Burma, China, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, the Philippines, Saudi Arabia, Syria, Thailand and Yemen.

To the five States of Eastern Europe -- Byelorussia, Czechoslovakia, Poland, the Ukraine and the U.S.S.R. -- colonialism is likewise an anathema to freedom, stifling the rights of the individual, corrupting the community in the interest of profit, sheltering the exploiter and disguising the motives of imperialism.

Ideologically these States reject colonialism as a predatory force bent on depriving the people of colonial territories of fundamental human rights and postponing -- so long as it may exist -- fulfilment of the promise of peace.

The colonial system exists as machinery for the economic and social exploitation and the subjugation of the masses in the interests of foreign Powers, whose intentions this group openly mistrusts. The colonial system must be destroyed.

There are four States which cannot conveniently be placed in any of these three groups for reasons of political or regional association but whose views are also fundamentally anti-colonial: Ethiopia, Israel, Liberia and Yugoslavia. These are the 'uncommitted' States -- uncommitted because they are not for those reasons part of the named individual groups. They are committed, however, to the anti-colonial front as a whole.

Only sixteen members of the United Nations remain and these are the members of the Western Coalition, the colonial Powers and their allies:

Australia, Belgium, Canada, Denmark, France, Greece, Iceland, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Turkey, the Union of South Africa, the United Kingdom and the United States.

The Western Coalition is composed of twelve of the fourteen members of the North Atlantic Treaty Organization and excludes only Italy and Portugal, which were not members of the United Nations at the period with which this study deals. To the twelve must be added the three southern Dominions -- Australia, New Zealand and the Union of South Africa. The remaining member of the Coalition is Sweden, which is not a member of the North Atlantic Treaty Organization but is a member of the Organization for European Economic Co-operation, the Council of Europe and the European Payments Union -- organizations sponsored or maintained by a majority of members of the Western Coalition.

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What has taken shape behind our description of these blocs or groups now emerges with force.

Forty-four of the sixty members of the United Nations are anti-colonial in outlook, asserting the right to independence of the dependent people.

In the world organization a movement insisting on the creation of national and sovereign rights for the dependent people has the upper hand, outnumbering its opposition by more than two to one.

With the enabling majority in the hands of that movement, we cannot escape the conclusion that if individual members so care to employ it, the United Nations is an instrument which can be used to further the world-wide drive for independence and to hasten -- by recommendation and with the authority of world opinion -- the dispatch of the colonial system.

## Chapter Eight

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### SOME CASES IN THE ENCOUNTER

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The struggle between colonial and anti-colonial States has its cockpit in the Fourth Committee of the General Assembly.

Evidence of the encounter is to be found freely in the proceedings of many organs, committees and subsidiary bodies of the United Nations; but the Fourth Committee, to which questions concerning the dependent people are customarily referred, has proved its natural home.

The division between colonial and anti-colonial groups stems from their divergent attitudes toward self-government or independence for the dependent people, particularly over the question of how the purposes and principles of the Charter may best be fulfilled.

The primary goals of the Charter are those of world peace and world progress. The whole elaborate organization of the United Nations is designed to achieve those aims.

The Charter gives first emphasis to the preservation of world peace;

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1. U. N. Charter, Art.1, para.1.

and the evolving system of collective security -- under which States jointly guarantee the security of one another -- is only part of the programme for maintaining it. The solution of problems of an economic, social, cultural or humanitarian kind is essential to creating the conditions favourable to world peace.<sup>1</sup>

It is in this perspective that the problems of dependent people are raised.

The difference of opinion is so clear, sharp and outstanding that the two groups can firmly be labelled the colonial and anti-colonial fronts. Within the world organization there are strong and numerically superior forces driving against the resistance of others for the establishment of national sovereignty and independence on a world-wide scale. The coalitions which range on either side can be expected to form whenever the direct issue of colonialism or independence is uppermost.

In the Fourth Committee they have been appearing and reappearing with regularity and constancy. Evidence of the split could be gathered from many sessions, but the extent of the division -- its proportions, its insistence and its concentration -- are best viewed within the framework of a single session.

At the Assembly's eighth session, which began in September 1953, were ranged on one side the sixteen members of the Western Coalition -- Australia, Belgium, Canada, Denmark, France, Greece, Iceland, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Turkey, the Union of South Africa, the United Kingdom and the United States. These were the colonial Powers and their allies.

The opposing forty-four members were made up of four groups.

The Latin American republics, twenty in number, were : Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic

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1. U. N. Charter, Art.1, para.2.

Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

The Arab-Asian group of fifteen was composed of Afghanistan, Burma, China, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, the Philippines, Saudi Arabia, Syria, Thailand and Yemen.

The Eastern European group numbered five : Byelorussia, Czechoslovakia, Poland, the Ukraine and the U.S.S.R.

The 'uncommitted' States -- those which are not part of the above groups through political or regional association but which remain anti-colonial in outlook -- were Ethiopia, Israel, Liberia and Yugoslavia.

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The evidence below is taken from the eighth session. At that time membership of the United Nations totalled sixty States and the organization had not undergone the noteworthy expansion of membership which was approved at the close of 1955. It would not be until the close of 1956, therefore, that the new members would enter into the active life of a General Assembly session.

The implications of the enlargement of the organization affect neither the issue nor the validity of the conclusions.

The original members of the organization -- those whose membership dates from 1945 -- are fifty-one in number.

By 1950 nine new States had been admitted : Afghanistan, Iceland, Sweden and Thailand at the close of 1946; Pakistan and Yemen in 1947; Burma in 1948; Israel in 1949; and Indonesia in 1950. It was not until 1955, however, that the General Assembly endorsed recommendations of the Security Council for membership for Albania, Austria, Bulgaria, Cambodia, Ceylon, Finland, Hungary, the Irish Republic, Italy, Jordan, Laos, Libya, Nepal, Portugal, Romania and Spain.

Acceptance by the Security Council of the candidature of the Soudan

after the mass admission therefore makes it likely that membership will <sup>145</sup>  
soon total seventy-seven sovereign States. The admission of Morocco and  
Tunisia would raise the total to seventy-nine.

Any increase in membership makes the United Nations more widely  
representative of the world community as a whole; but the nature of decisions  
by the General Assembly on questions of independence will not be greatly  
affected by the increase in numbers.

The enlargement to seventy-six members, sixteen of which would begin  
full participation only when the General Assembly opened its eleventh session  
at the close of 1956 and after the time of present writing, will bring no  
material change in the old alignments.

Albania, Bulgaria, Finland, Hungary and Romania must be expected to  
join the five Eastern European States led by the U.S.S.R. The strength of  
that group will be raised to ten and its representation will be doubled.

Cambodia, Ceylon, Jordan, Laos, Libya and Nepal will vote with the  
Arab-Asian group on colonial issues, raising the fifteen-strong membership  
of that group to twenty-one.

The remaining five new members -- Austria, the Irish Republic, Italy,  
Portugal and Spain -- will become part of the Western Coalition. Hitherto  
numbering sixteen members, that group will be expanded to twenty-one.

In the 'old' Assembly votes by the Western Coalition on colonial issues  
could represent up to 26.6 per cent of the total. In the 'new' Assembly  
that figure will be one of 27.2 per cent.

The balance in favour of the anti-colonial groups is thus maintained.

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Case Number One is the case of requests by petitioners for oral  
hearings in the Fourth Committee.  
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A decision on whether the Committee should hear a petitioner has all  
the appearances of being purely a question of procedure. Appearances are

deceptive. Two distinct points of view obtrude.

The argument of the anti-colonial group is that the Trusteeship Council, composed of an equal number of States that administer trust territories and States that do not, is operating unsatisfactorily. It has developed a practice of formally receiving petitions and acting on them in a manner which cannot seriously hope to achieve justice, the anti-colonial States contend. They accuse the Council of allowing its procedure to degenerate into 'rubber-stamping'. They say that the Council often serves only as a channel of communication for charge and rebuttal; that it forwards to the administering authority concerned the complaint against its administration and later supplies the petitioner with the administering authority's reply.

The fact of the matter is that the Council frequently does no more than this. In airing the complaint and the case for both sides it has, it is true, discharged some function; yet the anti-colonial States claim that this function is a simple preliminary to justice and not justice itself. They contend further that justice sometimes miscarries and, in addition, gives the appearance of miscarriage. Confidence in the Council on the part of the people of the trust territories is thus undermined and faith in the United Nations as a whole is endangered.

For that reason the anti-colonial States are strong in their determination that access to the General Assembly through the Fourth Committee should be free to the inhabitants of the trust territories and that all legitimate complaints -- particularly those cases in which petitioners express themselves dissatisfied with their treatment by the Trusteeship Council -- should have an airing in the General Assembly.

They are also aware that on the Fourth Committee all members of the United Nations are represented, while on the Trusteeship Council membership is confined to a total of twelve States, half of them States that administer trust territories and which thus have permanent Council seats.

The colonial Powers deny all accusations, implied or direct, that they would stifle or help to suppress any allegations against them in the trust

territories or that anything is to be feared from an impartial investigation of such complaints by the world organization. They oppose requests for oral hearings by the Fourth Committee on two main grounds.

They say that in setting up the Trusteeship Council to receive petitions from the trust territories the United Nations has given powers which it cannot infringe or withdraw without bringing impotence to the Council.

They say, further, that the 'indiscriminate' granting of such requests fails to distinguish between trivial and serious complaints (which the Council has often to do)<sup>1</sup> and consecrates any particular person, party or cause by placing at its disposal the attention of the most august assembly of nations. By agreeing to an oral hearing by the General Assembly, the United Nations may be cutting a stick with which to beat itself and reproducing the situation of the sorcerer's apprentice.

Show-of-hands votes cannot be analysed from the official records of the General Assembly or its committees because only the totals of those in favour, against or abstaining are given; but in the only vote taken by roll-call to record the Committee's decision on one such request<sup>2</sup> for an oral hearing, the split was patent.<sup>3</sup>

Fifteen States abstained or were absent from the Committee when the vote was taken. Of the forty-five which cast their votes, all twelve remaining members of the Western Coalition opposed the request. The balance of thirty-three voting in favour were the four 'uncommitted' States, the five States of Eastern Europe, the twelve attending members of the Arab-Asian group and the twelve attending Latin American republics.

No member of the Western Coalition voted with those groups and no 'strangers' were found voting with the Western Coalition.

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1. U. N. Doc. A/C.4/SR.377, p.413.
  2. U. N. Doc. A/C.4/235, pp.6-7.
  3. U. N. Doc. A/C.4/SR.318, pp.15-16.

The United Kingdom had asked for a screening committee to be set up to handle such requests<sup>1</sup> and its proposal<sup>2</sup> had much to recommend it as a procedural measure for ordering the conduct of Assembly business; but the prospect of abridging rights of access to the United Nations so alarmed the anti-colonial forces in the Fourth Committee that, among speakers to the draft resolution, those who declined support of the measure outnumbered<sup>3</sup> those in favour by nearly three to one.

In the show-of-hands vote which followed, the proposal was only narrowly<sup>4</sup> defeated, mainly because of important modifications made as the debate went on; but of the vocal element, all of those against the proposal or refusing<sup>5</sup> to vote in favour were either Latin American republics, members of the Arab-Asian group, Eastern European States or 'uncommitted' States.

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Case Number Two is the question of 'factors'.

The question of factors which should be taken into account in deciding whether a territory has become fully self-governing is one of the most abstruse of all those which have occupied the Committee's attention. It seeks a foundation on the still-undefined term 'a full measure of self-government'. For all the labyrinths which debate on this item has followed and for all the web-making of resolutions, the broad skein is apparent in its history.

In 1945 the Declaration Regarding Non-Self-Governing Territories was incorporated in the United Nations Charter. Part of the Declaration was Article 73e, which related to the transmission of information on their colonial territories by the colonial Powers.

In 1946 the General Assembly listed some seventy-four territories that

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1. U.N.Docs. A/C.4/SR.317-20, pp.10-28.
  2. U.N.Doc. A/C.4/L.271.
  3. U.N.Docs. A/4/SR.319-20, pp.20-8.
  4. U.N.Doc. A/C.4/SR.320.
  5. U.N.Doc.A/C.4/L.271/Rev.1.
  6. General Assembly, Eighth Session, Agenda Item 53.

fell within the scope of the Declaration<sup>1</sup> — territories on which information had already been transmitted or promised.

By 1949 the General Assembly formally observed that it was no longer receiving information on all of the territories listed and asked the Committee on Information from Non-Self-Governing Territories to report.<sup>2</sup> The Assembly was pained that some administering Powers should take it on themselves to decide that advances toward self-government in some of the territories were such that information would no longer be required by the Assembly.

In January 1952 it appointed a special committee to carry the study further,<sup>3</sup> and in December of the same year appointed another committee for a still more thorough study. To this committee was given, among other things, the quite unenviable task of defining 'a full measure of self-government.'<sup>4</sup>

It was clear that the Assembly as a whole desired to emphasize two things : that defections could not take place on the decision of the administering Power; and that if information on any of the colonial territories were to cease, it would do so only by permission of the Assembly and according to rules it was struggling to write.

At the eighth session of the General Assembly the task confronting the Fourth Committee was that of deciding how much further it should seek the elusive answer to what was truly a theoretical problem.<sup>5</sup>

The special committee had reported that it had gone as far as human agency might profitably go at that time by providing a draft list of factors, although it had not succeeded in defining 'a full measure of self-government'.<sup>6</sup> In doing so it reminded the Assembly that the Assembly itself

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1. General Assembly Resolution 66(I).
  2. General Assembly Resolution 334(IV).
  3. General Assembly Resolution 567(VI).
  4. General Assembly Resolution 648(VII).
  5. U. N. Docs A/C.4/SR.317, 322-31.
  6. U. N. Doc. A/2428, p.2.

had noted that each particular case would have to be considered on its merits and that, at best, a list of factors could only serve as a guide in deciding whether a territory had become fully self-governing.

This might have been the occasion for a unanimous decision to leave theory where it stood and for any State or group, whenever it so chose, to ask that an administering Power be called to account when it was felt to have defected; but the Committee devoted ten stormy meetings to a discussion<sup>1</sup> of the item, in which fifty speakers intervened. The Committee voted forty-eight times before it produced a resolution.

Nine States chose to deplore the split between administering and non-administering members and to appeal for reconciliation.

Anti-colonial States accused the administering Powers of suppressing the rights of subject peoples by refusing them the aid and interest of the United Nations, of infringing their rights to self-determination, of making a travesty of the United Nations by ignoring or obstructing the prerogative of the General Assembly to decide whether the status achieved by any colony amounted to a full measure of self-government.

Colonial Powers said that no mere ruling by the General Assembly could make a colony intrinsically independent or otherwise. Status, they said, was a matter of reality and only those fully acquainted with conditions in<sup>2</sup> any particular territory were qualified to make the judgment.

The critical issue, however, remained the question of international accountability in respect of the colonies -- whether the General Assembly was competent to determine and recommend principles which should guide colonial Powers in giving effect to their obligations arising out of the Declaration.

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1. U.N. Docs. A/C.4/SR.329-30, pp.83-93.

2. Cf. W.M. Macmillan, Africa Beyond the Union (Johannesburg, 1949), p.17.

On this question bloc voting on familiar lines took place, almost without exception.

Twelve States were either absent or abstained. They were Costa Rica, Ecuador, El Salvador, Iceland, Nicaragua, Norway, Panama, Paraguay, Peru, Sweden, Turkey and Yemen.

Voting against the stipulation that the General Assembly was the competent authority in such cases were eleven States, all members of the Western Coalition -- Australia, Belgium, Canada, Denmark, France, Luxembourg, the Netherlands, New Zealand, the Union of South Africa, the United Kingdom and the United States.

Voting in favour were thirty-seven States, all of which were either Arab-Asian States, Eastern European States, Latin American republics or 'uncommitted' States -- Greece alone excepted. In favour were Afghanistan, Argentina, Bolivia, Brazil, Burma, Byelorussia, Chile, China, Colombia, Cuba, Czechoslovakia, the Dominican Republic, Egypt, Ethiopia, Greece, Guatemala, Haiti, Honduras, India, Indonesia, Iran, Iraq, Israel, Lebanon, Liberia, Mexico, Pakistan, the Philippines, Poland, Saudi Arabia, Syria, Thailand, the Ukraine, the U.S.S.R., Uruguay, Venezuela and Yugoslavia.

To accentuate further the division, voting took place in the following way on a clause which would state that the General Assembly considered that the manner in which territories could become self-governing was 'primarily through the attainment of independence'.<sup>3</sup>

Twelve States were either absent or abstained from voting. They were China, Costa Rica, Ecuador, El Salvador, Ethiopia, Iceland, Nicaragua, Pakistan, Panama, Paraguay, Thailand and Turkey.

Voting against were thirteen States, all members of the Western Coalition -- Australia, Belgium, Canada, Denmark, France, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, the Union of South Africa, the United Kingdom and the United States.

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1. U.N. Doc. A/C.4/L.273, para.1.

2. U.N. Doc. A/C.4/SR.330, p.90.

3. U.N. Doc. A/C.4/L.273, para.6.

Voting in favour were thirty-five States, all members of the Arab-Asian group, Eastern European States, Latin American republics or 'uncommitted' States -- Greece again alone excepted. They were Afghanistan, Argentina, Bolivia, Brazil, Burma, Byelorussia, Chile, Colombia, Cuba, Czechoslovakia, the Dominican Republic, Egypt, Greece, Guatemala, Haiti, Honduras, India, Indonesia, Iran, Iraq, Israel, Lebanon, Liberia, Mexico, Peru, the Philippines, Poland, Saudi Arabia, Syria, the Ukraine, the U.S.S.R., Uruguay, Venezuela, Yemen and Yugoslavia.

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Case Number Three arises from the notification by the Government of the Netherlands that, in view of new constitutional changes granting a full measure of self-government in all internal matters to the Netherlands Antilles and Surinam, the Government of the Netherlands was of the opinion that these two territories were no longer to be considered non-self-governing territories as referred to in Article 73e of the Charter and that annual reports on the territories would no longer be transmitted.

The Fourth Committee decided overwhelmingly to the contrary.

The only support for the action of the Government of the Netherlands in the draft resolution on this question finally adopted by the Committee came from States of the Western Coalition. The vote of Greece was the only vote from that group to be found in the opposing camp.

The New Zealand delegation attempted to insert into the preamble of that draft resolution the simple statement of two facts of common cause : that the Government of the Netherlands had informed the General Assembly that it was unable to continue transmission of information and of the reasons why it felt this to be so; and that the Governments of the Netherlands Antilles and Surinam had stated (as their representatives had in fact done before the Committee) that they regarded the continued transmission of information as incompatible with their new status.

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1. U.N. Doc. A/C.4/SR.330, p.92.
  2. General Assembly, Eighth Session, Agenda Item 34(a);A/2177;A/C.4/SR.343-7.
  3. U.N. Doc. A/C.4/SR.347, pp.210-11.
  4. U.N. Doc. A/C.4/SR.347, p.211.
  5. U.N. Doc. A/C.4/L.296.
  6. U.N. Doc. A/C.4/SR.343, pp.180-1.

Five votes to reject the New Zealand amendment were cast for every two in its favour.<sup>1</sup> Greece remained the only member of the Western Coalition to vote against it. Peru was the only non-member voting in support.

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Case Number Four involves the annual report of the Trusteeship Council.<sup>2</sup>

This is one of the major items on the agenda and one under which almost any question may arise. During the discussion criticism of the operation of the International Trusteeship System abounded : except for the seven States administering trust territories or strategic areas (Australia, Belgium, France, New Zealand, the United Kingdom, and the United States),<sup>3</sup> only three States spoke without criticism of that kind.<sup>4</sup> To the list should be added the name of Italy,<sup>5</sup> which was not then a member of the United Nations but, as administering authority for Somaliland, was present by invitation during the debate.<sup>6</sup>

The administering States protested their own good faith in carrying out their undertakings in terms of agreements with the United Nations in the territories for which they had assumed responsibility, in spite of the difficulties of the task; reminding the Committee that development was a slow and continuing process. A majority expressed the view that where mistrust and suspicion on the part of non-administering members of the United Nations led them to intervene, the work of the Trusteeship Council became more difficult and friction hampered its smooth operation.

In the general debate on conditions in the trust territories<sup>7</sup> the attack on the administering authorities, on the operation of the International Trusteeship System and on the conduct of the Trusteeship Council came from all quarters other than from the Western Coalition.<sup>8</sup>

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1. U.N. Doc. A/C.4/SR.347, p.210.  
2. General Assembly, Eighth Session, Agenda Item 13; U.N. Docs. A/C.4/SR.377-94; A/2427.  
3. U.N. Doc. A/C.4/SR.381, pp.441-3.  
4. U.N. Docs. A/C.4/SR.385, pp.473-4; 386, p.480.  
5. U.N. Doc. A/C.4/SR.386, pp.484-5.  
6. U.N. Docs. A/C.4/SR.377, pp.413-14; 383, p.451.  
7. U.N. Doc. A/C.4/SR.386, pp.482-4.  
8. U.N. Doc. A/C.4/SR.386, pp.481-2.  
9. U.N. Docs. A/C.4/SR.379, pp.425-6; 387, pp.487-8.  
10. U.N. Docs. A/C.4/SR.379-87.

The Eastern European States (Byelorussia,<sup>1</sup> Czechoslovakia,<sup>2</sup> Poland,<sup>3</sup> the Ukraine<sup>4</sup> and the U.S.S.R.)<sup>5</sup> made the blunt charge that the administering Powers were using the International Trusteeship System as a screen for exploitation and as a means for tightening the colonial grip; that they were violating the economic, social and political rights of the people in the trust territories; that they were obstructing progress in all ways; and that they were perpetuating poverty, ignorance and political serfdom in the interests of greater profits.

Ten years of operation of the International Trusteeship System, those States contended, had failed to reduce the plight of the people in the trust territories, engendering frustration and bitterness. The administering States had failed to fulfill their elementary obligations under the Charter. Power still remained effectively in their hands, strengthened by the connivance of the Trusteeship Council, which, in all its existence, had not taken a single decision that would promote the rights and lighten the burdens of the people in the trust territories.

In greatly varying degree, attacks came from all other sectors of the anti-colonial front.<sup>6</sup> They came from the 'uncommitted' States (Liberia and Yugoslavia);<sup>7</sup> from the Arab-Asian group (Burma,<sup>8</sup> Egypt,<sup>9</sup> India,<sup>10</sup> Indonesia,<sup>11</sup> Pakistan,<sup>12</sup> the Philippines,<sup>13</sup> Saudi Arabia,<sup>14</sup> and Syria);<sup>15</sup> and from the Latin American republics (Brazil,<sup>16</sup> the Dominican Republic,<sup>17</sup> Guatemala,<sup>18</sup> Haiti,<sup>19</sup> and Uruguay).<sup>20</sup>

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1. U.N. Doc. A/C.4/SR.385, pp.469-71.
  2. U.N. Doc. A/C.4/SR.384, pp.463-5.
  3. U.N. Doc. A/C.4/SR.386, pp.478-80.
  4. U.N. Doc. A/C.4/SR.384, pp.459-60.
  5. U.N. Doc. A/C.4/SR.383, pp.452-4.
  6. U.N. Doc. A/C.4/SR.381, pp.443-4.
  7. U.N. Doc. A/C.4/SR.380, pp.433-5; 381, pp.439-41.
  8. U.N. Doc. A/C.4/SR.386, pp.475-6.
  9. U.N. Doc. A/C.4/SR.386, pp.476-8.
  10. U.N. Doc. A/C.4/SR.380, pp.432-3.
  11. U.N. Doc. A/C.4/SR.383, pp.456-7.
  12. U.N. Doc. A/C.4/SR.383, pp.451-2.
  13. U.N. Doc. A/C.4/SR.385, pp.470-1.
  14. U.N. Doc. A/C.4/SR.385, pp.472-3.
  15. U.N. Doc. A/C.4/SR.384, pp.460-3.
  16. U.N. Doc. A/C.4/SR.386, pp.480-1.
  17. U.N. Doc. A/C.4/SR.381, pp.437-9.
  18. U.N. Doc. A/C.4/SR.384, pp.465-7.
  19. U.N. Doc. A/C.4/SR.380, pp.431-3.
  20. U.N. Doc. A/C.4/SR.385, pp.471-2.

The most that was conceded was that some measure of progress had been achieved, although the majority considered that even this was unacceptably small. A large part of the attack, however, was concentrated on the Council. It was immaterial whether blindness or malice lay at the root of the evil : it could have been said that 'a snake and a goose make the same noise -- they both hiss.'

Although petitions from the trust territories were now at the level of more than 400 a year, the Trusteeship Council was monotonously 'rubber-stamping' petitions and leaving the main source of the grievance untouched.

The future of the United Nations depended on a growing faith in the organization through the fulfilment of the objectives of the International Trusteeship System, now far from its goal. Progress could be made in the trust territories if the administering authorities would give effect to the recommendations of the Assembly, which they were failing to do. The only solution lay in reforming the system and the Council, which had laid itself open to the accusation of prejudice in favour of administering authorities.

Thirty States took part in the general discussion. The seven administering States excluded, only three (Colombia,<sup>1</sup> El Salvador<sup>2</sup> and Lebanon<sup>3</sup>) failed to make their presentations the subject of criticism or attack.

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Case Number Five is part of the agenda item concerning the transmission of information under Article 73e of the Charter.<sup>4</sup>

While some colonial Powers incur the wrath of anti-colonial States for ceasing to transmit information, it is also true that anger is aroused by some States which continue to do so. The transmission of information on a particular territory implies the exercise of sovereign rights over that territory. Such sovereignty is sometimes in dispute; and the agenda item provided an open season for discharging complaints of disputed sovereignty.

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1. U.N. Doc. A/C.4/SR.379, pp.426-9.  
2. U.N. Doc. A/C.4/SR.384, p.463.  
3. U.N. Doc. A/C.4/SR.383, pp.454-6.  
4. General Assembly, Eighth Session, Agenda Item 32; U.N. Docs. A/C.4/SR.324, 331-43, 395.

Argentina and the United Kingdom thus exchanged accusation and retort<sup>1</sup> on the question of rightful sovereignty over the Falkland Islands, on which the United Kingdom had transmitted information to the Secretary-General; Indonesia and the Netherlands disputed sovereignty over Netherlands New Guinea,<sup>2</sup> on which information had been transmitted by the Netherlands; Guatemala and the United Kingdom clashed over rightful sovereignty over British Honduras;<sup>3</sup> and Yemen and the United Kingdom made similar exchanges<sup>4</sup> over Aden.

The debate on this agenda item was also the occasion for broadsides on other specific issues, not all directly concerned with the general subject in hand but bearing heavily on the main question of national independence.

Iraq,<sup>5</sup> Syria,<sup>6</sup> and Lebanon<sup>7</sup> proclaimed their recognition of the aspirations of Tunisia and Morocco for independence, describing them as sovereign States bound only by treaty to France and not subject to its hegemony.

Byelorussia,<sup>8</sup> Czechoslovakia,<sup>9</sup> Guatemala,<sup>10</sup> Poland<sup>11</sup> and Yugoslavia<sup>12</sup> attacked the United Kingdom for revoking the constitution of British Guiana and for the landing of troops in that part of the American continent.

India,<sup>13</sup> Czechoslovakia,<sup>14</sup> and Poland<sup>15</sup> brought heavy criticism to bear on the United Kingdom for its part in the founding of the Central African Federation -- a patent design, they contended, for exploiting the masses in the three territories comprising the Federation, particularly the territories of Rhodesia and Nyasaland, with which the Assembly was rightfully concerned.

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1. U.N. Doc. A/C.4/SR.324, p.52.
  2. U.N. Doc. A/C.4/SR.332, pp.102-4.
  3. U.N. Doc. A/C.4/SR.333, pp.105-6.
  4. U.N. Doc. A/C.4/SR.334, p.109.
  5. U.N. Docs. A/C.4/SR.336, p.126; 338, p.145.
  6. U.N. Doc. A/C.4/SR.338, p.143.
  7. U.N. Doc. A/C.4/SR.339, pp.149-50.
  8. U.N. Doc. A/C.4/SR.337, p. 136.
  9. U.N. Doc. A/C.4/SR.339, p.151.
  10. U.N. Doc. A/C.4/SR.333, p.106.
  11. U.N. Doc. A/C.4/SR.334, p.111.
  12. U.N. Doc. A/C.4/SR.335, pp.116-7.
  13. U.N. Docs. A/C.4/SR.333, p.107; 342, pp.173-4; 343, p.176; 395, pp.539-40.
  14. U.N. Doc. A/C.4/SR.339, p.151.
  15. U.N. Doc. A/C.4/SR.334, p.111.

India<sup>1</sup> and Poland<sup>2</sup> extended their thrust to Kenya, where war with the Mau-Mau continued.

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Case Number Six is the question of South West Africa.<sup>3</sup>

At every session except the seventh, the Assembly had pronounced its opinion that South West Africa -- the only former mandate that had not either achieved independence or become a trust territory of the United Nations -- should be placed under the International Trusteeship System.<sup>4</sup>

The persistent refusal of the Government of the Union of South Africa to bow to the will of the General Assembly in this matter had remained a thorn in the flesh of the anti-colonial States and a source of embarrassment to some members of the Western Coalition.

The problem has many aspects. It took forty separate votes in the Fourth Committee to secure the adoption of two resolutions on the question.<sup>5</sup> The only issue of true importance, however, is the issue created by the Assembly's insistent demand and the Union's repeated refusal that the territory should become a trust territory. The eighth session did not add much to what had already been said on the seven-year-old question: two main resolutions were put forward, the machine moved inexorably and the Committee adopted both drafts by an overwhelming majority.<sup>6</sup>

The resolution reaffirming that South West Africa should be placed under the International Trusteeship System secured forty-two votes in its favour. All such votes were those of members of the anti-colonial group, Norway and the United States excepted. Only one vote was recorded against -- that of South Africa. All other members of the Western Coalition abstained.

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1. U.N. Doc. A/C.4/SR.343, p.176.

2. U.N. Doc. A/C.4/SR.334, p.111.

3. General Assembly, Eighth Session, Agenda Item 36; U.N. Docs. A/C.4/SR.357-64, 382.

4. General Assembly Resolutions 65(I), 141(II), 227(III), 337(IV), 449(V), 570(VI).

5. U.N. Doc. A/C.4/SR.364, pp.313-14.

6. U.N. Doc. A/C.4/SR.364, p.314.

At the plenary meeting of the General Assembly which considered the recommendation of the Committee, the division was endorsed. Forty-seven States voted in favour, Iceland joining Norway and the United States as the only members of the Western Coalition to vote in favour. The vote of South Africa was the only dissentient vote. The eleven States abstaining were all members of the Western Coalition.

## Chapter Nine

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### ACTION AND INACTION

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Bloc voting in the United Nations is not wholly inflexible, but the important issue of independence for the dependent people can be relied on to produce a predictable pattern.

The division is simple and real. In almost all cases in which the colonial issue is uncomplicated by other factors, the General Assembly will therefore produce an endorsement of the principles for which the independence movement stands.

The value of such endorsement is sometimes questionable.

The anti-colonial group believes that the independence of the dependent people is a goal of such importance that it must be actively, urgently and insistently sought.

A resolution by the General Assembly recommending advances toward independence or censuring the perpetuation of colonialism is made in the name of world opinion and carries the weight of the world organization.

Year by year the score of those resolutions has been mounting; their accumulation, the anti-colonial States believe, might build up sufficient pressure to break down the final barriers of colonialism and make independence a world-wide reality.

The colonial Powers are committed by their attestation to Chapter XI of the Charter to promoting the interests of colonial people. The colonial Powers would readily admit that in most cases they hope to derive from their colonies economic and other benefits for the wider empire; but they add that their policies include benefits, by association, for the colonial people themselves.

They further insist that a colonial Power has intimate understanding of the particular conditions in its colonies, an understanding not easily shared by outside States.<sup>1</sup> That knowledge, they say, gives the colonial Power -- and not an assembly of nations or other individual States -- the clearest insight in deciding how the interests of the colonial peoples will best be served. Policy is often dictated by local circumstances,<sup>2</sup> and to question the methods by which colonial Powers are striving to honour their commitments is to question their good faith and their judgment.

Criticism of colonial conduct by the anti-colonial States and by the world assembly at large through its resolutions not only brings into question the good faith and good judgment of the colonial Powers, but may act in a way which is destructive of the goodwill of those Powers.

The anti-colonial States may say that whether the colonial Powers are offended by criticism of the world body is unimportant; what matters is that the ideals of the organization should be served by the growth and spread of independence and freedom; that concern for the susceptibilities of the colonial Powers may lead to the abandonment of vigorous action in the name of the dependent people.

At least part of this reasoning is specious, because it cannot be overlooked that the colonial Powers remain in effective control of both the trust territories and the colonies. For giving effect to its recommendations the United Nations relies ultimately on the goodwill of the State concerned. Any alienation of goodwill, therefore, increases the immediate obstacles in the path of the independence movement.

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1. Cf. L.P.Mair, Native Policies in Africa (London, 1936), p.15.

2. Hailey, Native Administration in the British African Territories, part I, p.202.

Political action by the United Nations has worsened the relations between colonial and anti-colonial States.

Attack and counter-attack are features of many of the debates in the Fourth Committee : attacks on the Trusteeship Council and accusations suggesting partiality toward administering States harden the division; attacks on the larger circle of colonial Powers make them resentful of their own concessions in agreeing to transmit information on the colonies and many of them have decided, with or without the approval of the United Nations, to discontinue regular reports to the Assembly.

Moreover, acceptance in the General Assembly of petitioners from the trust territories representing political parties whose main platforms are often those of independence -- and who are thus assured of majority support within the United Nations -- is an action suggesting that the wider support of member States is not being given to the colonial Powers in their colonial administration. Administering States contend that their task is made more difficult in this way and that elements harmful to the general welfare of the dependent people are sometimes encouraged.

Regular appeals in the General Assembly for bridging the gulf serve only to emphasize the split.

The least important consideration at this point is the issue of which party is right. The case for or against the movement for independence (or the case for or against the colonial Powers) is totally irrelevant. The significant truth is that if goodwill is removed an important basis of power subsides.

The deterioration of goodwill robs the United Nations of much of its potential strength. Deadlock in these terms is sterile -- at the highest estimation. If the United Nations should recommend action in a colonial territory or a trust territory and the administering State refuse to accept the recommendation, there is no means of enforcing the will of the world organization.

The sterility of deadlock shows up strikingly in an example taken from the seventh session of the General Assembly.

In the Northern Province of Tanganyika, on the slopes of a mountain they believe was given to them by God, dwell members of the Meru tribe.

From these lands they were expelled by the German régime before the First World War; but Tanganyika later became a British mandate, and by 1939 some 2,000 tribesmen and their families were again settled in the Ngare-Nanyuki and Leguruki areas on two farms of 5,000 acres, which they had been allowed to buy. The traditional lands had been restored.

After a decade news came that their farms were to be given to thirteen European farmers so that the area could be linked up with other white areas as part of a general resettlement scheme. The Meru were to be moved south-<sup>1</sup>ward to unused land.

This temporary hardship was necessary, the Tanganyika Government explained, as the African population of the territory, composed of many tribes, had swollen to 8 million, placing heavy pressure on land. The scheme was for the benefit of all inhabitants of the Arusha-Moshi areas, themselves included : more land under European occupation than under African occupation was to be alienated; no question of racial discrimination was thus involved.

The Tanganyika Government promised that every help would be given in resettlement and compensation would be made. For the success of the operation the understanding and co-operation of the Meru were needed.

Two years later the Meru were still unconvinced that the scheme was genuinely designed to relieve congestion of the African population or to develop the resources of the trust territory in the interest of all the inhabitants. But the scheme was now far advanced : the land had been allocated to new farmers and the Tanganyika Government saw no reason for withdrawal.

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1. U.N. Doc. A/C.4/SR.286.

On 6 July 1951 it sent an official to inform the Meru that if they should refuse to go they would be removed by force.

Events moved swiftly.

No relief came as a result of their appeals to local administrative officers or to the Secretary of State for Colonial Affairs; so in September of that year the Meru petitioned a United Nations Visiting Mission which had come to Tanganyika.<sup>1</sup>

In October the Legislative Council for Tanganyika passed a Bill granting powers for eviction by force of the Meru from the Ngare-Nanyuki area and on 17 November more than a hundred police, strengthened by one hundred Kikuyu and under the command of European officers, arrived in the area.

The Meru say that the police barred access to the river, closed the road and cut off the area by barriers. They then seized food and livestock, arrested tribesmen and set fire to homes.

Trucks loaded with evacuees and their goods rumbled to the new lands at Kingori; but many of the evicted soon slunk away from the unfertile, tsetse-ridden district, to find shelter with other tribes, with Masai or Mbulu, or to become squatters on European farms.

More than their lands had been taken from them, the Meru claimed : sixty of the tribe had perished and more than 10,000 head of cattle, sheep, goats and other livestock had been lost.<sup>2</sup>

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Six months later the United Nations Trusteeship Council urged the Government of the United Kingdom, as the administering authority for the trust territory of Tanganyika, to do all in its power to relieve the hardships suffered by the Meru tribesmen and their families. The Council urged generous compensation, the building of huts, the eradication of the tsetse fly and measures of community welfare and development.

The Council recognized the larger comprehensive scheme of settlement

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1. U.N. Docs. T/Pet.2/99 and Add.1-7; T/Pet.2/143.  
2. U.N. Doc. A/C.4/SR.286.

embarked on by the Government of Tanganyika, but it regretted that force <sup>164</sup>  
had been used to put that scheme into effect. African communities should  
in future be moved only by clear, collective consent, the Council declared;  
and in cases where congestion existed on tribal lands, new lands for grazing  
and cultivation should be opened up. <sup>1</sup>

Within a further six months the two representatives of the tribe who had  
presented their case to the Trusteeship Council were back again at the United  
Nations, this time asking to be heard by the General Assembly itself.

The burden of the new complaint, heard by the Fourth Committee, <sup>2</sup> was  
that the Trusteeship Council had failed to recommend that the injustice be  
corrected by restoration of the land to the Meru tribesmen, and that much of  
the confidence and trust placed in the Council by the Meru had been lost.  
The disillusioned tribesmen were now looking, in a last hope, to the sovereign  
body of the world organization, the General Assembly.

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In the Fourth Committee the Latin American and Arab-Asian States took  
up the attack and were joined by Eastern European States.

Here was a clear-cut case of racial discrimination, they said : a  
violation of the principle of human rights for which the United Nations  
stood. The Trusteeship Council had evaded the issue. It had failed to  
apply the principles of the International Trusteeship System and the prestige  
of the United Nations in all trust territories was consequently endangered.

They asked the Committee to say that the evidence clearly indicated the  
forcible removal of the Meru against their will and to formally disapprove  
that action by the United Kingdom Government; to disapprove the action of the  
Trusteeship Council; to ask the United Kingdom for the immediate return of  
the lands and for full indemnities for the Meru; to call a halt to any plan  
for the redistribution of land by force; to train the Meru in modern methods  
of farming; and to report to the next session of the Trusteeship Council

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1. Trusteeship Council Resolution 468(XI).

2. U.N. Docs. A/C4/SR.286-91.

on the steps it had taken to fulfill these recommendations.

This was the attitude of no-compromise.

It sought restoration of the land but it gave precedence to censure of both the administering authority and the Trusteeship Council. It directed by recommendation the conduct of the Government of the United Kingdom and placed firm emphasis on responsibility to the United Nations by asking for a further report at the earliest opportunity.

The determined and resolute nature of the recommendation was such that cool reception was accorded to an alternative proposal emanating from members of the Western Coalition that the Fourth Committee should ask the Assembly to express the hope that a satisfactory adjustment would be found through consultation and that it should invite the establishment on part of the alienated land of an experimental farm for the Meru.<sup>2</sup> The Western proposal sympathized with the evicted Meru but it recognized the special demands made by the need for moving populations.

The General Assembly, however, was not a court of justice, the Western States averred; nor should the Assembly do anything which would undermine the authority which it had itself created -- either that of the Trusteeship Council or of the trusteeship of the United Kingdom over the trust territory of Tanganyika.

The West stood almost alone in support of the measure and the proposal was defeated.

Whatever refinements diplomacy and tact may have brought to bear on the terms in which the Western proposal was couched, it was clear that the proposal was received as one which basically tended to defend both the action of the Trusteeship Council and that of the United Kingdom. This was the reverse of what was being sought by the anti-colonial front in the Fourth Committee.

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1. U. N. Doc. A/C.4/L.242.

2. U. N. Doc. A/C.4/L.245.

It was satisfied that the Committee had before it an outstanding example of a state of affairs of which the anti-colonial front had long complained.

In the first place, the eviction of the Meru by force and against their will was a blatant example of disregard for the welfare and interests of the native people of the trust territory. The anti-colonial front did not accept -- just as the Meru did not accept -- the contention that the removal scheme was in the best interests of all the inhabitants of the trust territory.

In the second place, this act had been virtually condoned by the Trusteeship Council.

Principle was at stake. The effectiveness of the United Nations was at stake. Faith in the organization was at stake.

The anti-colonial front was convinced that both the administering authority and the Council deserved sound rebuke and that the Meru deserved the restoration of their lands. No measure which stopped short of these requirements was fitting to the occasion and no compromise would be accepted.

Into the gap created by these wide differences of opinion moved three<sup>1</sup> Latin American States with a compromise proposal.

The Latin American States agreed with many of the recommendations which had been put before the Committee by members of the anti-colonial front. They felt, however, that the proposals were of too radical a nature and that they offered little hope of success in achieving what the anti-colonial front had set out to gain. The new proposals were more moderately conceived, in the belief that they would secure more than direct confrontation.

<sup>2</sup>  
The compromise succeeded in spite of the atmosphere of hostility prevailing in the Committee and contrary to expectation; but its success was short-lived.

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1. U. N. Doc. A/C.4/L.243.

2. U. N. Doc. A/C.4/SR.291.

The Fourth Committee adopted the amendments proposed by the Latin American States, but these proposals failed by a single vote to gain a majority of two thirds of the forty-nine members present and voting. The two-thirds majority was not a requirement of Committee procedure : a simple majority was sufficient for the proposals to become embodied in a resolution by the Committee and the proposals thus went forward as a recommendation to the Assembly as a whole in plenary meeting. No doubt was entertained, however, that when the recommendation came before the General Assembly in plenary meeting -- where a two-thirds majority would undoubtedly be insisted on -- a precarious passage awaited it.

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Although much of the strength of the original proposal had been sapped by the moderation of the alternative proposals, some still remained.

The new proposals were not acceptable to the United Kingdom and when the Committee's recommendation came before the General Assembly the United Kingdom stated simply and bluntly that this was so; should the Assembly adopt the recommendation of the Committee, the United Kingdom would not put its provisions into effect. There could be no retreat from an accomplished act.<sup>1</sup>

Undaunted by their failure in the Committee to gain acceptance of their proposals, Western States pressed again for their acceptance, this time with the support of one Latin American Republic.<sup>2</sup>

The United Kingdom, in spite of its declaration that there could be no reversal of the act complained of, said that it felt that the renewed Western proposals were constructive; so the way was open to secure something in the nature of a compromise without completely alienating the goodwill of the United Kingdom, in whose hands lay the effective and direct control of affairs in the trust territory of Tanganyika.

The Committee's recommendation was then put before the Assembly.<sup>3</sup>

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1. U. N. Doc. A/PV.410.
  2. U. N. Doc. A/L.141.
  3. U. N. Doc. A/2342.

It failed dismally to gain a two-thirds majority.

All votes in its favour were Latin American or those of Eastern European or 'uncommitted' States.

No member of the Western Coalition lent support and no member of the Arab-Asian group voted against it.

But there were some defections from the ranks of the Latin American States, which either voted against the recommendation of the Committee or abstained altogether from voting. As a result, only twenty-eight votes were recorded in favour of the recommendation; twenty were recorded against, ten were abstentions and two States were absent at the time the vote was taken.

The defeat of the Committee's recommendation meant that the Assembly now had before it only the surviving Western proposals. Its choice lay in accepting those proposals or rejecting them. If they were rejected, no action at all would emanate from the Assembly.

There was some tinkering with the Western proposals at the plenary meeting when the Assembly rejected a part recommending the payment of compensation to the alienated tribesmen. The draft was that much diminished when the Assembly came to vote on the proposals as a whole.

By that time the Western proposals were acceptable to only twenty-one of the States present and voting and consideration of the entire question came to an end without any action whatever.

No bread at all, it seemed, was preferable to the half-loaf that was offered.

Part Four

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THE

INTERNATIONAL

PROSPECT

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## Chapter Ten

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### CRACKS IN THE ANTI-COLONIAL FRONT

Open antagonism between the colonial and anti-colonial States is harsh. It throws a lengthening shadow across the bright path of the United Nations envisaged in the Charter and if all that could be written of the history of the world organization during its first decade were the story of that growing antagonism, the future of the organization might be bleak indeed.

Nothing that can be said of United Nations achievements for the dependent people can detract from the gravity of the split. The Charter lays down the aims and purposes of the organization and the principles and policies which its members agree to pursue in achieving those ends. A fundamental ideal is the ideal of co-operation.<sup>1</sup> What has resulted over the colonial issue suggests that hopes of co-operation have receded and that in their place tension and resistance are rising.

While the open confrontation exists, more subtle undercurrents are moving. The most important derives from the crisis over self-determination -- the doctrine that all people everywhere, especially the dependent people, have the right to choose the manner in which they shall be governed.

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The vast change in international society which faced the architects of the United Nations was the emergence, as a driving force of considerable proportions, of those former backward peoples who were once 'passive

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1. U.N. Charter, Preamble; Art. 1.

objects of policy.<sup>1</sup> The experience of change wrought by the Second World War -- the stimulation and challenge of the conflict, the demands for sacrifice and the stirring call to take part in the making of history --  
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 released influences incalculable in their effect.

No serious appraisal of the world situation during the years of war could fail to take into account the part played -- and still to be played -- by the dependent people and the dependent territories. For the colonial Powers the war had drained away much of the reserve that had made them strong. To the dependent people and territories a new initiative was passing and for them a new identity was about to dawn. It became possible for that new identity to express itself with force once the United Nations organization had accepted and written into the Charter its support for the principle of national self-determination. The principle of self-determination existed alongside the principle of national sovereignty, which the organization was also firmly committed to support.

It was inevitable that the logic of self-determination would assert itself once the Second World War came to an end, for the Allied Powers had declared that defence of this principle was an important reason for waging the war. The great industrial Powers, whose influence extended to colonies and possessions all over the globe, were forced on the defensive. They were to concede to the dependent people and the so-called backward States of the world a recognition of the principle of equal partnership.

Putting this principle into effect, however, was to prove a monumental task.

National self-determination no longer involves political rights alone; practical consideration of problems of an economic or military nature are  
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 inescapably bound up within it. If national self-determination were interpreted in a way which disregarded security and which limited economic welfare and economic opportunity, its chance of survival would be poor.

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1. Edward Hallett Carr, The New Society (London, 1951), p.96. Cf. also Gustave le Bon, The Crowd, 19th imp. (London, 1947), p.14.

2. Jones, 'British Colonial Policy', pp.176-7.

3. Carr, New Society, p.96.

4. Edward Hallett Carr, The Future of Nations (London, 1941), p.8.

The crisis of self-determination in relation to military power, it has been argued, 'lies in the fact that the principle of self-determination has been invoked to justify the creation of an ever larger number of small independent States at a time when the survival of the small independent State as a political unit has been rendered problematical by developments of military technique.'<sup>1</sup> In military terms alone, small or weak new States are 'an embarrassment to the guardians of the world's peace.'<sup>2</sup> Much of the world's military might lies with the colonial Powers and many of the problems faced by those Powers today stem from the problem of translating the doctrine of national self-determination into political and economic terms.

Colonial Powers, like their fellow-members of the United Nations, are pledged to the maintenance of peace and security. They are pledged also to support of the right of peoples to self-determination. The balance they are required to maintain is delicate.

A survey of colonial possessions in South East Asia reported that there was 'good reason to believe that it is well for tropical dependencies to remain within the empire, attached to England, France or Holland, as the case may be. When, however, we try to impose this as a condition of autonomy, instead of aiming to equip the dependent peoples for autonomy and leaving them to seek admission to the larger political system as a privilege, there spreads throughout the tropics, naturally and inevitably, a growing human reaction against western rule, that must lead finally to a general revolt against western civilization.'<sup>3</sup>

Any hardening of such attitudes adds force, in these terms, to the world-wide movement for independence. The colonial Powers might decide that their commitment for keeping world peace binds them to withhold independence from colonies where independence could not be maintained or where peace might otherwise be threatened. For this very reason, however, colonial Powers -- committed as well to honouring the principle of national self-determination -- might make themselves targets of attack.

The crisis is not one for the colonial Powers alone.

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1. Carr, Future of Nations, p.28.  
 2. Walker, Colonies, p.141.  
 3. Furnivall, Colonial Policy and Practice, pp.549-50.

It is emerging in another form among the anti-colonial States and<sup>173</sup> producing embarrassment for the movement for independence. The crisis for the movement arises because the anti-colonial front has assumed that dependent people, given the choice, will automatically choose independence.

This is not so. Some of the dependent people, driving forward in the direction of total independence, have preferred an intermediate status until they can demand -- and keep -- their independence. Such action, provided the people concerned have exercised free choice, heavily undermines the anti-colonial front and weakens the case against the colonial Powers. It has produced a tendency of the anti-colonial front to splinter, as the eighth session of the General Assembly showed so clearly when the<sup>1</sup> case of Puerto Rico came up for review.

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Puerto Rico, a possession of the United States, was given free choice of a new status : to become wholly independent, to become a forty-ninth State of the Union or to have 'commonwealth' status -- a status approximating that of a self-governing colony in the British Commonwealth.

In the general elections of 1948 the people of Puerto Rico voted overwhelmingly to become a commonwealth associated with the United States. The United States Congress later adopted laws in the form of a compact giving effect to that vote and authorizing the people of Puerto Rico to draft a constitution. A special convention in Puerto Rico then adopted a constitution, subsequently ratified by the people in a referendum, and the compact and the constitution were approved by both the Congress of the United States and the people of Puerto Rico.

These were the facts presented by the United States to the Committee on Information from Non-Self-Governing Territories, which recommended to the Fourth Committee that it should take note of the opinion of the former administering authority for Puerto Rico (the United States) that it was no longer necessary or appropriate for it to transmit information on Puerto Rico under Article 73e of the Charter.<sup>2</sup>

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1. General Assembly, Eighth Session, Agenda Item 34(b). U.N. Docs. A/C.4/SR.348-56.

2. U.N. Doc. A/2465, pp.2-7.

Before the Fourth Committee could consider the substance of the question, two side issues had first to be faced : two petitioners -- the President of the Independence Party of Puerto Rico<sup>1</sup> and the delegate of the Nationalist Party of Puerto Rico<sup>2</sup> -- asked to be heard by the Committee.

When the Committee considered the first application,<sup>3</sup> the United States complained that the Independence Party was seeking an opportunity to exploit the United Nations, in that it would return to Puerto Rico to make capital out of the new importance it had acquired as a result of being heard by the world organization. The United States said that if the Committee were to grant a hearing it would aid the efforts of the Party to undo the results of Puerto Rico's free elections.<sup>4</sup>

On the question of hearing the parties the Fourth Committee was split.<sup>5</sup>

Some States said that the request for a hearing was not a petition in terms of Article 87b of the Charter, which applied to trust territories; so the United Nations, by receiving petitions from colonial territories would set a dangerous precedent. Such action might amount to intervention in the internal affairs of a sovereign State, in contravention of the Charter. Those who favoured hearing the Party said that further information from the people of Puerto Rico was desirable if the General Assembly were to reach an equitable judgment in the matter and that the broadest interpretation of the right of petition was needed.

Had the anti-colonial Powers intended merely to make capital for the independence movement by discomforting the administering authority and the Western Coalition as a whole, they should easily have been able to secure a simple majority in the Committee for granting a hearing. The voting on the issue, however, showed that although the unity of the colonial Powers remained,<sup>6</sup> that of the anti-colonial front was broken.

All Western States present in the Committee voted against the proposal.

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1. U.N. Doc. A/C.4/236.
  2. U.N. Doc. A/C.4/239.
  3. U.N. Doc. A/C.4/SR.321.
  4. U.N. Doc. A/C.4/SR.321, p.29.
  5. U.N. Doc. A/C.4/SR.321, pp.29-34.
  6. U.N. Doc. A/C.4/SR.321, p.34.

They were supported by nine Latin American republics (Brazil, Chile, Colombia, Cuba, the Dominican Republic, Ecuador, Nicaragua, Panama and Peru), one 'uncommitted' State (Israel) and one member of the Arab-Asian group (the Philippines).

Eleven States abstained. They included four members of the Arab-Asian group (China, Iran, Pakistan and Thailand), six Latin American republics (Costa Rica, El Salvador, Haiti, Honduras, Uruguay and Venezuela) and one 'uncommitted' State (Liberia).

In favour of granting a hearing were the five Eastern European States (Byelorussia, Czechoslovakia, Poland, the Ukraine and the U.S.S.R.), nine members of the Arab-Asian group (Afghanistan, Burma, Egypt, India, Indonesia, Iraq, Lebanon, Saudi Arabia and Syria), four Latin American republics (Argentina, Bolivia, Guatemala and Mexico) and one 'uncommitted' State (Yugoslavia).

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Twenty-two States spoke on the proposal and the beginning of conflict was evident.

In the voting on the second request, the request for a hearing made by the Nationalist Party of Puerto Rico, seven anti-colonial States withdrew their former support : two of which had formerly voted in favour (Afghanistan and Argentina) decided to abstain; and five which had formerly abstained (China, Costa Rica, Haiti, Pakistan and Thailand) cast their votes against acceding to the request.

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A question of substance was involved in the procedural issue of granting a hearing; but the true question of substance which the Committee was called on to decide was whether it should ask the General Assembly to acknowledge or approve the cessation of information on Puerto Rico.

The supremacy of the Assembly is all-important to the anti-colonial front. To the anti-colonial front also the growth of total independence -- not a continuation of dependence in a modified form -- has special

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1. U.N. Docs. A/C.4/SR.321-2, pp.29-35.

2. U.N. Doc. A/C.4/SR.343, pp.177-8.

significance; so has the principle of the right of peoples to self-determination. The mistaken assumption by the anti-colonial front was that choice by dependent peoples would inevitably be the choice of independence. This was a serious blow for the movement -- the fact that the Puerto Ricans had exercised free choice and had not chosen independence.

In the minds of the Eastern European States (Czechoslovakia,<sup>1</sup> Poland,<sup>2</sup> the Ukraine,<sup>3</sup> and the U.S.S.R.)<sup>4</sup> there was no conflict at all. Puerto Rico, they contended, still remained a colony under the political and economic control of the United States, regardless of the new superficialities. Those States went direct to the conclusion that the transmission of information should therefore continue.

For the Latin American republics, however, disappointment was bitter. Puerto Rico could have chosen complete independence and by so doing joined the ranks of the sovereign Latin American republics. Yet they could not easily deny that the Puerto Ricans had made free choice and that they had exercised their right to self-determination.

This must also have been borne in on some of the Arab-Asian States.

It was true, on the other hand, that if the Assembly were to approve cessation of the transmission of information before a colonial possession had gained a full measure of self-government, that action would lower the standards set by the anti-colonial group and might even leave the impression that in supporting a resolution of that kind the movement was settling for less than its full demands. This was contrary to the aims and characteristic determination shown by the anti-colonial States.

So great was the conflict that the explanation of attitudes on the issue occupied an inordinate amount of time; but in spite of all the assertions that the case of Puerto Rico was exceptional and that no inch of ground was being yielded by the anti-colonial States, the conflict was

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1. U.N. Doc. A/C.4/SR.355, pp.254-5.  
 2. U.N. Doc. A/C.4/SR.353, pp.242-3.  
 3. U.N. Doc. A/C.4/SR.351, pp.233-4.  
 4. U.N. Doc. A/C.4/SR.349, pp.223-4.

obviously embarrassing. The final votes on the draft resolution as a whole reflected that conflict.

The draft proposal succeeded in the Committee<sup>1</sup> by a narrow margin and there was a rough equality between the number of votes cast in favour, those cast against and the number of States abstaining.

The issue had been partly prejudiced by the earlier adoption of an amendment<sup>2</sup> asserting the general principle of the competence of the Assembly<sup>3</sup> to decide whether a territory had become fully self-governing. This amendment led States which would otherwise have supported the draft to vote against it or to abstain. All members of the Western Coalition (except Turkey) were in that group.

All of the Eastern European States (Byelorussia, Czechoslovakia, Poland, the Ukraine and the U.S.S.R.) voted against the proposal and three of the 'uncommitted' States (Ethiopia, Israel and Liberia) voted in favour; but the Arab-Asian and Latin American States were much divided.

Of the Arab-Asian group, four voted in favour (China, Iran, the Philippines and Thailand), four voted against (Buma, India, Indonesia and Iraq), six abstained (Afghanistan, Egypt, Lebanon, Pakistan, Saudi Arabia and Syria) and one was absent (Yemen).

Two thirds of the Latin American republics voted in favour (Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Haiti, Nicaragua and Panama); and of the remaining six, three voted against (Guatemala, Honduras and Mexico) and three abstained (Argentina, El Salvador and Venezuela).

At the plenary meeting of the General Assembly<sup>4</sup> which considered the Committee's recommendation,<sup>5</sup> the majority in favour was larger and a full muster of sixty States voted; but the same elements of division existed.

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1. U.N. Doc. A/C.4/SR.355, pp.255-6.  
 2. U.N. Doc. A/C.4/L.302.  
 3. U.N. Doc. A/C.4/SR.355, p.255.  
 4. U.N. Doc. A/PV.459.  
 5. U.N. Doc. A/2556, pp.54-6.

Among the members of the Western Coalition, Greece and the United States, which had abstained from voting in the Fourth Committee, voted in favour of the proposal. The Eastern European States maintained their stand against the measure and members of the Arab-Asian group generally stood by their decision in the Committee, the only recorded change being that of Yemen, which was absent when the vote was taken in the Committee. Honduras (which had voted against the proposal in the Committee) and El Salvador (which had abstained) both voted in favour of the Committee's recommendation; but the remaining four Latin American republics which had not supported the measure in the Committee withheld their support at the plenary meeting.

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The conflict among anti-colonial States was demonstrated again at the eighth session, during the Assembly's consideration of the Ewe and Togoland unification problem.

Between the Gold Coast and Nigeria a narrow tongue of French West Africa juts down to the sea. The strip that lies next to the Nigerian border is Dahomey, part of French West Africa. Between it and the frontier of the Gold Coast lies Togoland, itself divided into two trust territories. The territory to the east is administered by France; that to the west by the United Kingdom. In the southern portion of these two trust territories and in the adjacent Gold Coast live the Ewe people, for whom unification was sought in 1947 by the All-Ewe Conference, a political organization.

Later the All-Ewe Conference, the Comité de l'Unité togolaise, the Togoland Union and the Togoland Congress -- all political organizations -- joined forces to urge the unification and independence of the two Togolands, as distinguished from the unification of the Ewe-inhabited areas. Opposition to the movement was led by the Parti togolais du progrès and the Union des chefs et des populations du Nord du Togo in French Togoland and by groups in British Togoland desiring closer association with the Gold Coast.

An important fact in the early stage of negotiations was that supervision of the two trust territories was a direct undertaking of the United Nations through the administering authorities, whereas the Gold Coast was a colony of the United Kingdom.

Two important changes then took place. The All-Ewe Conference switched its immediate objective to one of unification of the two Togolands because it had learned, it said, that the United Nations might find matters affecting the Gold Coast Colony 'beyond its competence'.<sup>1</sup> The second was that the Gold Coast underwent constitutional changes which brought it closer to independence.

At the time of the eighth session of the General Assembly the Fourth Committee was presented with the special report of the Trusteeship Council on this question,<sup>2</sup> which brought up to date the account of negotiations for unification.<sup>3</sup> The Committee also granted oral hearings to three representatives of the Joint Togoland Congress<sup>4</sup> and to a representative of the All-Ewe Conference,<sup>5</sup> all of whom complained that the administering authorities, France and the United Kingdom, were failing to carry out their obligations toward the Togolese and the United Nations. The Committee also granted an oral hearing to an opposition political party in French Togoland, the Parti togolais du progrès.<sup>6</sup> The presence of a representative of that party gave an illuminating view of the crisis over national self-determination.

The Parti togolais du progrès<sup>7</sup> claims to represent a majority of the people of French Togoland. It seeks what it terms the peaceful acceleration of internal self-government through economic, social, cultural and political advancement. It considers that the question of complete independence is premature and that the people of French Togoland should exercise their right to self-determination only after a period of positive development; for to be able to govern themselves the people have first to be equipped for the task. Development of a nucleus of administrators is an essential prerequisite.<sup>8</sup> The Party stresses that development should proceed at a more rapid rate but it wants no precipitate political action.

Independence thrust on a people which lacks an élite trained to support it would be wholly illusory, the Party contends. As an example, it says

1. U. N. Doc. A/C.4/SR.369, p. 554.

2. U.N. Doc. A/2424.

3. General Assembly, Eighth Session, Agenda Item 51. U.N. Docs. A/C.4/SR.365-77, pp. 389, 391-2.

4. U. N. Docs. A/C.4/247, 248, 252.

5. U. N. Doc. A/C.4/250.

6. U. N. Doc. A/C.4/251.

7. U. N. Docs. A/C.4/SR.367, p. 334; A/C.4/251.

8. Hailey, Native Administration in the British African Territories, part IV, p. 43. Cf. also Meek and others, Europe and West Africa, p. 37.

that the post of Chief Medical Officer in an independent State would logically go to the Togolese best qualified in the field of medicine : by this token, if independence were granted immediately, the appointment would properly belong to a male nurse. Its present needs are not cabinet portfolios but training and opportunity.

Behind the programme of the Parti togolais du progrès is the recognition that autonomy will depend on the level of efficiency developed by Africans in administration and the speed of their achievement; that the continued presence of the European in the territory may be an economic necessity for some time to come; and that experiment in local government can sometimes have disastrous results, if the verdict delivered on a close neighbour, Nigeria, is sound. The Parti togolais du progrès has no wish that the Togolese should be plunged into deep water before they have learned to swim.

It is disconcerting to the independence movement to be told that while independence may have its virtues, it is fraught with dangers for dependent people; and that some of the dependent people may prefer continued existence under the protection of a colonial Power -- but with greater opportunities for development -- to a superimposed independence they feel incapable of supporting.

As colonial and anti-colonial attitudes were represented both in the Fourth Committee membership and among the petitioners, questioning of the petitioners in many cases took the form of cross-examination; but this was an old and not a new situation. The new situation was created by the advances that had taken place in the Gold Coast. With constitutional change, the Colony was progressing toward independence and a position of relative power. It could have direct interest in extending that power over neighbouring territories where some of its sympathisers were living.

To belittle the constitutional progress of the Gold Coast would be contrary to the principles of the independence movement; but the fear

1. Hailey, Native Administration in the British African Territories, part III, p.187.
2. Bernard Storey, Report of the Commission of Inquiry into the Administration of the Lagos Town Council (Lagos, 1953), p.51
3. U.N. Docs. A/C.4/SR.366-70, pp.327-60.
4. U.N. Doc. A/C.4/258.

seemed to exist that a strong Gold Coast might threaten at least the territorial integrity of British Togoland, the neighbouring trust territory, with which an administrative union already existed. On the other hand, in recommending the unification of the two trust territories the General Assembly might block an extension of power by the Gold Coast; but the Assembly could hardly pretend that unification of the two trust territories was the wish of the Togolese when a majority in French Togoland had expressly denied it. If the Assembly should impose on the people of Togoland its own choice of future political status, that might easily be construed as a denial of the right of the Togolese to self-determination.

The Committee adopted two recommendations on the question,<sup>1</sup> but it is a third that is of special interest.

The third recommendation, sponsored by a number of Arab-Asian, Latin American and 'uncommitted' States, dealt directly with the relationship between the two trust territories and the Gold Coast. Its most significant clause was a proposal that the Assembly should declare that the integration of British Togoland with the Gold Coast before both territories had attained self-government or independence would be contrary to the principles and purposes of the International Trusteeship System.<sup>2</sup>

Among the anti-colonial States there were differing opinions, which,<sup>3</sup> among other things, expressed themselves in the presentation and rejection<sup>4</sup> of a draft amendment by Chile and China.

The United Kingdom, in an attempt to meet what it called 'some of' the anxieties expressed by members of the Committee', then suggested that the Assembly might be asked to declare that the integration of British Togoland and the Gold Coast could only be accepted as a satisfactory termination of the United Nations agreement for the trust territory if the prior consent of the General Assembly had been obtained by the United Kingdom, as the administering authority.<sup>5</sup> The amendment was rejected by thirty votes to thirteen; but it was interesting to note that the dilemma of the anti-colonial States had

1. U.N. Docs. A/C.4/L.308, 309, 309/Rev.1, 311, 314; A/2605, pp.4-5; A/C.4/SR.376.  
 2. U.N. Docs. A/C.4/L.310, 310/Rev.1.  
 3. U.N. Doc. A/C.4/L.312.  
 4. U.N. Docs. A/C.4/SR.376; A/2605, pp.6-7.  
 5. U.N. Doc. A/C.4/L.317.

increased, for three Latin American States had joined the Western Coalition<sup>1</sup> in the vote.

At the plenary meeting of the General Assembly<sup>2</sup> which considered the recommendation of the Fourth Committee,<sup>3</sup> the United Kingdom drove home the wedge. It asked for a separate vote on the contested part of the recommendation -- the proposal to declare that integration of the Gold Coast before the achievement of self-government would defeat the intentions of the International Trusteeship System. The United Kingdom held that the proposal was not in accord with the letter and spirit of the Charter and, by prejudicing the choice of the Togolese, would restrict their right of self-determination.

India countered that nothing in the draft resolution militated against the future of the territory being determined in accordance with the wishes of the inhabitants; but the Indian conviction did not spread sufficiently to dispel all doubts of the perplexed anti-colonial States. When the disputed paragraph was put to the vote it failed by two votes to secure the required two-thirds majority.

A fact which did not pass unnoticed was that in this decision one quarter of the members of the United Nations failed to record a vote.

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The treatment accorded the Togoland problem and the case of Puerto Rico point to the source of conflict in the minds of many anti-colonial States. A solidarity can be expected on the pure issues of independence. The anti-colonial States are actively promoting the spread of independence. When, however, the question becomes one of whether independence should be imposed on a people regardless of their wishes, fissures and cracks appear. Thrusting independence on a people would make a travesty of the principle of self-determination. It would seem that this is the view of at least some members of the anti-colonial front, whose action weakens the uncompromising nature of the independence movement.

The life of the United Nations has been marked by a growth of the individuality of its members. Bloc voting continues and is at its most

1. U.N. Docs. A/C.4/SR.376; A/2605, p.3.

2. U.N. Doc. A/PV.469.

3. U.N. Doc. A/2605, pp.12-14.

obvious on strictly colonial issues; but particular States which may have felt bound inseparably by the identity of general views have begun to feel their own power more strongly as the unite-or-perish determination of the anti-colonial front has waned.

Additional situations productive of conflict in the anti-colonial group are likely to arise and it would be folly to blink at that fact. Such situations emphasize that there are wings of the anti-colonial front more interested in values other than those of simply adding to the score against colonial Powers. Whenever an attempt at compromise is made by a member of the anti-colonial group, that fact is further emphasized. A move for compromise need not suggest disloyalty to the group and could imply the acknowledgment that as long as colonial Powers remain in effective control of their colonial territories, constant prodding may prove pertinacity without constituting diplomacy. A united front may strengthen the opposition against colonial Powers without securing their co-operation.

France and the Union of South Africa have already left Assembly sessions in protest; Belgium has withdrawn from an important committee, the Committee on Information from Non-Self-Governing Territories; the United Kingdom and France have threatened to reconsider whether their continued participation in certain branches of United Nations activity would serve any useful purpose.

Some States which are members of the anti-colonial front, without retracting any of their demands for the spread of independence, have sought more moderate measures as a means of achieving whatever may be possible of the aims of the group. At the eighth session, in the debate on information, in the debate on factors, on the report of the Trusteeship Council, and on Togoland, Brazil intervened in this manner. Pakistan and Israel showed similar preferences for the practical rather than the doctrinaire approach. If other members of the anti-colonial group should decide that a more moderate course may be better suited to their purpose, some States have already begun to prepare new ground for their move.

1. U.N. Doc. A/AC.35/L.142.

2. U.N. Doc. A/C.4/SR.343, pp.175-6.

3. U.N. Doc. A/C.4/SR.386, p.485.

4. U.N. Doc. A/C.4/SR.336, p.123.

5. U.N. Doc. A/C.4/SR.325, pp.55-6; A/C.4/L.272.

6. U.N. Docs. A/C.4/SR.389, p.501; A/C.4/L.324.

7. U.N. Docs. A/C.4/SR.373, pp.387-8; A/C.4/L.309, 310.

8. U.N. Docs. A/C.4/SR.372, p.372; 383, p.452; A/C.4/L.324.

9. U.N. Doc. A/C.4/SR.324, pp.47-8.

## Chapter Eleven

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### PROBLEMS OF INTERPRETATION

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If members of the United Nations are sincere in their acceptance of the Charter, differences such as those over self-determination can arise from only two sources.

One is the attempt to reconcile demands of the Charter which individual States may feel are pulling them in different directions. The other is the varying interpretation placed on the Charter by different States -- the subjective reactions which make it mean different things.

No visitor to the debating chambers of the United Nations could fail to be impressed by the universal respect which States appear to show for the Charter or by the number of occasions on which its provisions are invoked. The Charter is defended stoutly, sometimes passionately, by States on both sides of the line which divides colonial and anti-colonial groups. Only one out of fifty-six States taking part in Fourth Committee discussions at the eighth session of the General Assembly failed to refer to the provisions of the Charter. During the eighty-one meetings of the Committee, States freely quoted either the letter or the spirit of the Charter to support the constitutionality, the legality or the morality of their views or actions.

This is not surprising. The existence of the United Nations has one open purpose -- to fulfill the aims laid down in the Charter.

No State becomes a member of the United Nations until it has accepted the provisions of the Charter and attested to those terms. As membership is based on subscription to the Charter, no State can claim -- even though governments may change -- that the Charter has been forced upon it. The Charter is the basis of contract. It contains the articles of agreement justifying the congress of States. An identity of aim is thus established beyond all doubt.

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Although the terms of the Charter are often general in nature, its aims are clearly stated. It dedicates the combined efforts of its members to obliterating the scourge of war; to reaffirming faith in fundamental human rights; to establishing conditions under which justice and respect for international law can be maintained; and to promoting social progress and better standards of life in larger freedom.

To achieve those aims, members pledge themselves to tolerance; to unity in the name of peace; to the outlawing of armed force except in the common interest; and to the use of international machinery for the social and economic advancement of all.

The purposes<sup>2</sup> and principles<sup>3</sup> that follow in the Charter are lengthy and broad, and it is easily conceivable that such generalized principles might be subject to differing interpretations. But the main differences of opinion arise not over the aims, objects, principles and purposes which are the first provisions of the document -- except indirectly.

There are two chief sources of conflict.

One is the interpretation of Charter provisions that the United Nations may not intervene in matters essentially within the domestic

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1. U.N. Charter, Preamble.
  2. U.N. Charter, Art.1.
  3. U.N. Charter, Art.2.

jurisdiction of a State.<sup>1</sup> Where domestic interests end and where world interest begins has not yet been established unequivocally by the United Nations, except in the case of matters affecting collective security; and disputes will continue as long as doubt remains on that issue.

The second source of conflict is the conflict of interest between colonial and anti-colonial States that centres in interpretations of the Declaration Regarding Non-Self-Governing Territories.

The provisions of the Declaration are manifold. By accepting the Declaration, administering States agreed that their policies in respect of their colonies --'no less than in respect of their metropolitan areas'-- would be based on the general principles of good-neighbourliness, due account being taken of the interest and well-being of the rest of the world in social, economic and commercial matters.<sup>2</sup>

The preceding Article stipulates that members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the Charter, the well-being of the inhabitants of those territories.<sup>3</sup>

Heightened significance now attends the provisions added by the Declaration -- undertakings by the administering States to bring about the achievements of those goals by ensuring, with due respect for the culture of the peoples concerned, their political, economic, social and educational advancement, their just treatment and their protection against abuses; by developing self-government, by taking due account of the political aspirations of the peoples and by assisting them in the development of their free political institutions, according to the

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1. U.N. Charter, Art. 2, para.7.
  2. U.N. Charter, Art. 74.
  3. U.N. Charter, Art. 73.
  4. U.N. Charter, Art. 73, para.(a).

particular circumstances of each territory and its peoples and their  
 varying stages of advancement;<sup>1</sup> by furthering international peace and  
 security;<sup>2</sup> by promoting constructive measures of development, by  
 encouraging research and co-operating with one another, and, when and  
 where appropriate, with specialized international bodies, with a view to  
 the practical achievement of the social, economic and scientific purposes  
 set forth in the Declaration;<sup>3</sup> and by transmitting regularly to the  
 Secretary-General of the United Nations for information purposes, subject  
 to such limitations as security and constitutional considerations might  
 require, statistical and other information of a technical nature relating  
 to economic, social and educational conditions in the colonies for which  
 they are responsible.<sup>4</sup>

It is in the article concerning the transmission of information that  
 the crux of the dispute may be said to lie.

This study is concerned not with the justification for individual  
 interpretations given to the Charter but with the fact that there are  
 different interpretations. The most important fact is that the admin-  
 istering States interpret Chapter XI of the Charter, the Declaration  
 Regarding Non-Self-Governing Territories, as a statement of their good  
 faith toward the colonies and the people who inhabit them. They con-  
 sider that their agreement to transmit information on the colonies to the  
 Secretary-General is an undertaking which will show that their good inten-  
 tions are being carried out.

The anti-colonial States take an entirely different view. They say  
 that the colonial Powers, by attesting to Chapter XI, committed themselves  
 to action they are bound to carry out. The transmission of information  
 thus becomes not a voluntary gesture on the part of colonial States which  
 they are free to make or not as they consider the occasion warrants, but a  
 serious obligation toward the United Nations.

They say further that the right to arbitrate on this matter

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1. U.N. Charter, Art. 73, para. (b).
  2. U.N. Charter, Art. 73, para. (c).
  3. U.N. Charter, Art. 73, para. (d).
  4. U.N. Charter, Art. 73, para. (e).

no longer remains with the colonial Powers; that they have accepted the<sup>188</sup> General Assembly as the authority competent to declare when information under Article 73e should continue or when it should cease; and that the General Assembly has an unassailable right to interest itself in the affairs of the colonial people.

The prospect that co-operation will find a way out of this deadlock of interpretation would be brighter if the situation had limited itself to tactical manoeuvres of attack by the anti-colonial States and defence by the colonial Powers. The accumulating bitterness of the struggle, however, has given rise to further developments : in defending their own positions on the colonial issue, some administering States have launched a counter-attack.

Belgium, for example, has carried the fight into the territory of its opponents. It has made clear its own view that it does not consider that the General Assembly is the competent authority to decide on whether information under Article 73e should be continued; but when the Assembly so declares its competence, it brings on itself a new obligation. If it should arrogate to itself the function of saying when information should cease, it should also have the obligation of saying when the transmission of information should begin; and if a majority of members of the United Nations should express the view that within the boundaries of certain sovereign States there were groups of people nominally enjoying the same rights as all nationals of that State but who were in fact subject people, the General Assembly should call on the State concerned to transmit<sup>1</sup> information on those people as if they were colonial subjects.

The logic does not commend itself to anti-colonial States and the retort has done nothing to improve the relationship between colonial and anti-colonial groups.

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In a situation which seems to press for urgent solution, it is ironical that some States are looking to two unsuspected allies -- experience and time.

A United Nations study, pointing out that the inclusion in the Charter of provisions relating to colonies marked an innovation in international law, contends that it is not surprising that the consequences of innovation have given to discussions in the United Nations a character of controversy in respect of the functions of the United Nations and the responsibilities and rights of the administering States.

While the International Trusteeship System provided by Chapter XII of the Charter establishes a system of supervision by the United Nations over the administration of trust territories, Chapter XI of the Charter, the Declaration Regarding Non-Self-Governing Territories, provides no such system of supervision. Its provisions do not affect the constitutional or administrative rights and responsibilities of the administering States with respect to their colonial territories and involve no question relating to the existing sovereignty.

'On the other hand, by the transmission of information, Chapter XI permits the interchange of experience and expresses a world interest in the progress of communities which are neither fully-established States Members of the United Nations nor fully integrated within the normal State structure of existing Members.

'As a result a means is provided by which the work of the United Nations and of the Administering Members in connexion with Non-Self-Governing Territories is co-ordinated with the general economic and social programmes of the rest of the world.....

'A longer view of the evolution of international co-operation in this sphere since the adoption of the Charter suggests that the controversies have been of less significance than the development of principles affecting the Non-Self-Governing Territories in general and based on the general principles of equality of peoples outlined in the Charter.<sup>1</sup>

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1. U.N., Non-Self-Governing Territories - Summaries and Analyses of Information Transmitted to the Secretary-General during 1952, vol. I (1953.VI.B.1.Vol.I), pp.12-13.

The judgment may be received in some quarters as contentious.

In the first place, there is no direct evidence to suggest that the controversies aroused by different interpretations of the Charter are diminished in importance, in the long term, by the development of principles affecting the colonies. If it is intended to convey the impression that because of the existence of Chapter XI of the Charter more colonial territories have advanced, under the pressure exercised on colonial Powers, toward self-government or independence than might have been the case had Chapter XI not existed, the conclusion is not challenged. It is only speculative in nature but it is not out of accord with one of the main themes of the present study, that the United Nations organization is capable of being used to hasten by recommendation the disintegration of colonial rule.

It goes without saying that the basic general principles of equality of peoples outlined by the Charter have been developed as a result of activity within the United Nations since its inception; but it is a brave estimation of the situation to suggest that the division and controversy is a matter of secondary importance.

It is true also that the transmission of information on the colonies permits the interchange of experience and expresses a world interest in dependent communities; but the world interest is, as we have seen, part of a wider interest of anti-colonial States in their aim of hastening the enlargement of a world-wide community of independent States. The interchange of experience may have opened up as a result of the agreement to transmit information on the colonies but it is highly questionable whether information so transmitted by a colonial Power is used by other States in promoting their own development.

Yet it is still true that both anti-colonial and colonial States are hopeful that time and experience will bring a change in attitude toward the whole question of independence.

Anti-colonial States feel that the influence of the United Nations and their own activity within it will sooner or later force the colonial Powers into an acceptance of a more liberal attitude toward the dependent people. They do not assert that colonialism is still at the 'atrocities' stage,<sup>1</sup> but advances for the colonial people have not been great enough. As the dependent people themselves are striving to establish their independence, attempts are simultaneously being made on two sides to effect a bridge. Moreover, as more non-administering States occupy the rotating positions on the Trusteeship Council, it is possible that the influence of those States will be exerted to make the Council more liberal in its attitude.<sup>2</sup>

Not all non-administering members hold this view. Some which have already served on the Trusteeship Council feel that as non-administering members of the organization gain a wider experience of the problems involved they will become more understanding and more realistic in their criticism of colonial or trusteeship Powers.<sup>3</sup> This is the general view held by the colonial Powers themselves. They say that there is more to the running of a colonial or trust territory than their critics have even dreamed of and that experience of administering either will bring anti-colonial States closer to reality.

The value of such experience should not be underestimated. The anti-colonial States can blame the obduracy of the administering Powers for lack of achievement under the International Trusteeship System or in the colonies; but the situation changes when an administering Power has been eliminated and new problems and new responsibilities face the United Nations as a whole. The case of the former Italian colonies is a case in point.

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The United Nations assumed responsibility for the disposal of the former Italian colonies in Africa and the manner in which this was effected suggests a theoretical rather than a practical approach to the question of independence.

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1. See, for example, Edmund D. Morel, Red Rubber (London, 1906), pp. 43-79.  
 2. U.N. Doc. A/C.4/SR.384, p. 460.  
 3. U.N. Doc. A/C.4/SR.381, p. 438.

Libya was given immediate independence, Somaliland was given deferred independence and Eritrea was accorded federated status with Ethiopia.<sup>1</sup> Three well defined degrees were thus represented : complete independence; independence preceded by trusteeship; and a measure of autonomy within a federation. What has been the result ?

Disregarding Eritrea, where the issue of future independence is not raised, problems of a disconcerting nature have asserted themselves.

The influences which pressed for Libyan independence assumed that the basis of independence existed. It came as a rude shock when United Nations experts sent to Libya to advise on matters connected with the new independence reported frankly that there was little or no hope of that independence being maintained without substantial outside assistance. The experts did not mince their words.

Among other things, they reported : '...the existence of an independent Libyan State depends, in fact, upon the receipt of grants-in-aid; their disappearance would decrease popular standards of living, already close to the minimum for existence. It is clear, therefore, that, for a number of years, the country must depend upon external aid -- indeed the need for such aid will increase because of independence.'<sup>2</sup>

And again : 'Industrialization in Libya comes properly after productivity in present occupations has been raised.....True economic and political independence cannot be achieved in a country that relies heavily on foreign financial aid for its very livelihood. To be financially independent, the Libyan economy must be greatly strengthened....In Libya's case practically all the resources necessary to finance her economic development must come from abroad.....Libya has a large and chronic deficit in her balance of payments, exclusive of foreign aid.'<sup>3</sup>

In the case of Somaliland, the problem is only postponed.

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1. General Assembly Resolution 289(IV).
  2. U.N., A General Economic Appraisal of Libya (1952.II.H.2), p.37.
  3. U.N., The Economic and Social Development of Libya (1953.II.H.8), pp.1, 7, 15. See also U.N., Balance of Payments of Libya (1953.II.H.6).

Italy is the present administering authority for the trust territory of Somaliland and lack of progress at the current time might be laid at its door. The Italian Government makes what it considers to be a generous contribution toward the administration of the territory, but the territory is still operated on a meagre budget.<sup>1</sup> Though blame may be placed on the present administration, the United Nations has itself reported that deficits in the budget of Somaliland have persisted chronically since the advent of European administration.

'The territory has for decades had an unbroken succession of negative trade balances. Exports as a percentage of imports have ranged from 23 per cent (in 1941) to 70 per cent (in 1948); in 1951 exports accounted for approximately 60 per cent of the value of imports.....The Territory's export trade depends almost entirely on the production of a few primary agricultural and livestock products. At the same time, foreign sources supply Somaliland with many basic necessities -- foodstuffs and textiles --<sup>2</sup> and nearly all of the manufactured products consumed by the population.'

An uninviting economic situation has certainly been the main reason for deterring the flow of capital from abroad; but there is an over-riding consideration involving the political issue. The prospect of independence in 1960 seems to have excited political activity throughout the territory. Petitions from Somaliland received by the Trusteeship Council form a significant bulk of all petitions from the trust territories.<sup>3</sup>

Moreover, the attitude of the first national government of Somaliland, to be elected in 1960 according to the decree of the United Nations, cannot at this stage be predicted; but investors could be forgiven for taking into account that its legislation may possibly include the nationalization of some of the country's natural resources. There are known oil reserves in the territory,<sup>4</sup> yet foreign capital is unlikely to venture their exploitation with the limited time remaining for Italian trusteeship.

1. U.N. Doc. A/C.4/SR.379, pp.425-6.

2. U.N., The Trust Territory of Somaliland under Italian Administration (1953, II.H.2), pp.26, 100.

3. U.N., Yearbook of the United Nations, 1952 (1953.I.30), pp.748-58; ... 1953 (1954.I.15), pp.630-8; ... 1954 (1955.I.25), pp.363-5.

4. U.N. Docs. A/C.4/SR.379, p.425; 387, p.488.

The significant fact is that the period of trusteeship will soon be at an end. Italy will no longer preside over the destiny of the Somalis. A new and independent State, of United Nations creation, will enter the community of nations.

With the lesson of Libya before them, it may well be that the prospect of independence for Somaliland is viewed with some misgiving by members of the anti-colonial front.

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Changing attitudes toward the question of independence may also be reflected in inconsistencies of voting, now becoming more apparent at sessions of the General Assembly.

It is unwise to make comparisons between apparently similar situations without strong reserve, as justice may not be done to matters of principle on which States have made their stand. Yet a natural comparison suggests itself in the twin cases considered under the general agenda item dealing with the cessation of the transmission of information under Article 73e of the Charter -- Puerto Rico<sup>1</sup> and the question of the Netherlands<sup>2</sup> Antilles and Surinam.<sup>3</sup>

The similarities of presentation in each case were to be found in the facts that in both cases the Fourth Committee was asked, in effect, to approve the cessation of the transmission of information; in both cases the administering authority stated that the measure of internal self-government achieved by the territory was such that continued transmission of information would be incompatible with the new status; and in both cases representatives from the territories appeared in the Fourth Committee as members of the delegations of the administering States to speak on behalf<sup>4</sup> of the people of the territory concerned and to support cessation.

Allowance must first be made for the fact that in the case of Puerto Rico some States felt that it had been proved beyond all reasonable doubt

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1. General Assembly, Eighth Session, Agenda Item 34.
  2. General Assembly, Eighth Session, Agenda Item 34(b).
  3. General Assembly, Eighth Session, Agenda Item 34(a).
  4. U.N. Docs. A/C.4/SR.343, pp.180-1; 348, pp.215-17.

that the Puerto Ricans had achieved internal self-government and that they had exercised their right of self-determination by choosing their future political status; and that in the case of the Netherlands Antilles and Surinam it was not universally accepted that such evidence had been produced.

From the Committee's decisions<sup>1</sup> the only conclusion that can be drawn is that the evidence of the United States was accepted and that that of the Netherlands was not. The Committee decided (and the Assembly in plenary meetings supported the Committee in each case)<sup>2</sup> that information in respect of Puerto Rico might cease<sup>3</sup> but that information in respect of the Netherlands Antilles and Surinam should continue.<sup>4</sup>

On these grounds one might expect the same pattern of voting in each case. All States, however, were not consistent.

In the Committee stage the Eastern European States abstained from voting on the proposal that information be continued in respect of the Netherlands territories but they approved continuation of information on Puerto Rico.

No member of the Arab-Asian group voted against continuation of information from the Netherlands Antilles and Surinam, but in the case of Puerto Rico, when approval for discontinuing information was sought, four voted in favour and six abstained.

Latin American States were overwhelmingly in favour of continued information on the Netherlands colonies but overwhelmingly against continued information in respect of Puerto Rico; and the composition of the groups in each case was different.

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The United Nations cannot legislate. It is not a world government. It is not a federal union. With the possible exception of provisions for collective security, it has no true and effective power for implementing its decisions.

1. U.N. Docs. A/C.4/SR.547, pp.210-11; 355, pp.255-6.

2. U.N. Doc. A/PV.459.

3. U.N. Doc. A/2556, pp.54-6. General Assembly Resolution 748(VIII).

4. U.N. Doc. A/2556, pp.52-3. General Assembly Resolution 747(VIII).

The moral of all activity within the United Nations in its first decade of existence is that the machinery for co-operation has been created, that its powers have been limited by the States which brought it into existence and that the machine cannot be pressed beyond its capacity of achievement. Faith in the organization is fundamental to the success of its cause, for only from this source can the co-operation essential to its functioning derive. The only power of the United Nations lies in individual good intention and action in concert depends on willingness so to act.

The prestige of the organization suffers each time it is felt that action by the United Nations has confused national or group interests with universal interests. It suffers further each time the General Assembly adopts a resolution which is ignored or which fails to be put into effect by the State or States at which it is directed. World reaction becomes cynical.

The day before the British Administration left Eritrea and Eritrea became a federated State under the Ethiopian Crown, the Eritreans produced a design for their new national flag. The design they had chosen was that of the flag of the United Nations; but they had removed the symbol of the world from within the embrace of olive branches, the symbols of peace.<sup>1</sup> In its place they inserted another olive branch.

The danger that faces the International Trusteeship System -- even the cause of dependent people generally and the success of the United Nations on that broad front -- is the danger that lies in 'the temptation<sup>2</sup> to use dependence as a political weapon in interstate rivalries.'

The dim form of the changes that seem to be stirring are bound by a thin and tenuous thread to the extra olive branch.

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1. Sir Duncan Cuming, 'The U.N. Disposal of Eritrea', African Affairs, 52 (1953), p.135.

2. Hall, Mandates, Dependencies and Trusteeship, p.277.

## Chapter Twelve

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### POSSIBILITIES AND LIMITATIONS

Behind the cry for freedom lie two important demands. The underdeveloped countries are calling for greater rewards from their contribution to world trade or for the opportunity to play a larger role in it. On the political plane they are seeking greater recognition among the community of nations.

Irrelevancies and distractions frequently cloud the true nature of those demands. Emotion sometimes misdirects them. Misunderstanding more often obscures them. Yet the essential quality of the freedom the underdeveloped countries are seeking is the freedom that results from economic growth or development which gives man a greater control of his environment.<sup>1</sup>

Greater control, these countries believe, would subdue many of the factors that bind or depress the people of the underdeveloped regions. It would open new opportunities for fullness of life that abound in the West.

Economic development becomes the crucial objective. Development is the source of material wealth; riches bring prestige; prestige is the goal of now-dominant nationalism. Nationalism seeks power; power comes from wealth; wealth springs from development. This is the great palindrome of current international affairs.

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1. Lewis, Theory of Economic Growth, p.421.

The political and the economic are segments of the same circle, contiguous and part of a whole. To dispute their comparative value is fruitless; their importance lies in their unity.

The dependent people of the world and those independent States as yet underdeveloped are together pursuing their drive for this freedom. The drive is world-wide in proportion. It permeates the international political scene. It inspires those representing two thirds of the total population of the world and the lands they live in, which cover three quarters of its surface.

Such is its magnitude. Such is its unity. But its cause embraces more than the underdeveloped countries alone. In an interdependent world, the developed countries themselves are pressing to wipe out the poverty of the poorer two thirds and to ensure that the world economy will develop in strength. They are calling for progress in the underdeveloped countries to broaden the base and heighten the value of the international economy.

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Unity of purpose spread throughout the world would empower a drive of tremendous importance; but change has transformed the prospect. Clash has driven out harmony; antagonism has replaced unity. Why?

The need for security in international affairs introduces an element which sometimes cuts across the main path, diminishing the importance of the over-all, long-term aims and making more important an immediate objective. The Western Powers have learned -- many of them through bitter experience -- that only within a wider framework of protection can growth and prosperity be encouraged; that confidence essential to the expansion of world trade thrives only within a protecting arm. This fact exists side by side with the need for a political framework within which members of the world community may live together in peace.

The history of foreign investment and the history of world trade are interwoven with such means of protection, within which the wider economy

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1. See, for example, Albert Hourani, 'The Decline of the West in the Middle East', part I, International Affairs, XXIX (1953), p.23; Oswald Spengler, The Decline of the West (New York, 1945), vol.II, pp.465 ff.

could operate. Colonial empires are now fast disappearing; colonial power is contracting; the framework is shrinking. When the cry for freedom threatens its structure at any of its key points, colonial Powers react in defence. Response of this kind by the more developed countries of the West is resented by the underdeveloped countries striving for an extension of their claims on the benefits of international trade. They feel that this is 'imperialism' -- whether political or economic in origin -- which seeks to debar the underdeveloped countries from playing a greater part in world affairs.

The unsatisfied demands of the underdeveloped countries on the more highly developed countries of the West for capital to promote economic development lends further weight to the contention that the underdeveloped countries -- far from being actively encouraged in their growth and development -- are, in truth, being deprived of opportunity. They do not accept the reasons for the reluctance of investors to come to their aid and they feel that capital is being withheld from them for reasons not consistent with the professed desire of the West to see the underdeveloped countries progress.

The resentment is growing and signs of its ferment are everywhere apparent.

A major source of dissension is the gap between the goals to which the people of the underdeveloped countries aspire and the means at their disposal for reaching them.

The more developed countries insist that the opposition sometimes shown to the course taken by the drive for freedom would disappear if the aspirations of the underdeveloped countries accorded more closely with reality. Political aspirations, the West contends, are often beyond resources. Economically, if the underdeveloped countries would show greater evidence of determination to increase their own productivity and develop opportunities attractive to investment, capital would flow in their direction as a matter of course. Until productivity rises there can be no true advance toward the goal of higher living standards and greater freedom to which they aspire.

The underdeveloped countries regard criticisms of their political aspirations as an attempt to deny them their liberty and opportunities both for expressing their identities and enhancing their importance. They regard criticism of their developing economies as a convenient excuse for refusing them material aid.

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So long as the gap exists, the source of dissension remains.

The President of the International Bank recently told his Board of Governors : 'National independence has not yet brought the human betterment which the people of the less developed countries so urgently need and desire. The challenge still lies ahead.....The process of development has brought, with its benefits, turmoil and discontent which could thwart further development if not threaten the very foundations of world order.....We know that the problems of economic development creates -- the turmoil and discontent, the new hopes and ambitions -- can only be made manageable with more economic development. The process must go on. It must go on steadily in the less developed countries until some new stability is achieved which is compatible with the security and welfare of people everywhere.

'Let us make no mistake, economic development in these countries today is not just a process; it is also an idea -- a rallying cry for more and more millions who are aroused against their traditional poverty. Here is great potential for good. If the human energy in the less developed countries can be effectively harnessed to constructive economic development, these areas can well enjoy an unprecedented rate of growth.

'What is needed to make good the promise of these countries is a recognition that there are impartial, dispassionate methods of planning, organizing and carrying out development policy -- methods which provide substantial assurance that concrete results will be achieved and that benefits will be spread broadly among the people. If national passions can be tempered enough to give these methods a chance to work, the result in terms of world peace and prosperity is likely to be very impressive...

'We all have to live with our politics. The problem is not to insulate development from politics but to distinguish what is good development politics from what is bad.....No leader in a developing country can afford not to set bold development goals; he must be responsive to his people. Yet no leader of a developing country can afford to set unrealistic goals and then disrupt the whole economy by trying to achieve them. This is the road to frustration. Similarly, in the industrialized countries political leaders have a heavy responsibility to distinguish between short-term political advantage and the real long-term interest of their countries in the economic growth of the less developed areas of the world.. ...a common concern with economic development for its own sake is certainly the best hope -- possibly it is the only hope -- of helping the great transformation going on in the less developed countries along lines compatible with the growth and security of people everywhere.

<sup>c</sup>In short, the degree of success we have with development in the less developed countries in the years ahead will be determined in large part by the success with which each country...can disentangle its real interest in such development from conflicting short-term political pressures and policies.<sup>1</sup>

A United Nations study<sup>2</sup> describes the hand-to-mouth existence of millions as a challenge to the wealth of the developed countries of the world, as well as to their scientific and technical knowledge.<sup>3</sup> The contrast between poverty and plenty, it finds, is a source of envy, a stimulant to unrest, a basis for fear and an incitement to wars.

'How simple, therefore, to suppose that could the poorer people and the poorer regions but acquire from those more blessed materially a pro rata share of the world's goods, poverty would be eradicated and a great cause of strife would disappear.

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1. International Bank for Reconstruction and Development, Eleventh Annual Meeting : Address of Eugene R. Black, President of the International Bank for Reconstruction and Development, to the Board of Governors, (25 Sept. 1956), pp.7-12.
  2. U.N., Final Report of the United Nations Economic Survey Mission for the Middle East, part I (1949.II.B.5.Part I), pp.vii-viii.
  3. Cf. E.B. Worthington, Science in Africa (London, 1938), pp.23-4.

'But comparative differences in living standards cannot be adjusted so easily.....higher living standards cannot be bestowed by one upon another like a gift. An improved economy does not come in a neat package sold or given away in the market place. A higher standard of living must grow out of the application of human skill and ingenuity to the physical resources of a country or region.

'The highly developed nations of the world did not make their way by wishing. By work and risk they forced the earth, the soil, the forests and the rivers to yield them riches. They pooled their energy and resources by taxation and mutual enterprise to discover new ways of doing things. They worked, they invented, they educated and trained their children, and they invested in their national and their private enterprises. This they must continue so to do, if they are to maintain the standard of living they have achieved.

'There is no substitute for the application of work and local enterprise to each country's own resources. Help to those who have the will to help themselves should be the primary policy guiding and restraining the desire of the more developed areas of the world to help the less developed lands.....

'There is no short cut to a balanced economy or to material prosperity.....fuller development...is essential to stability. Such development can help to assure and maintain peace. At the same time, since economic and political questions inevitably mingle in human affairs, economic development cannot itself make peace or progress where the political will to peace is lacking... Economic growth among interdependent countries requires peace among neighbours.'

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In the great encounter that has developed, is the United Nations constructed to provide a solution ?

It is clear from the Charter how highly was prized the objective of preserving peace and how important became the question of international

co-operation as a means to achieving that end. Interdependence of the world community is the only philosophy from which the new international organization could have sprung; yet between thought and action in the origins of the United Nations a shadow has fallen. It is the shadow of nationalism.

The conflict is now conspicuous. The founders of the United Nations wanted peace and collective measures to preserve it. They wanted machinery to overcome the dangers of nationalism and to promote international co-operation. They wanted increasing respect for international law. But they also wanted guarantees that the integrity of national sovereignty would in no way be assailed.

The promptings found expression in the provisions for collective security; but they were the highwatermark of the tide against national sovereignty.

In providing for collective measures for peace the United Nations became the advocate of consolidation or interdependence. In providing complete freedom of action of its members in all other respects -- or, at least, in failing to provide any means by which other obligations of members could be enforced -- the United Nations became the sponsor of independence. Insistence on the sovereign rights of members and the right of peoples to self-determination gave weight to the forces of fragmentation.

The best of both worlds was wanted and the form of the institution, as studies of other societies have shown, was determined by the function  
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it was expected to serve.

Nationalism has continued to assert itself as an obstacle to general  
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progress toward unity, but the nationalism which has showed itself in the halls of debate of the United Nations since its inception is not uninvited. Homage to national sovereignty made it inevitable that within the form in

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1. Cf. Bronislaw Malinowski, A Scientific Theory of Culture (Chapel Hill, 1944), p.149.
  2. Carr, Nationalism and After, p.54; Corbett, Post-War Worlds, p.111; Murray, From the League to U.N., p.58.

which the United Nations was cast, expressions of nationalism would grow. If it is true that the State is primarily an instrument of egoism, not altruism<sup>1</sup>, a loose association of States may only multiply this misfortune.

The enduring division between colonial and anti-colonial States weakens the value of the United Nations as an organization for international co-operation and its Charter as an instrument of international law. The value of law lies not merely in its existence but in its acceptance. The varying interpretations -- particularly of the Articles of Chapter XI, the Declaration Regarding Non-Self-Governing Territories -- shows how severe those limitations are.

For a regeneration of respect for international law and for perpetual inspiration for its maintenance, no more appropriate source than the United Nations would exist. How do its members appraise its value as an organization for international co-operation and as a means for spreading respect for international law ?

The scenes of many important diplomatic encounters have been laid outside the United Nations -- in London, Geneva, New Delhi and Washington. Peace in Indo-China was achieved through direct contact between governments. Armistice in the Korean war, cause célèbre of the United Nations, was followed by 'settlement' negotiated at Geneva.

States have approached the problems of the balance of power in Europe and Asia through the North Atlantic Treaty Organization and its counterpart in South East Asia, not through the United Nations. Facts between groups of powers seem to have become more important guarantees of security than the Charter itself<sup>2</sup> and diplomacy 'backed by arms has<sup>3</sup> ousted -- or has almost ousted -- debate that seeks to mobilise opinion.'

Although the United Nations encourages regional and other types of

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1. C.R.M.F. Cruttwell, A History of Peaceful Change in the Modern World (London, 1937), pp. 2-3.
  2. Bentwich and Martin, Commentary on the Charter of the United Nations, p. xxvii.
  3. 'United Nations Audit', Economist, CLXXII (1954), p. 495.

international association directed toward preserving the peace,<sup>1</sup> each act of conciliation which takes place outside the auspices of the United Nations robs it of the opportunity for developing power, influence and strength.<sup>2</sup> The field of social co-operation widens and narrows.

Negotiation has been taking place outside the United Nations. If members of the United Nations should despise machinery of their own creation and turn to other means of settlement, they cannot hope to spread the faith fundamentally necessary to the power of the machine.

Anti-colonial States have scorned the International Trusteeship System whenever they judged that the Trusteeship Council had failed to fulfil the aims of the system; they have scorned administering Powers whenever they were held to have failed in their obligations or failed to implement Assembly recommendations.

The colonial Powers, in turn, have rebuked the anti-colonial front for misinterpretation of the Charter, or for failing in sympathy for the immense task of colonial administration; or for making the Charter a base for attack on the institution of colonial rule.

The search for new gods always proceeds from the believed bankruptcy of the old.

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The anti-colonial group, set on its course of achievement of the spread of independence, must be aware of the likely results. The movement seeks the practical and world-wide establishment of human rights and freedoms and has made its first campaign that of the liberation of the dependent people. It seeks to build independence by destroying what exists in its place -- colonialism.

It is important to realize that the change of conception of dependence under the League is fundamental.

'The League of Nations was essentially European in its concerns and

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1. U.N. Charter, Ch. VIII.

2. S. Herbert Frankel, Some Reflections on Civilization in Africa (Johannesburg, 1952), p.9.

operated under the influence of nineteenth century ideas, including that of the white man's special responsibility for less fortunate peoples. These ideas are now being challenged, or at least critically examined. This change of outlook is reflected in the emphasis placed in the work of the United Nations on the special problems of non-self-governing peoples and backward areas generally.<sup>1</sup>

In this atmosphere it has been found that what 'was to be an instrument of world peace has proved to be a forum of world conflict.'<sup>2</sup> The Declaration Regarding Non-Self-Governing Territories has come, in practice, to be used 'to develop a system of international accountability for colonial administration which not only goes beyond anything that existed before but which in fact exceeds the requirements of the Charter itself.'<sup>3</sup>

The tide runs strongly against the colonial Powers, who are yielding to its force. Some have been the instrument of their own reduction, either voluntarily or under pressure. The dimensions of modern colonial empires have decreased and great change has come to much of what now remains. Advances in colonial territories have lessened the need for colonial reform on which a great part of the movement is based; but the advances by no means lessen the intensity of the independence movement. The goal will be considered achieved only when the last colonies disappear.

The test of the movement has not yet been made. It cannot be measured by resolutions of the General Assembly nor by the amount of support it gains as it progresses.

A stocktaking commentary presented to the General Assembly during the sixth session was enlightening on the extent to which Assembly recommendations to trusteeship Powers had gone unfulfilled.<sup>4</sup> The signal failure on the part of the colonial Powers to implement resolutions is an obvious indication that either the recommendations are impracticable and are being

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1. Goodrich and Hambro, Charter of the United Nations, pp.82-3.

2. Bentwich and Martin, Commentary on the Charter of the United Nations, p.viii.

3. Goodrich and Hambro, Charter of the United Nations, p.79.

4. U.N. Doc.A/C.4/L.214.

used as a weapon by the anti-colonial States or that the colonial Powers are resisting the independence movement. In these terms, the result is clearly a failure for the independence movement.

It may be argued, on the other hand, that a measure of the movement's success can be given by recent achievements of independence by Burma, Ceylon, Cambodia, Egypt, India, Indonesia, Israel, Jordan, Laos, Lebanon, Libya, Morocco, Pakistan, the Philippines, Syria or Viet-Nam. In the last fifteen years more than 500 million people have achieved national independence.

Proof of the success of the movement, however, is not furnished by the widespread growth of independence : it is furnished by how these creations of independence endure. If the existence of new independent States could bring to international relations a new stability, the validity of the movement would be vindicated; for the chief aim of the United Nations would then have become accomplished. But newly independent States have yet to prove their economic and political stability and this will be the true test of success.

Within the United Nations a consequence of action by the anti-colonial front is that it tends to destroy the goodwill of more than a quarter of its members, a goodwill indispensable to efficient functioning.

A consequence of action by the administering Powers is also destructive. Failure to carry out recommendations of the General Assembly in their colonies or in the trust territories they administer -- whatever the reasons -- aggravates the relationship between the groups and weakens the value of Assembly decisions.

The question of anticipated consequences thus achieves high importance.

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The confrontation of colonial and anti-colonial States remains a conscionable element of success or failure which attends United Nations

deliberations on any particular question within the general field of independence. When the source of conflict is removed, the path of collaboration is opened.

For this reason the Secretary-General in 1955 suggested to members of the organization that they might care to consider the possibility of separating out from general debate and discussion in the United Nations those questions involving the colonial issue. Such isolation was not intended to relegate to obscurity a dominant issue, but to enable items outside this field to be dealt with with greater concentration, freeing members of certain complications in their work.

Some members of the anti-colonial front immediately accused the Secretary-General of trying to obstruct the work of the organization.

As a pioneering institution, the United Nations has not the privilege which time accords older institutions -- the privilege of merely continuing to exist; it must prosper and progress or cease to be commanding in power, in interest and in dignity. In the unending task of civilization there is not 'the freedom to do this or to do that but the freedom to do the necessary or to do nothing.'<sup>1</sup>

Whether within or outside the United Nations, the problem now confronting the world is one of reckoning with reality. The clock cannot easily be turned back on the new liberalism fostered on a world-wide scale. The problem is therefore one of translating the new liberalism into acceptable economic terms.<sup>2</sup>

The underdeveloped countries represent to the West two main sources of danger : that political or economic action which is 'non-rational' may disturb either the conditions of peace or the stability of the world economy; and that new power which is coming to the underdeveloped countries

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1. Oswald Spengler, Decline of the West, vol.II, p.507.

2. See Ludwig von Mises, Omnipotent Government (New Haven, 1944), pp.282-3.

may be put to uses which harm the interests of the West.

To the West, also, the underdeveloped countries represent the opportunity for extending the use of the world's resources and bringing more widespread prosperity to the world economy.

To the underdeveloped countries the West represents an accumulated wealth of resources, in technology and capital, which can be used to promote development in the underdeveloped areas. It also represents the colonialism of yesterday and an opposed tradition of subjection.

The Chinese symbol for 'crisis', it has been pointed out, is composed of two elements : one signifies danger, the other opportunity.<sup>1</sup>

Time has brought forward the challenge. History must write the response.

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1. Lewis Mumford, The Condition of Man (New York, 1944), p.394.

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MEETINGS OF THE FOURTH COMMITTEE

A/C.4/SR.315-95. Official Records of the General Assembly, Eighth  
Session. Summary Records of the 315th to 395th meetings of the  
Fourth Committee.

REQUESTS FOR ORAL HEARINGS

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A/C.4/SR.317-20, 332, 334, 343, 345, 349. Official Records of the  
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meetings of the Fourth Committee.

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A/C.4/235. Communications requesting hearings before the Fourth  
Committee.

A/C.4/L.271. United Kingdom of Great Britain and Northern Ireland :  
draft resolution.

A/C.4/L.271/Rev.1. United Kingdom of Great Britain and Northern  
Ireland : revised draft resolution.

REPORT OF THE TRUSTEESHIP COUNCIL

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A/C.4/SR.377-94. Official Records of the General Assembly, Eighth  
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A/2427. Official Records of the General Assembly, Eighth Session,  
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Arabia : draft resolution.

THE EWE AND TOGOLAND UNIFICATION PROBLEM

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- A/C.4/SR.365-77, 389, 391-2. Official Records of the General Assembly, Eighth Session. Summary Records of meetings of the Fourth Committee.
- A/PV.469. Official Records of the General Assembly, Eighth Session. Verbatim Record of the 469th Plenary Meeting.
- A/2424. Special Report of the Trusteeship Council.
- A/2605. Special Report of the Trusteeship Council : Report of the Fourth Committee.
- A/C.4/247. Statement by Mr S.G.Antor, representative of the Joint Togoland Congress, to the Fourth Committee at its 365th meeting on 13 November 1953.
- A/C.4/248. Statement made by Mr A.K.Odame, representing the Joint Togoland Congress, to the Fourth Committee at its 365th meeting on 13 November 1953.
- A/C.4/250. Statement made by Mr Sylvanus Olympio, representing the All-Ewe Conference, at the 366th meeting of the Fourth Committee, held on 13 November 1953.
- A/C.4/251. Statement made by Mr F. Brenner, representative of the Togolese Progress Party (Parti togolais du Progrés), at the 367th meeting of the Fourth Committee, held on 16 November 1953.
- A/C.4/252. Statement by Dr R.G. Armattoe, representative of the Joint Togoland Congress, to the Fourth Committee at its 367th meeting on 17 November 1953.
- A/C.4/258. Telegram dated 2 December 1953 from certain Chiefs and groups in Togoland under British Administration.
- A/C.4/L.308. Argentina, Egypt, Lebanon, Liberia, Pakistan, Philippines, Venezuela : draft resolution.
- A/C.4/L.309. Brazil, Cuba, India, Indonesia, the Philippines and Syria : draft resolution.
- A/C.4/L.309/Rev.1. Brazil, Cuba, India, Indonesia, the Philippines and Syria : revised draft resolution.
- A/C.4/L.310. Brazil, India, Indonesia, Liberia, the Philippines and Syria : draft resolution.
- A/C.4/L.310/Rev.1. Brazil, India, Indonesia, Liberia, the Philippines, and Syria : revised draft resolution.
- A/C.4/L.311. Iraq : amendment to the draft resolution submitted by Argentina, Egypt, Lebanon, Liberia, Pakistan, the Philippines and Venezuela (A/C.4/L.308).
- A/C.4/L.312. Chile and China : amendment to the draft resolution submitted by Brazil, India, Indonesia, Liberia, the Philippines and Syria (A/C.4/L.310/Rev.1).
- A/C.4/L.314. Egypt and Iraq : amendment to draft resolution submitted by Argentina, Egypt, Lebanon, Liberia, Pakistan, the Philippines and Venezuela (A/C.4/L.308).
- A/C.4/L.317. United Kingdom : amendment to the amendment submitted by Colombia to the draft resolution submitted by Brazil, India, Indonesia, Liberia, the Philippines and Syria (A/C.4/L.316).

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A/C.4/SR.324, 331-43, 395. Official Records of the General Assembly, Eighth Session. Summary Records of meetings of the Fourth Committee.

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A/C.4/SR.317, 322-31. Official Records of the General Assembly, Eighth Session. Summary Records of Meetings of the Fourth Committee.

A/2428. Report of the Ad Hoc Committee on Factors (Non-Self-Governing Territories).

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A/C.4/L.272. Brazil : draft resolution.

A/C.4/L.273. Bolivia, Egypt, Guatemala, Indonesia, Iraq, Mexico, Saudi Arabia, Syria, Venezuela, Yemen and Yugoslavia : Proposed amendments to the draft resolution presented by Brazil (A/C.4/L.272).

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Agenda Item 34(a) : NETHERLANDS ANTILLES AND SURINAM

A/C.4/SR.343-7. Official Records of the General Assembly, Eighth Session. Summary Records of meetings of the Fourth Committee.

A/2556. Information from Non-Self-Governing Territories : Report of the Fourth Committee.

A/C.4/L.296. New Zealand : amendment to draft resolution proposed by Sweden (A/C.4/L.292).

Agenda Item 34(b) : PUERTO RICO

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A/2465. Official Records of the General Assembly, Eighth Session, Supplement No. 15 : Report of the Committee on Information from Non-Self-Governing Territories.

A/2556. Information from Non-Self-Governing Territories : Report of the Fourth Committee.

A/C.4/236. Request for an oral hearing by the General Assembly submitted by the President of the Independence Party of Puerto Rico.

A/C.4/239. Letter dated 29 September 1953 from Mr Julio ~~Parta~~ Gandia, Delegate of the Nationalist Party of Puerto Rico in the United States of America, to the Chairman of the Fourth Committee.

A/C.4/L.302. Burma, Guatemala, Honduras, Indonesia, Mexico : amendments to draft resolution submitted by Brazil, Chile, Colombia, Costa Rica, Ecuador, Panama, Peru (A/C.4/L.300).

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