

# THE BRITISH IMPERIAL CONFERENCE

The following study of the British empire was written by Comrade Roy while the Imperial Conference in London was still going on. It will, however, be noted that Roy's analysis of the conflicting interests at work in the British empire is substantiated by the results of the empire meet. Roy correctly predicts in this article the setting up of the loose federation that has come to pass. The information he offers here with reference to South Africa and Canada explains the stand of these two countries in the conference and in a large measure accounts for the retreat of the home government that the new charter represents. Roy is a well-known leader of the Indian liberation movement and a careful student of the British empire.

By M. N. ROY.

THE drama which is being enacted behind closed doors in Downing street could be characterized as a comedy had it not been so tragic for the British empire. It is a comedy because of the hypocritical speeches made for publication. They are talking of imperial unity and loyalty to the crown while the conflict of interests becomes ever sharper. Baldwin virtuously concluded his inaugural speech with a quotation from St. Augustine: "In essentials, unity; in non-essentials, liberty; in all things charity." But the Boer general Hertzog, who lacks Anglo-Saxon politeness, brusquely turned the tables and demanded that the basis of the imperial federation should be "liberty in essentials; unity where self-interests permit; charity—to none." The frankly separatist views of Hertzog are shared, if not as openly, by Canada and Ireland.

Evidently inter-imperial relations have become so critical that a determined effort must be made to find a modus vivendi. In political and constitutional issues London seems to be prepared to make concessions, provided that economic supremacy remains unimpaired. That is, if the dominions would sincerely accept the principle of imperial preference and effectively apply it in practice, their demands as regards internal autonomy and international status could be reluctantly granted. Altho Chamberlain's long report on foreign affairs is not published, it is reported that he even did not raise the question of ratification of the Locarno treaties by the dominions. That is a great concession. It places the dominion governments outside the jurisdiction of the British foreign office.

## Decides to Retreat.

IN view of the acuteness of the situation the British government decided to beat a timely retreat as the best strategy. Three important dominion delegations (Canada, South Africa and Ireland) came to the conference determined to raise the constitutional question and the question of international status. The delegates are fully supported by public opinion at home.

Hertzog, who bore arms against the British during the Boer war and who even after reconciliation with Britain stood for an independent South African republic, completely defeated the loyalist South African party of Smuts in the last election and became the head of the government. Ever since he came to power Hertzog has repeatedly put forward the separatist program of Boer nationalism. The agitation for a South African flag was the acute manifestation of the separatist sentiment. A few days before the imperial conference met in London a great mass meeting was held in Johannesburg to celebrate the "Afrikaaner Day." Four ministers of the Hertzog cabinet, including the acting premier, were present. In that meeting Malan (one of the ministers) declared that the government had decided unanimously to pass the flag bill next year. Malan accused the South African press of defending imperial interests as against national interests and declared that the press was owned by peoples overseas and that the editors are foreigners.

Undoubtedly this demonstration of nationalism was to strengthen the hand of Hertzog in the imperial conference. And Hertzog did not disappoint his followers at home. He took the first opportunity to state his case, and in doing so did not mince words. He demanded: "1. In principle, unrestricted freedom of action to each individual member of the commonwealth; 2. In practice, consultation with a view to co-operative action wherever possible."

This conception of imperial unity, if accepted, would reduce the empire to a sort of loose entente likely to drift apart under the growing pressure of economic interests.

## Canada's Position.

CANADA has not come with any friendlier mood. Mackenzie King may be a better diplomat than the Boer general from Transvaal, but his diplomatic words are pronounced on the background of formidable facts. He has swept the country in the recent election, which was fought with clear nationalist slogans. The country has supported him in his challenge to the authority of the British governor general. He has defeated his opponents who were backed by the

governor general because of their imperial orientation. The conservative party, behind which stand the financial interests closely connected with London banks, has been vanquished at the polls. The liberal progressive combination, led by King, came to power with the following program: 1. Canada is de facto independent, but de jure still subordinated to the sixty-year-old British-North America act passed by the British parliament. This state of affairs must be changed. 2. Canadian parliament should have the same sovereign right to manage domestic and foreign affairs as the British parliament. 3. Canada should not be reduced to the status of a colony by the interference of the British governor general.

These are very clear issues, and the government of Mackenzie King is committed to them. When King showed reluctance to attend the imperial conference to press these vital constitutional issues, he was urged by the nationalist politicians, who wanted him to back up Hertzog in the conference.

## Irish Problem.

THEN there is Ireland. The Irish delegate, Fitzgerald, expressed his intention to raise the questions of war and of the functions of the governor general. His views are that the dominions should not be considered to be technically or legally in a state of war simply by virtue of the fact that Britain was at war.

The conference will have to sit much more than a month if such grave conflicts of interests are to be composed. But in this critical period of its economic existence British imperialism can hardly afford to sharpen the issues of inter-imperial relations by stubbornly opposing the points of view of the dominions or by insisting upon London's hegemony over foreign affairs. Diplomacy is considered to be the best way out of the crisis.

But neither diplomacy nor concessions in questions of foreign relations would touch the background of the conflicts. Rifts in the background of the relations between the dominions and the metropolis cause the discord in the political and constitutional superstructures. The basic relation is the economic relation.

Britain is losing her economic, financial and political hegemony upon the countries which formally are, and will be for some time, still parts of the British empire.

## Capitalist Decline.

THE growth of a separatist tendency in the dominions is closely connected with the decline of British capitalism. It is the cause and the effect at the same time. Industrialization of the dominions makes them

progressively independent of the metropolis, but increases their need for capital. If it were possible to keep up a constant and increasing flow of capital from England to the dominions on the most favorable conditions, the process of rupture in inter-imperial relations would not be so pronounced. The dominions (with the exception of South Africa developed largely with capital and labor exported from Britain. On the other hand, the large bulk of the raw materials produced in the dominions found market in England.

Now both these basic relations between the dominions and the mother country have changed. England is not able to supply the growing capital elsewhere on more favorable conditions. For example, no British capital has penetrated deeply into Canada. At the same time, chronic industrial depression has caused a shrinkage of market in Britain for the raw materials from the dominions. Since the latter are obliged to sell out of the empire, they must also buy outside the empire. Consequently, the program of imperial preference in which British capitalism seeks a way out of the present crisis becomes unrealizable.

## Britain Weak.

SPEAKING outside the conference Hall Mackenzie King succinctly but clearly formulated the basic conditions for the relations between Canada and England in these words: "We want capital. We would take it from Britain; but if we cannot get it here we must find it elsewhere." In his opening speech Baldwin did not fail to touch this foundation of inter-imperial relationship. He endeavored to justify the present inability of London to supply the dominions with capital on favorable terms by reference to what the mother country had done in the past. He reminded the dominion representatives that down to the end of 1925 London had lent to the dominions £850,000,000. But he was constrained to admit "the reduction in the wealth and accumulated savings of this country (Britain) resulting from the world war." When Baldwin referred to the total investment of £850,000,000 (of which about £350,000,000 went to Canada) Mackenzie King must have taken a mental note of the £400,000,000 of American capital invested in Canada mostly since the war.

Recently the South African trade commissioner in London stated that every year his country was sending more raw materials abroad. Last year's balance was £17,000,000. He said that South Africa must increase her export because she must have capital in return.

Similar difficulties underlie the economic relations with all the dominions which possess the autonomy to determine the direction of their trade and protect their industries by raising tariff walls. These difficulties frustrate all the efforts to enforce the principle of imperial preference. And it is around this basic question of economic relations that the main battles of the conference will be fought.

## Preference.

IN his speech to the conference the president of the board of trade stated that in the first half of the current year one-third of the British imports came from the empire and half of the exports went to the empire. This fact shows that imperial preference operates against the interests of the dominions and in favor of England. British manufacturers gain by the preferential tariff, whereas the producers of raw materials and partly finished commodities in the dominions lose. Consequently it is natural that the dominions possessing the autonomy to determine the direction of trade and in fiscal matters do not take kindly to the scheme of imperial preference. An effective operation of the scheme may help out British capitalism, but all sentimental considerations of racial and language affinity taken together cannot induce the dominions to sacrifice their economic interests on the altar of the empire.

Then there is the question of empire settlement. Most of the dominions need labor. Britain is suffering from the incurable malady of unemployment. Why not settle the dominions with the British unemployed? It is a very simple proposition on the face of it; but here also arise serious complications. At this time, when the dominions are drifting farther and farther from the control of metropolitan finance, emigration of British workers means an irrecoverable loss of so much labor power for British capitalism. Their inability to export sufficient capital to the dominions makes the British bourgeoisie very reluctant to encourage emigration to the dominions. Thus the empire settlement scheme remains a paper scheme.

## British Power Gone.

IN spite of the frantic attempts to stabilize British capitalism on the basis of a self-contained imperial unit, the process of disruption goes on. The empire will continue still for some time as a loosely bound federation or, rather, entente working in co-operation whenever and wherever possible without prejudice to self-interest. But the hegemony of Britain is gone forever. This is being demonstrated in the imperial conference.

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