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RAW MATERIALS AND COLONIES

This pamphlet, which has been prepared for publication in the regular "Information Department Papers" series of the Royal Institute of International Affairs, is submitted as a document useful in connection with the preparatory studies for the Sixth Conference of the Institute of Pacific Relations to be held at Yosemite, California, August 15th to 29th, 1936.

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RAW MATERIALS AND COLONIES

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THE ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS
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RAW MATERIALS AND COLONIES

INTRODUCTION.

The principal source of present unrest undoubtedly lies in the claims for change which are being put forward by the three so-called "dissatisfied" Powers—Germany, Italy and Japan. These claims rest partly on a psychological, partly on an economic basis. Prominent among them is a demand for colonial expansion. Possibly the Powers in question concentrate upon this issue because they see in it the greatest chance of success in achieving change of any kind; possibly it is because they feel that it will fulfil their chief needs—increased prestige, strategic gain, and relief from their economic plight. Undoubtedly it would help to satisfy the first two needs; the facts given in the present memorandum will enable the reader to judge whether it would satisfy the latter also, and whether it is the shortest and most effective way to that end.

Before considering the circumstances of the colonial claims of the three Powers, it is essential to clarify one's conception of the relation between a suzerain and its colony. Broadly speaking, there are two lights in which this relationship can be viewed—that of exploitation and that of trusteeship. With some colonial powers the first is the dominant consideration, with others the second. But when putting forward their claim for colonial expansion as a means to an economic end, the dissatisfied powers inevitably tend to concentrate on the exploitation motive. In that it deals with the strictly economic aspect of these claims, this memorandum is forced into the same tendency. This should not be taken to mean that the other aspect has been lost sight of or that the interests of the colonies themselves can be left out of account.

The background of the claim for colonies

The claims of the three Powers for colonial expansion have sprung into sudden prominence within the last year. Though the economic stringency resulting from the world economic crisis is the immediate cause, the fundamental explanation must be sought over a long period, dating from the middle of the last century.

During the nineteenth century an economic system arose by which a few countries developed industrially, and provided the rest of the world with manufactures in exchange for such raw materials as their native soil did not produce. These countries were Great Britain and, later, the United States, Germany, Belgium, France and Switzerland; at the end of the century

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they were followed by Russia (including present-day Poland), Austria (including present-day Czechoslovakia), Italy and Japan.

There was a simultaneous and not unconnected change in the attitude towards colonies. In 1865 a House of Commons committee had resolved " that all further extension of territory or assumption of government or new treaty offering any protection to native tribes would be inexpedient," but by the end of the century India was " the brightest jewel " in the imperial crown. This explains the international race for colonial territories which took place in the last quarter of the century, during which those who started late acquired their colonial dependencies : *Belgium*, the Congo [1]; *Germany*, colonies in East and West Africa and the Pacific ; the *United States*, Hawaii, the Philippines, Porto Rico and certain Pacific Islands ; *Japan*, Formosa and (in 1910) Korea ; and *Italy*, Eritrea and Somaliland, and (in 1911-12, by conquest from Turkey) Libya. While it would be inaccurate to say that this same expansionist motive caused the World War, such questions as that of Morocco, and later the Portuguese colonies, clearly played an important part in the prelude to it.

During the economic readjustments of the post-war years, the question of the supply of raw materials appeared in its modern shape, first as the fear of shortage and monopolistic control, then as the fear of over-supply and glut. The possession of resources grew in significance as the abnormal post-war conditions developed, almost without a break, into the " 11,000 kilometres of new tariff barriers " referred to by a British delegate to the International Economic Conference of 1927.[2] It became more important still when the world economic crisis heightened the obstacles to international trade. The uneven distribution of resources, which had been immaterial to prosperity in the days of the free exchange of goods, grew into a vital factor as this exchange became more and more hampered and blocked.

A rather similar situation developed in regard to population outlets. In the nineteenth and early twentieth centuries, rapidly increasing populations migrated freely to all parts of the world. After the war, this outlet was restricted by immigration laws, notably in the United States and the British Dominions.

This is the background against which the colonial claims of the three dissatisfied Powers must be considered. Clearly the problem is not merely colonial in scope ; it arises equally in

(1) The Congo Free State was under the direct sovereignty of Leopold II of Belgium from 1885 until 1908, when it was formally annexed to Belgium.

(2) Mr. (now Sir) Walter Layton. Minutes of the Sixth Plenary Meeting, May 6, 1927.

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connection with resources and population outlets situated within the home frontiers of sovereign States. But since colonial claims are being put forward by the dissatisfied Powers, this memorandum is written with special reference to the colonial side of the question.

The German Claim

In the case of Germany the psychological appeal outweighs the economic, for it is stimulated by a sense of outrage at the humiliation and injustice of the Versailles settlement :

> " The colonial demand is comprised for us to-day in two words ; bread and honour. Germany . . . demands for her own that which rightly belongs to her before God and man."[1]

Economically, it is argued that colonial expansion will mitigate two primary difficulties from which the Reich is suffering—lack of raw materials for its industries, and of outlets for its growing population.

The lack of raw materials would appear to be more important than the migration issue. Up till 1885 the Germans migrated in large numbers ; they were second only to the British in the rate at which they left Europe.[2] But from that date onwards direct action was taken by the Government[3] and the number of migrants grew steadily less ; the population continued to increase[4] but the home-country absorbed the increase by industrialisation—a solution of which there was everyday evidence in the familiar " Made in Germany " trade mark before the war. The absorption in industry was such that the German colonies, two at least of which—South-West and German East Africa—were in parts suited to white settlement, were scarcely used for the

---

(1) Speech by General von Epp, Governor of Bavaria, to the Reich Colonial League. Freiburg, June 17, 1935. *The Times*, June 19, 1935.

(2) Percentage British, Germans, and Italians in total emigration from Europe to all destinations :—

	British.	*German.*	*Italian.*
	%	%	%
1851–1860	64·5	23·2	—
1861–1870	56·5	21·8	4·5
1871–1880	51·1	18·6	8·2
1881–1890	35·0	18·7	13·2
1891–1900	26·1	7·5	24·0
1900–1910	23·1	2·3	29·7
1911–1915	26·7	1·2	23·2

Figures calculated from Ferenczi, *International Migrations*, p. 188.

(3) *e.g.* Bismarck's colonisation law for the Polish areas in Prussia.

(4) Total population of the Reich : million.

1870	40·8	1910	64·5
1880	45·1	1920*	61·7
1890	49·2	1930	65·0
1900	56·0	1935	66·6

Figures from *Statistisches Jahrbuch*, 1935.

* Less the territories cut off by the peace settlement.

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purpose, for the German population in all German colonies amounted to 20,000 only before the war.[1]

In these conditions the importance of certain access to raw material supplies is obvious. The extent of Germany's resources, and the obstacles which hamper her purchases from abroad are dealt with in detail later. For the present, it is sufficient to note that existing deficiencies and barriers are used as a basis for the argument that :

> " If we fail to obtain through larger exports[2] the larger imports of foreign raw materials required for our greatly increased domestic employment, then two courses only are open to us, increased home production or the demand for a share in districts from which we can get our raw materials ourselves."[3]

The Italian Claim

In the case of Italy, the facts are similar but the emphasis is different, for the migration problem for years took precedence over that of raw materials.

The earliest cause of trouble lay in the foreign immigration acts. Pre-war Italy was preponderantly an agricultural country and therefore could not, or at least did not, carry a population increasing at the prevailing rate.[4] Her colonies were all climatically unsuited to white settlement, and in the nineteenth and early twentieth centuries her population sought outlets more suited to its health and temperament. Of the yearly average of 627,000 emigrants who left Italian soil between 1901 and 1913, some 40 per cent. stayed in Europe, 60 per cent. went overseas ;

---

(1) Divided as follows :—

Togo	327
Cameroons	1,111
South-West Africa	11,140
German East Africa	3,113
Kiau-chau	3,806
Pacific Islands	1,511
	20,008

Figures from *Statesman's Year Book* for 1913.

(2) For Germany's Balance of Payments, see Appendix I.

(3) Speech by Count Schwerin von Krosigk, Minister of Finance, at Frankfurt, November 9, 1935. *Frankfürter Zeitung*, November 10, 1935.

(4) Total Population :—

	Million
1891	30·6
1901	32·5
1911	34·7
1921 (old frontier)	36·4
1921 (new frontier)	37·9
1931	41·1
1935	42·8

Source : *Annuario Statistico Italiano*, 1935.

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nearly three million went to the United States alone. But when the difficulties of the post-war years introduced population-planning in country after country, this safety-valve was closed by foreign immigration restrictions, in particular by the United States quota laws of 1921 and 1924.[1] After 1924, repatriation from the United States every year exceeded emigration except in the two boom years 1928 and 1929, and the congestion at home was aggravated by the reflux of needy Italians from elsewhere.

Fascism tried to plan its way out of the dilemma by industrialisation, but success was hampered by the world crisis, which not only frustrated this development but also seriously reduced the tourist traffic and emigrant remittances which had previously been important sources of foreign exchange.[2] In these circumstances it is easy to develop the case for colonial expansion : " Italy will not resign herself to the abused commonplace that she is poor in raw materials. It must be said instead that she does not possess certain raw materials. This is a fundamental reason for her colonial demands."[3]

National emotions are still more deeply stirred when to these economic arguments is added that regarding the broken promises of the allies :

> " Italy went to the Paris peace negotiations with over 600,000 dead to her account, and with two treaties bearing the signatures of Great Britain and France—the Treaty of London and the Treaty of St. Jean de Maurienne—under which she was promised, in case of an allied victory, colonial outlets for her expanding population and possibilities for satisfying the growing needs of raw materials of her rapidly developing industries. At Paris her claims under both these treatics were set aside. As a result of the distribution of mandates over ex-enemy possessions in Africa only, Great Britain was assigned 1,849,203 sq. kilometres of land with 7,079,000 inhabitants, France 1,879,706 sq. kilometres with 2,297,000 inhabitants, Belgium 59,000 sq. kilometres with 3,000,000 inhabitants, Italy, with the stretch of desert between the oases of Gat and Gadames ceded by France and trans-Jubaland ceded by England, acquired 80,000 sq. kilometres, mostly desert or fever-ridden as is shown by the fact that the total population did not exceed 70,000.
>
> So much for the way in which the allies honoured their treaty obligations to Italy."[4]

---

(1) The first restricted the number of aliens admitted annually from each country to 3 per cent. of persons of such nationality resident in the United States in 1910 ; the second to 2 per cent. of the 1890 figure.

(2) For the Italian Balance of Payments see Appendix I.

(3) Signor Mussolini to the second National Assembly of Corporations, March 23, 1936.

(4) *Business and Financial Report of the Fascist Confederation of Industrialists.* Monthly Survey, December 1, 1935.

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The Japanese Claim

The Japanese case is rather different from the other two because the problem is not so much one of the present as of the future, maturing within, perhaps, the next fifteen years. For the yen, unlike the mark and the lira, went off gold and depreciated heavily in 1931-32, and on the basis of comparative costs there should be no limit to the expansion of Japanese exports. It is tariffs and quotas which impose the limit. But though the door has been closed to Japan in many parts of the world, the threatening stranglehold has till now been avoided by a transfer to new markets, notably in South America and the Middle East. But there too the door may close in time; if so, the situation will become more serious, for, as a glance at the Japanese balance of payments shows,[1] maintenance of the export trade is the only means by which Japan can hope to purchase the raw materials needed to keep her factories at work.

The problem of the future is aggravated by the knowledge that the population is increasing at the moment by nearly one million per year, and that, though the rate of increase has begun to fall, it is unlikely to become stationary before 1970, by which time the present 68 millions (1935) will have risen to between eighty and ninety millions.[2]

Judging by past experience, emigration will provide little or no solution. Though the Japanese have doubled in numbers since the Restoration of 1868,[3] the population has scarcely turned to emigration as an outlet. Some attribute this to constitutional unfittedness and unwillingness on the part of the race, others to the foreign laws designed to restrict oriental immigration. The Japanese are stung by the insult implied in such laws; there was proof of this when, on the announcement in 1924 that the United States had cancelled the Gentlemen's Agreement and had bracketed the Japanese with Chinese by including them in the Oriental Exclusion chapter of the Immigration (Restriction) Act, two Japanese committed suicide on the steps of the American Embassy in Tokyo. But Japan, however insulted, has been able to ignore the check, because in

---

(1) See Appendix I.

(2) For this and other less conservative estimates, see T. Uyeda: *Future of the Japanese Population.* Japanese Council of the Institute of Pacific Relations, 1933.

(3) Total population:

Estimate immediately before the Restoration of 1868: 30 million.

Census 1920	55·9
1925	59·7
1930	64·0

Source: *Japan-Manchukuo Year Book*, 1936.

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the interests of becoming a great and westernised Power, she has since the eighteen-seventies and eighties been engaged upon rapid industrialisation.[1] These industries must be kept busy. In consequence, as well as agreements on the division of markets, freer trade, emigration questions and other "mutually advantageous economic arrangements," Japan feels that she will have to demand some "readjustment of the distribution of natural resources."[2]

Reasons for a claim by three Powers only

It may well be asked why these three countries in particular have become colony-conscious.[3] Switzerland or Czechoslovakia would appear to be in the same position, yet do not complain of being seriously handicapped by the lack of overseas resources. Belgium, the most densely populated country in Europe, obtains few essentials from her one dependency, the Congo, nor is it an important market for her exports nor yet a safety valve for her population.[4] One section of this memorandum[5] provides some facts which may help the reader to judge whether this difference of attitude is due to sounder economic policy, or simply to the fact that the world is more likely to pay attention to the complaints of a great than of a small Power.

Undoubtedly a great or a nearly-great Power has more interest than has a small one in considerations of prestige, psychology, and strategy. Indeed, the strategic motive is more important than it used to be now that a distinction has come to be drawn between economic and military sanctions, for if economic sanctions alone are applied, the aggressor is not cut off from his colonial resources and the strategic advantage of colonial possessions, even without sea power, is self-evident.

But it is not possible within the limits of this short memorandum to cover these last aspects of the question. Discussion of considerations such as pride in the flag, the right to trusteeship for backward races, the desirability of providing colonial administration as an outlet for enterprising youth and the whole strategic question from black armies to sea-power and the control of colonial communications must be left until some other time

(1) For a brief history of this see *Eastern Industrialisation and Its Effect on the West*, by G. E. Hubbard and Denzil Baring, Oxford University Press, 1935. Chapter II.

(2) *Nichi Nichi* on the policy of Mr. Hirota's new Government, quoted in the *Evening Standard*, March 10, 1936.

(3) There have been signs that Poland is beginning to think in terms of colonial expansion. See *Times*, September 24, 1935, and an article in the *Völkischer Beobachter* on the common colonial needs of Germany and Poland, quoted in *Daily Telegraph*, February 17, 1936.

(4) The Congo takes only 1 per cent. of Belgium's exports and supports a Belgian white population of only 11,423 (1934).

(5) See below, pp. 35-6.

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and place. During this and all other surveys of the economic aspects, however, their importance must not be lost to mind in view of their wide popular appeal.

The reaction of the colonial Powers

The colonial Powers are not blind to the prevailing discontent, which has been brought into the limelight by the Italian policy of expansion in Abyssinia. One of them—Great Britain—has made an official pronouncement on the subject, in the statement by Sir Samuel Hoare to the League Assembly on September 11th, 1935 :—

> " The fact remains that some countries, whether in their native soil or in their colonial territories, do possess what appear to be preponderant advantages, and that others, less favoured, view the situation with anxiety. Especially as regards colonial raw materials it is not unnatural that such a state of affairs should give rise to fear lest exclusive monopolies be set up at the expense of those countries that do not possess colonial empires. . . . The view of His Majesty's Government is that the problem is economic rather than political and territorial. It is the fear of monopoly—of the withholding of essential colonial raw materials—that is causing alarm. It is the desire for a guarantee that the distribution of raw materials will not be unfairly impeded that is stimulating the demand for further enquiry. . . . I suggest that emphasis in the terms of reference should fall upon free distribution of such raw materials from colonial areas, including protectorates and mandated territories, among the industrial countries which require them, so that all fear of exclusion or monopoly may be removed once and for all. The Government that I represent will, I know, be prepared to take their share in any collective attempt to deal in a fair and effective way with a problem that is certainly troubling many people at present and may trouble them even more in the future."

Scope of the present study

From this statement it appears that, in considering the question of peaceful change, a likely starting point is the raw materials issue. The present memorandum therefore concentrates on this side of the problem of expansion, and sets out the facts without which it is impossible to assess the value of any changes contemplated.

Though primarily concerned with " colonial raw materials " the memorandum cannot be confined to them, for no important raw materials, except rubber, are even preponderantly produced in colonial territories. It therefore covers the production of the more important raw materials in all parts of the world.

Part I deals with production in general and shows what part the existing colonial areas play in providing the world's supplies. It is intended to enable the reader to judge whether purely colonial adjustments could open up resources adequate for the needs of the dissatisfied Powers, or whether the gesture would prove to be merely of psychological value.

Part II describes the present and potential barriers to access. Some of these are directly due to the policy of the colonial Powers,

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notably discriminatory export duties, discrimination in the granting of concessions, and producers' restriction schemes ; others are indirect, in particular the stagnation of international trade which has led to the shortage of foreign exchange. A comparison of the relative importance of the direct and indirect barriers shows how far a change in present colonial policies could allay the prevailing dissatisfaction.

In the interests of compactness, the writers took an original decision to exclude foodstuffs and tobacco, on the grounds (i) that the dissatisfied Powers themselves give industrial raw materials first place ; (ii) that they are the class of imports which has increased and must continue to increase rapidly as these countries become still more highly industrialised ; and (iii) that they bulk very much larger than victuals in the imports of Germany, Italy and Japan. (The last named imports only 7 per cent. of her foodstuffs ; Italy is in good harvest years virtually self-sufficing if need be,[1] and Germany, under pressure of war necessity, can for a considerable period do without imported foodstuffs, though, as the experience of 1915-1919 showed, only at the expense of the health of the population.)[2] Also for reasons of space it was at first decided only to survey the self-sufficiency position of the Great Powers. But after due consideration it was felt that some mention of the foodstuff situation and of the position of certain other non-colonial States should be included, chiefly in order to ward against the criticism that the industrial raw material situation of Germany, Italy and Japan, taken alone, throws into undue relief grievances which are in many cases offset when viewed in their proper perspective.

One important economic claim—that colonial adjustments would solve the population problems of the three Powers—is not discussed, since it is being fully dealt with elsewhere.[3] But the population problem bears so close a relation to that of raw materials that a summary of the position cannot be omitted.

The non-self-governing areas in the world to-day are almost all in the tropics, and experience shows that tropical settlement provides a very limited outlet and in any case is not a suitable way of dealing with Europe's surplus population. The instance of Germany and her pre-war colonies has already

(1) See the *Economic and Financial Position of Italy*, R.I.I.A. Information Department Papers, No. 15, 1935.

(2) For a full survey of the position in each of the three countries see *Boycotts and Peace*, edited by Evans Clark. Harper Bros., 1932 ; Chapters XV, XVI and XVII on the food dependency of Japan, Italy and Germany.

(3) *World Population*, by Professor Carr-Saunders. To be issued under the auspices of the Royal Institute of International Affairs, Oxford University Press, 1936.

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been cited ; so has that of Belgium and the Congo. The white population settled in all the colonies of tropical Africa over the last twenty-five years does not amount to as much as the increase of Italian population in a single recent year. In fact, the only lands which could offer suitable space and climate for European immigrants are all sovereign States or self-governing territories, which, suffering from unemployment and the world depression, have closed their doors to newcomers. This applies to such countries as the United States, Brazil, Argentina, Canada and Australia. Regarding the two last, it should be remembered that the immigration policies of the British Dominions are in no way subject to control by His Majesty's Government in the United Kingdom.[1]

Nations faced with the problem of rapidly expanding populations have solved it otherwise than by emigration—by industrialisation of the home country. Athens did so and according to Professor Toynbee " this was what Pericles meant when, in the crisis of his country's material fortunes, he claimed that she was ' the Education of Hellas.' "[2] Great Britain did so too and now supports a population of nearly 45 millions as opposed to some 13 millions only in 1801. Germany has done likewise. Moreover, the density figures of some of the chief industrial countries go to show how impossible it is to determine a saturation point :—

	Population per square mile	*Population per square mile of arable land*
Belgium	702	1,793
Netherlands ...	627	2,233
Great Britain ...	468 (England alone : 742)	596
Japan proper ...	437	2,418
Germany	366	578
Italy	358	477
France	192	294
United States ...	36	100

Sir Arthur Salter has observed that " there is no such thing as a surplus population anywhere in the world, except one that is relative to and caused by the existing commercial and economic system. There is no reason why a country should not develop a population as thick upon the ground as in a highly industrialised area and still maintain itself *if it could draw freely upon the resources of the rest of the world.*"[3]

In the circumstances of the world of to-day, these last words constitute the crux of the whole problem of expansion.

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(1) See below, p. 15.
(2) *Study of History*, Vol. I, p. 25.
(3) *Peace and the Colonial Problem*, National Peace Council, 1935, p. 8.

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PART I. WORLD PRODUCTION AND COLONIAL PRODUCTION OF RAW MATERIALS

1. THE COLONIAL AND MANDATED AREAS.

This enquiry, while dealing with world production in general, is particularly concerned with the non-self governing areas of the world—that is to say with the colonies, protectorates and mandated territories of Great Britain, France, the Netherlands, Belgium, Portugal, Spain, Italy, Japan, the United States of America, South Africa, Australia and New Zealand. The British Dominions are clearly excluded from consideration, except in so far as they themselves control mandated territories. Naturally their partnership in the British Commonwealth of Nations makes the valuable resources of the Dominions at least of strategic significance to Great Britain.[1] But the fact remains that they are "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations."[2] This independence was recognised in their separate membership of the League of Nations and the position was regularised in the Statute of Westminster of 1931.

Manchukuo must similarly be omitted, on more theoretical grounds. For the rest, the real criterion in drawing the distinction between colonial and other territories must be whether ultimate decisions on economic policy are taken by the home or the local government.[3] Thus India is excluded by her tariff autonomy since the war, quite apart from her membership of the League and other considerations. Ceylon is a border-line case; but the fact that the local Legislative Council's opposition to the imposition of anti-Japanese textile quotas in 1934 was over-ruled by Whitehall marks her out as still fundamentally a "colony." Southern Rhodesia, on the other hand, is in the rather special position of a "self-governing colony" with all but dominion status, and is excluded. So are the Philippine Islands, which are at a transitional stage, but well on their way to independence.

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(1) See below, p. 30.

(2) *Report of the Inter-Imperial Relations Committee* (Balfour Report) of the Imperial Conference, 1926. The "communities" in question are Canada, Australia, New Zealand, South Africa, Irish Free State, Newfoundland.

(3) Cf. Sir Arthur Salter at the National Peace Council Conference on *Peace and the Colonial Problem*, October 29, 1935.

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In the list which follows the mandated territories are distinguished as such and classified according to their A, B, or C status[1]:

GREAT BRITAIN—(*a*) *East Africa.*—Kenya Colony and Protectorate, Uganda Protectorate, Northern Rhodesia, Nyasaland Protectorate, Somaliland Protectorate, Zanzibar, Anglo-Egyptian Sudan (Anglo-Egyptian Condominium), Tanganyika (B mandate), Mauritius, Seychelles Islands.

(*b*) *South Africa—High Commission Territories.*—Basutoland, Bechuanaland Protectorate, Swaziland.

(*c*) *West Africa.*—Gambia, Gold Coast, Nigeria, Sierra Leone, St. Helena, Ascension Island, part of Togoland (B mandate), part of Cameroons (B mandate).

(*d*) *Eastern Dependencies.*—Ceylon, Hong Kong, Malaya (Straits Settlements, Federated Malay States, Unfederated Malay States), Borneo Dependencies (Brunei, North Borneo, Sarawak), Aden, Perim, Socotra, and certain islands in the Indian Ocean.

(*e*) *Mediterranean.*—Cyprus, Gibraltar, Malta, Palestine (A mandate), Transjordan (A mandate).

(*f*) *West Indies and America.*—Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Jamaica, Turks and Caicos Islands, Cayman Islands, Leeward Islands, Trinidad and Tobago, Windward Islands (Grenada, St. Lucia, St. Vincent), Falkland Islands.

(*g*) *Pacific.*—Fiji, Territories of the Western Pacific High Commission [Gilbert and Ellice Islands Colony, British Solomon Islands Protectorate, Tonga, New Hebrides (Anglo-French Condominium)], and certain small island dependencies.

FRANCE—(*a*) *North Africa.*—Algeria (the three northern departments are constitutionally part of France), Tunis (protectorate), French Morocco (protectorate).

(*b*) *West Africa.*—Senegal, French Guinea, Ivory Coast, Dahomey, French Sudan, Mauritania, Niger, Dakar.

(*c*) *African Mandates.*—Part of Togoland (B mandate), part of Cameroons (B mandate).

(*d*) *Equatorial Africa.*—Gaboon, Middle Congo, Ubangi-Chad.

(*e*) *East Africa.*—Somaliland, Madagascar, Reunion Islands.

(*f*) *Mediterranean.*—Syria, Lebanon (A mandates).

(*g*) *Eastern Dependencies.*—Indo-China, French India.

(*h*) *West Indies and America.*—French Guiana, Guadeloupe, Martinique, St. Pierre and Miquelon Islands.

(*i*) *Pacific.*—New Caledonia, New Hebrides (Anglo-French Condominium), Society Islands, and other small island dependencies.

NETHERLANDS.—Netherlands East Indies (Sumatra, Java, Borneo, New Guinea, etc.), Netherlands West Indies (Surinam [Dutch Guiana] and Curaçao).

BELGIUM.—Belgian Congo, Ruanda-Urundi (B mandate).

PORTUGAL.—Angola (Portuguese West Africa), Mozambique (Portuguese East Africa), Portuguese Guinea, São Thomé and Principé, Madeira, Azores, Cape Verde Islands, Goa, East Timor, Macão.

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(1) For the economic significance of these differences, see below, pp. 37-8.

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ITALY.—Tripoli and Cyrenaica, Eritrea, Italian Somaliland, Dodecanese Islands.

SPAIN.—Canary Islands, Melilla and Ceuta (all constitutionally part of Spain), Spanish Morocco (Protectorate), Rio d'Oro, Ifni, Fernando Po, Spanish Guinea.

JAPAN.—Korea, Formosa, Pescadores Islands, Sakhalin (southern half), various Pacific Islands (C mandate).

U.S.A.—Hawaii (constitutionally part of U.S.A.), Porto Rico, Virgin Islands, Guam, American Samoa, Aleutian Islands.

SOUTH AFRICA.—South-West Africa (C mandate).

AUSTRALIA.—Papua ; New Guinea and Nauru[1] (C mandates).

NEW ZEALAND.—Western Samoa (C mandate) and certain small Pacific island dependencies.

2. WHAT ARE THE ESSENTIAL INDUSTRIAL RAW MATERIALS ?[2]

The " colonial areas " can thus be quite easily enumerated. But the specifically " colonial raw materials " are far more difficult to define. For apart from rubber and possibly tin[3] there are no important raw materials which are even preponderantly produced in colonial areas. Copra and palm oil are, it is true, almost exclusively colonial materials. But they are so largely interchangeable with other vegetable oils—notably American cotton-seed oil and Indian groundnuts—that the different oils cannot legitimately be considered separately.

It seems best, therefore, abandoning any attempt to confine the enquiry specifically to the products of colonial areas, first to decide what are the essential raw materials of industry, and then to see where these are produced and how far they are or could be supplied from colonial areas.

" The basic materials of modern industrialism," as Dr. Goebbels recently observed, " are coal, iron, oil, cotton, rubber . . . and copper."[4] Beyond this, the process of selection is bound to be somewhat arbitrary ; but four main classes may be distinguished : (1) the metals ; (2) the non-metallic minerals ; (3) rubber and the textile fibres ; and (4) the vegetable oils.

Metals

Of the metals, *iron* stands out as far and away the most important. The whole economic life of industrialised countries depends upon adequate and abundant supplies, whether in the form of iron ore, pig iron, cast iron, wrought iron, or steel. Of the many uses of iron, perhaps the chief are in railways, steel structures, machinery, motor cars, and the petroleum industry.

(1) Nauru is a British Empire Mandate, administered by Australia.
(2) The Information Department is indebted to the Imperial Institute for assistance in this and other sections of Part I.
(3) See tables facing pp. 22 and 26 below.
(4) At the Leipzig Fair, *Völkischer Beobachter*, March 2, 1936.

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The main non-ferrous metals, copper, lead, zinc, tin and aluminium, cannot be compared with iron, but are nevertheless of fundamental importance. *Copper* is of particular value, thanks to its high conductivity and the ease with which it can be worked. The main demand comes from the electrical industries, but large quantities are also used in printing-plates and cooking-vessels, and a considerable amount in motor-cars and machinery. *Lead*, being malleable, is of great value in foil, sheeting and piping, and is also required for electrical purposes (*e.g.* storage batteries) and for ammunition. More than half the supplies of commercial *zinc* or *spelter* are used in the manufacture of galvanised iron—iron sheets covered with a thin coat to prevent rusting. *Tin* goes chiefly into tin-plate, thin steel sheets coated with a film of tin, and used for packing foodstuffs ; tin-foil and distillery pipes require pure tin. *Aluminium* (obtained from *bauxite*) is the lightest of the common metals and is used for cooking utensils, internal combustion engines and a variety of other purposes. Apart from their separate uses, these five metals form valuable alloys in conjunction with each other or with other metals. Of these alloys the best known are bronze, a combination of copper and tin, and brass, the joint product of copper and zinc ; aluminium alloys, such as duralumin, possess good mechanical strength and are used in aircraft and automobile construction.

Another group of metals, including notably manganese, nickel, chromium, tungsten, vanadium, and molybdenum are primarily important in the manufacture of special steels, which are particularly required by the motor-car industry. Indeed, *manganese* is essential to the production of most steels. *Nickel* steels are particularly resistant to corrosion ; their military value is well-known, but the industrial demand is also considerable, notably for motor-cars. *Chromium* is used in the manufacture of steel safes and armour plates and also for stainless steels. *Tungsten* has the exceptional quality of remaining hard at very high temperatures ; tungsten steels are particularly valuable for high-speed machine tools and magnets. But though these metals are chiefly required for the manufacture of special steels (something like 95 per cent. of the world's manganese being used in steel-making), they have other valuable qualities. Thus tungsten is used as a filament in electric light bulbs, whilst such metals as *vanadium* and *molybdenum* are used in the chemical as well as the steel industries.

Two other metals demand attention : *Mercury* (*quicksilver*) has the unique quality amongst metals of remaining liquid at normal temperatures. It is much used in scientific instruments,

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and for making soft, easily-fused, amalgams with other metals. *Antimony* is another valuable constituent of alloys, particularly for bearing and type metals.

Precious Metals

Gold, *silver*, and *platinum* are in a special position. Each has certain industrial uses—particularly platinum, which is of great value for electrical filaments. But their main importance lies in their intrinsic value as precious metals. Strictly speaking, therefore, they should be omitted from a survey of the industrial materials. On the other hand the beneficial effects of these precious metals on the foreign exchange position of the countries which produce them is so obvious that it seems foolish to omit them in discussing a problem which turns largely on the foreign exchange difficulties.

Non-metallic minerals

Of the non-metallic minerals, coal and petroleum are outstanding. *Coal* is clearly of quite fundamental importance. Yet the use of the internal combustion engine on the roads, in the air and on the sea has advanced so rapidly that *petroleum* is already almost as important as coal. The only source of power which rivals these two fuels is electricity—and except where abundant water-power is available, electric power is itself derived from them. *Magnesite* is chiefly used as a basic lining for steel and copper smelting furnaces. It is also a structural material, and where lightness is required, is coming to be substituted for steel. *Asbestos* combines the valuable qualities of flexibility and non-inflammability. It is therefore indispensable for fireproof walls and curtains; but its chief use is as packing for steam cylinders and boiler pipes. *Graphite* is of great value for crucibles and lubricants. Finally there are the main chemical materials—nitrates, potash, phosphates, and sulphur. *Nitrates*, *potash* and *phosphates* are chiefly used as fertilisers, though nitrates are also needed for high explosives. Sulphuric acid, derived either from native *sulphur* or from *iron pyrites*, has numerous industrial uses such as dyeing, bleaching and the manufacture of soda.

Rubber

The immense expansion in the demand for *rubber* comes almost entirely from the motor-car industry. Over a third of the world's rubber is used in American motor-tyres.

Textile fibres

Of the textile materials *cotton*, and to a much lesser extent, *wool*, are the most important. Indeed cotton bulks larger than any other item in international trade; for instance, raw cotton accounts for no less than 32 per cent. of the total value of Japan's imports. *Silk* is another important material, but it is rapidly being displaced by *rayon*, or "artificial silk," which is manufactured from wood-pulp, saw-dust, or cotton-waste. *Flax* is

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mainly important for the production of linen, though it is also used in twine and canvas. Finally, an important group are the coarser fibres, of which the chief are jute, hemp, manila hemp, and sisal. Though these materials are to some extent interchangeable, each has special qualities. Thus *jute* is cheaper than *hemp*, but less durable ; besides sacking and cloth, it is used in carpets and rugs, linoleum and tarpaulin. *Hemp* and *manila hemp* are used for cordage ; both resist sea-water, but as manila hemp is cheaper, it is now the chief material employed in ships' ropes. *Sisal* is as strong as manila hemp, but sisal ropes swell more than manila ropes and are therefore less suitable for certain marine purposes. Sisal is, in fact, used chiefly for binder-twine.

Vegetable oils

In recent years vegetable oils have for numerous purposes been substituted for animal fats on a large scale. In some degree they are irrelevant to this enquiry, for they are largely used in the manufacture of certain foodstuffs, particularly margarine, lard, and animal fodder. But their industrial uses are of equal importance, notably in the manufacture of soaps, lubricants, candles, paints and varnishes.

The vegetable oils are derived from a very varied collection of seeds and nuts, of which the most important are *cotton seed*, *soya beans*, *groundnuts* (or *peanuts*), *coconuts* (the oil being crushed from the *copra*, or dried kernel), *oil palm* (*palm* and *palm-kernel oils*), *sesame*, *rapeseed* (one variety of which is *colza*), *castor seed*, and *linseed*. To a certain extent these different oils have special qualities, which render them suitable for specific purposes. Thus *linseed oil* dries to a smooth, hard surface, and is therefore used for paints and varnishes ; *castor-oil* is non-drying and therefore suitable as a lubricant, and so on. But the oils in each class are completely interchangeable and compete directly in the same markets.

Timber

Timber is not only required in large quantities by the constructional industries, but is also the basis of paper and artificial silk.

This brief survey shows that every one of the materials enumerated fulfils a vitally important function in an industrialised State. Indeed it would at first sight seem that where domestic supplies are inadequate, freedom of access to foreign supplies is quite indispensable. This is in the main true, but two important qualifications should be borne in mind—the possibilities of substitution and of synthetic production. The comparative interchangeability of the vegetable oils, and also of the coarser textile fibres has already been mentioned. Coal, oil and electricity are

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to some extent alternative fuels. Aluminium is also an adaptable material, and in recent years has been substituted on a considerable scale for copper (particularly in Germany) and for tin.

So far as synthetic production is concerned, nitrates provide the obvious example. Before the War all countries depended on Chilean supplies; but to-day nine-tenths of the world demand is met by synthetic nitrates. Another development of immense potential significance is the production of oil from coal; the leading countries in this respect are Germany, the United Kingdom, and France. In Germany, according to Herr Hitler, " the problem of German fuel supplies, the outstanding importance of which can be appreciated at the present time, may be regarded as overcome. The way to German fuel is free."[1] But in the case of Great Britain " it would be absurd to imagine that the country is yet, or likely to be in the near future, in a position to produce all its oil requirements from its coal resources."[2] Italy, it may be noted, " possessing no coal deposits of her own, has not . . . undertaken any developments in these directions."[3] In common with certain other European countries, Italy supplies a very small proportion of her fuel needs with alcohol extracted from agricultural products. But this is an expensive process offering no such possibilities as the production of oil from coal. Synthetic rubber is rapidly improving in competitive qualities, but despite Herr Hitler's assertions that it " exceeds raw rubber in durability by from 10 to 30 per cent.,"[4] its production is not as yet a commercial proposition. Recently much was made in the Italian press of the production of " wool " from milk, but apparently the new product has serious technical defects.[5]

3. WORLD SOURCES OF SUPPLY.

Where are these essential raw materials produced, and how important is the colonial production?

These questions can only be answered by studying in detail the share of every country in the world production of each material. These shares are shown in the four tables in Appendix V. The figures cannot be more than approximately correct,

(1) Speech at the opening of the Reich Motor Show, *The Times*, February 17, 1936.
(2) *The Times*, City Notes, March 19, 1936.
(3) *Dispute between Ethiopia and Italy: Report of the League Committee of Experts regarding Petroleum and its derivatives.* British White Paper, Cmd. 5094, February, 1936, page 22.
(4) Speech at the opening of the Reich Motor Show, *The Times*, February 17, 1936.
(5) Report of investigations by the Wool Industries Research Association, at Torringdon, Leeds. *The Times*, February 25, 1936.

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since the statistics for Chinese and Russian production, in particular, are frequently no more than rough estimates. Further, it has occasionally been necessary to use figures for differing years, or to take the export rather than the production total. It would, of course, have been possible to exclude China and the U.S.S.R. altogether from the calculation, but it seemed more valuable to secure a general picture of world production rather than to aim at complete accuracy within a more limited field.

The tables show the average volume of production in 1925-9, and also production in the latest year for which adequate figures are available—usually 1934. 1925-9 represents the nearest approach in recent years to a period of normal prosperity ; it was also the period during which the output of many raw materials reached its peak. But the figures for a recent year must also be considered, since in several cases there have been notable changes since 1925-9 in the relative importance of the various producing countries. The most important material affected in this way is copper (where the United States has lost ground seriously to Northern Rhodesia), but there have been still more striking changes in the cases of manganese (U.S.S.R. displacing India), chrome-ore (U.S.S.R. displacing Southern Rhodesia) and platinum (Canada displacing U.S.S.R.). The expansion in Russian iron and gold production is also important.

Clearly, however, even the figures of present-day production frequently afford little indication of the potential volume of production. High costs of production, transport difficulties, or the fact that abundant supplies are available nearer home, often hinder the development even of known resources. This applies perhaps particularly to such materials as coal and iron, which occur in so many parts of the world that the colonial resources, for instance, have been very little exploited. In other cases resources may simply not yet have been discovered. Again, the fact that a country is a large producer at the moment must hasten the exhaustion of its reserves. Thus, although the United States at present produces 60 per cent. of the world's petroleum as against 5 per cent. coming from the British Empire, Iran and Iraq, it has been estimated that the reserves respectively amount to about 14 per cent. and over 16 per cent. of the world total[1]. In short, the 1934 production figures may be no guide at all to the figures of 1950 or even of 1940.

The table opposite includes every country producing over 10 per cent. of the world supply of the important raw materials.

(1) Supplement to " Raw Materials and Foodstuffs in the Commercial Policy of Nations," in the *Annals of the American Academy of Political Science*, March, 1924, page 168.

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LEADING PRODU

(This list shows the percentage of the world supply produced by any countr
availal

	All Colonial Areas.	1		
	%		%	
IRON ORE	3·4	France	27	U.S.A.
COPPER[1]	21·3	Chile	20	U.S.A.
LEAD[1]	0·4	U.S.A.	19	Austra
ZINC[1]	1·5	U.S.A.	28	Canad
TIN[1]	56·9	Malaya	31	Bolivi
BAUXITE	13·1	France	42	U.S.A
MANGANESE ORE ...	13·7	U.S.S.R.	61	India
NICKEL	9·0	Canada	84	
CHROME ORE ...	12·3	U.S.S.R.	28	Turke
TUNGSTEN ORE ...	15·6	China	33	India
MOLYBDENUM ...	?	U.S.A.	?	
VANADIUM	?	Peru	?	South
ANTIMONY[1]... ...	0·7	China	65	Mexic
MERCURY	nil	Spain	35	Italy
GOLD	6·4	South Africa	47	Canad
SILVER	1·3	Mexico	41	U.S.A
PLATINUM	0·1	Canada	50	U.S.S.
COAL	0·3	U.S.A.	34	Unite
PETROLEUM ...	3·7	U.S.A.	59	U.S.S
ASBESTOS	0·5	Canada	56	U.S.S
GRAPHITE	46·0	Korea	28	Austr
MAGNESITE ...	nil	U.S.S.R.	42	Austr
POTASH	0·7	Germany...	59	Franc
PHOSPHATES ...	52·0	U.S.A.	29	Tunis
SULPHUR	0·6	U.S.A.	72	Italy
PYRITES	3·4	Spain	33	Japar
RUBBER	96·1	Malaya	46	Neth
COTTON	2·5	U.S.A.	49	India
WOOL	2·3	Australia...	27	U.S.A
JUTE	0·3	India	99	
HEMP	6·2	U.S.S.R.	47	Italy
FLAX	nil	U.S.S.R.	77	
SILK...	3·1	Japan	78	
SISAL	?	Tanganyika	?	Mexic
MANILA HEMP ...	nil	Philippines	99	
COTTON SEED ...	2·6	U.S.A.	44	India
SOYA	11·4	Manchuria	77	
GROUNDNUTS ...	28·5	India	55	Frenc
COPRA	64·4	Philippines	34	Neth
OLIVE OIL	12·9	Spain	32	Italy
PALM OIL	98·8	Nigeria	43	Neth
SESAME	8·0	India	74	
COLZA	nil	India	84	
LINSEED	0·1	Argentina	49	U.S.S
TIMBER	?	U.S.S.R.	?	Cana

(1) Me

(*Facing p.* 22.)

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S OF RAW MATERIALS

ounting for more than 10 per cent. of the whole in the latest year for which figures are ee Appendix V.)

Individual States and Territories.

2		3		4	
	%		%		%
... ...	21	U.S.S.R.	18		
... ...	16	Canada	13	Northern Rhodesia ...	12
... ...	17	Mexico	12	Canada	12
... ...	10	Australia...	10		
... ...	19	Netherlands East Indies	17		
... ...	13	Italy	10		
... ...	14	Gold Coast	12		
... ...	18	New Caledonia	12		
... ...	23	U.S.A.	13	Malaya	11
Africa ...	?	Northern Rhodesia ...	?		
... ...	10	Bolivia	10		
... ...	32	U.S.A.	17		
... ...	13	U.S.S.R.	11	U.S.A.	10
... ...	14				
... ...	24	Colombia	14		
gdom ...	20	Germany (including Saar)	12		
... ...	12	Venezuela	10		
... ...	27				
... ...	16	Germany...	16	Ceylon	10
... ...	19	U.S.A.	11		
... ...	19				
... ...	22	U.S.S.R.	12	French Morocco ...	12
... ...	20				
... ...	13	Norway	13	Italy	11
East Indies	37				
... ...	16	China	10		
... ...	12	Argentina	10		
... ...	18				
... ...	?	Netherlands East Indies	?		
... ...	18	China	12		
t Africa ...	13				
East Indies	30				
... ...	31	Greece	15		
East Indies	22	Belgian Congo	14		
... ...	24	India	13		
... ...	?	U.S.A.	?	Sweden	?

tent of ores mined.

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It shows the overwhelming extent to which Dr. Goebbels' six "basic materials," (except rubber and in some degree copper) are produced in sovereign States. Rubber is indeed the only important material which is virtually a colonial monopoly—the cultivated rubber of Malaya and Netherlands India having now completely displaced the wild rubber of South America and Central Africa.

The most outstanding feature of the production figures as a whole is the pre-eminence of the *United States*, which is the leading producer of coal, petroleum, cotton, lead, zinc, phosphates, sulphur, and molybdenum, stand second in the production of iron, copper, silver, bauxite, and wool, and have important reserves of gold, timber, tungsten, mercury, and magnesite. The only political unit of comparable importance is the *British Empire as a whole—i.e.*, Great Britain and the Colonial Empire, the Dominions and India—whose combined resources of gold (71 per cent.), rubber (58 per cent.), tin (42 per cent.), jute (99 per cent.), nickel (86 per cent.), lead (43 per cent.), zinc (32 per cent.), asbestos (71 per cent.), platinum (59 per cent.), and various vegetable oils dominate the world supply. Though the Dominions are self-governing, the close links of Empire clearly render this a fact of vital significance.

The third place is unquestionably taken by the *U.S.S.R.*, whose rapid advance is an outstanding feature of the tables. This advance in Russian production is particularly noticeable in the case of iron (3 per cent. to 18 per cent.), manganese (28 per cent. to 61 per cent.), magnesite (13 per cent. to 42 per cent.), chrome ore (7 per cent. to 28 per cent.), asbestos (7 per cent. to 27 per cent.) and gold (4 per cent. to 11 per cent.). Thus the U.S.S.R. is now the leading producer of half-a-dozen materials—flax, hemp, timber, manganese, magnesite, and chrome ore—and the second producer of four others, including petroleum.

Probably next in importance come three other composite units—*Great Britain, France, and the Netherlands with their Colonial Empires.* (For though the British Empire as a whole has already been considered, the independent status of the Dominions makes it essential to consider Great Britain's position apart from them.)[1]

British coal production is second only to that of the United States ; Malaya is the leading producer of rubber and tin, and Nigeria of palm oil. France leads in the production of iron ore and bauxite, and is second in potash (Alsace), whilst Tunis,

(1) Cf. page 15 above.

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Morocco and Algeria together provide 40 per cent. of the world's phosphates. The Netherlands are not themselves producers, but the Netherlands East Indies yield important supplies of rubber, tin, copra, and palm oil.

But these Colonial Empires are closely rivalled by a dozen self-contained units which are also notably well-endowed—namely, India, certain British Dominions (particularly Canada), China, Spain, and certain American republics. *Canada* has a virtual monopoly of the world's nickel (84 per cent.). She also leads in asbestos and platinum (the one case in which the U.S.S.R. has actually lost ground). She is second in zinc, timber and gold, and has important copper and lead resources. *Australia* leads in wool, is second in lead, and third in zinc. *South Africa* provides half the world's gold, and she and *New Zealand* supply considerable quantities of wool (8 per cent. each). *India* produces virtually all the world's jute and the greater part of the ground-nuts, sesame, and rapeseed; whilst she stands second in the production of cotton, manganese and tungsten (in Burma). In fact it is the British Dominions and India which chiefly account for the virtual self-sufficiency of the British Empire as a whole.[1]

Of the other countries mentioned above as in relatively strong positions, *China* leads in the production of soya beans, (though Manchuria is the great exporter), and two comparatively rare metals, tungsten and antimony. Her cotton and silk are also important. *Spain* is first in mercury, pyrites and olive oil.

Of the Central and South American Republics *Chile* is now the chief producer of copper; she is also the only producer of natural nitrates, but during the war Germany was compelled to develop synthetic production on a large scale, and since the war all the most important countries have followed her example, no doubt primarily for strategic reasons. Thus Chile now supplies only about one-tenth of the world demand, and in fact synthetic production is so firmly established that it has been felt superfluous to include nitrates in the table of raw material production. *Mexico* leads in silver, and has important sisal, lead and petroleum resources. *Venezuela's* petroleum output is exceeded only by the United States and the U.S.S.R. *Bolivia* is the second producer of tin and antimony, and *Peru* the first of vanadium. *Argentina's* linseed and wool are important, particularly the former. *Brazil's* production of manganese was notable (10 per cent.) until recently, but is now virtually suspended.

As to the dissatisfied Powers[2], *Germany* is the world's largest

(1) See below, p. 30.
(2) For the main deficiencies of these and other Powers, see below, pp. 28-32.

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producer of potash, and *Japan* of silk and graphite (in Korea). For the rest, apart from Germany's coal and zinc (9 per cent.), they are relatively unimportant producers. *Italy* is the second largest producer of certain minor commodities—hemp, sulphur, mercury and olive oil.

The distribution of these resources by continents is not without interest. It is summarised in the following table, which also covers some leading foodstuffs :—

RAW MATERIALS[1]

PERCENTAGE OF WORLD PRODUCTION.

	Europe without U.S.S.R.	*Europe with U.S.S.R.*	*North America.*	*Latin America.*	*Africa.*	*Asia.*	*Oceania.*
	%	%	%	%	%	%	%
1925/9...	25·9	33·8	39·8	5·1	2·9	16·2	2·2
1933 ...	29·0	36·9	31·9	5·0	3·7	20·1	2·4
			FOODSTUFFS[2]				
1925/9...	29·9	42·3	25·8	9·5	3·0	17·5	1·9
1933 ...	32·1	45·1	22·1	9·4	3·2	18·0	2·2

4. THE IMPORTANCE OF COLONIAL PRODUCTION.

The preceding survey, as being a straight comparison of world with colonial production, tends to undervalue the importance of colonial resources. For the colonies, being little developed industrially, are able to export the greater part of their produce, whereas an industrial country may figure as a large producer and yet be a net importer of the material in question. (An extreme example of this is that whereas the United States produced in 1934, 28·4 per cent. of the world's zinc, and Northern Rhodesia only 1·4 per cent., the latter was the larger exporter).

In some ways, therefore, net export figures would tell more than production figures. But these are extremely difficult to secure, the main difficulty being that often only a small part of the production is exported in its crude form, the remainder being worked up in varying degrees before export, thus removing any basis of comparison.[3]

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(1) League of Nations figures covering tobacco, vegetable oils, textile materials, rubber, wood pulp, fuels, metals, non-metallic minerals and chemicals. See *World Production and Prices*, 1925-33, pp. 120-122.

(2) *Op. cit.*, pp. 119-120 covering cereals, other food crops, meat, wine, coffee, tea and cocoa.

(3) It is, however, possible to secure a general idea as to the relative importance of the various producers as exporters by studying the detailed trade statistics given for each raw material in two annual publications—*The Mineral Industry of the British Empire and Foreign Countries : Statistical Summary* (Imperial Institute), and the *International Year Book of Agricultural Statistics* (International Institute of Agriculture, Rome).

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But even when comparing production figures only, it is clear that two colonial areas are very important world sources : namely British Malaya and the Netherlands East Indies, in particular for rubber and tin. Otherwise the colonial territories, though yielding an enormous variety of products, are important producers of very few materials, though the possibilities of future development must not be ignored.[1]

African Dependencies

Since public interest is at present focussed on Africa, the table opposite distinguishes the share of the African from that of the other dependencies. The two quasi-monopolies cited above are both outside Africa, and it at once emerges that the one " African " product is *palm oil*, the African dependencies accounting for 76·8 per cent. of the total supply.[2]

Phosphates (from Tunis, French Morocco and Algeria), *groundnuts* (mainly from French West Africa, Nigeria and Gambia), and *copper* (from Northern Rhodesia and the Belgian Congo) are the only other materials on the supplies of which the African dependencies have an appreciable influence. A few smaller resources demand special mention in view of the industrial importance of the product ; for instance, the Gold Coast's *manganese* (12 per cent.) which renders the British Empire self-sufficient ; Tanganyika's *sisal* ; the *vanadium* of which South-West Africa and Northern Rhodesia are two of the most important of the few producers ; Madagascar's *graphite* (7 per cent.) ; and the *tin* from Nigeria (4·4 per cent.) and the Belgian Congo (3·7 per cent.).

The table shows the relative poverty of the Portuguese, Italian and Spanish African dependencies, though not, of course, their potentialities.

Non-African Dependencies

Apart from their dominance in *rubber* production, chiefly from British Malaya (46 per cent.), the Netherlands East Indies (37 per cent.), and Ceylon (8 per cent.), the non-African dependencies are important for their *copra* : Netherlands East Indies (30 per cent.), British Malaya (9 per cent.), Ceylon (9 per cent.), and New Guinea (4·3 per cent.) ; their *tin* : British Malaya (31 per cent.), Netherlands East Indies (16·8 per cent.) ; their *graphite* : the Japanese sources in Korea now represent 28 per cent. as against 14 per cent. in 1929, Ceylon (10 per cent.) ; and their *palm* and *palm-kernel oil*, chiefly from the Netherlands East Indies.

The points which stand out from this catalogue are the wealth

(1) See above, p. 22.
(2) For the relative unimportance of this high percentage owing to possibilities of interchange and substitution, see above p. 20.

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COLONIAL PRODUCTION AS A PER

AFRICAN.

	Dependencies.						Mandates.	Total.
	Great Britain.	France.	Belgium.	Italy.	Portugal.	Spain.		
Antimony	—	0·5	—	—	—	0·2	—	0·7
Bauxite	—	—	—	—	—	—	—	—
Chrome Ore	—	—	—	—	—	—	—	—
Copper (1)	12·3	—	8·6	—	—	—	—	20·9
Iron Ore	0·2	1·5	—	—	—	0·3	—	2·0
Manganese Ore	12·5	0·2	—	—	—	—	—	12·7
Nickel	—	—	—	—	—	—	—	—
Tin (1)	4·4	—	3·7	—	—	—	—	8·1
Tungsten Ore	—	—	—	—	—	—	—	—
Zinc (1)	1·4	0·1	—	—	—	—	—	1·5
Petroleum	—	—	—	—	—	—	—	—
Rubber	0·1	0·1	—	—	—	—	—	0·2
Graphite	—	7·5	—	—	—	—	—	7·5
Phosphates...	—	40·9	—	—	—	—	—	40·9
Pyrites	—	0·2	—	—	—	—	—	0·2
Gold	1·5	0·5	1·4	—	—	—	—	3·4
Silver	0·4(*a*)	—	—	—	—	—	—	0·4
Cotton	1·5	—	0·4	—	—	—	0·1	2·0
Wool	0·2	2·0	—	—	—	—	0·1	2·3
Silk	—	—	—	—	—	—	—	—
Hemp	—	—	—	—	—	—	—	—
Copra	1·2	0·1	—	—	1·9	—	0·6	3·8
Cotton Seed	1·7	—	0·2	—	—	—	0·1	2·0
Ground Nuts	5·9	13·5	1·2	—	0·9	—	0·9	22·4
Olive Oil	—	11·2	—	0·4	—	—	—	11·6
Palm Oil	48·4	7·1	13·9	—	2·3	—	5·1	76·8
Sesame	3·9	0·5	0·8	—	0·3	—	1·1	6·6

(1) Metal content of ores mined.
(*a*) including 0·3 from South-West Africa.
(*b*) including 0·6 from Papua.
(E) = export figure.

This table covers all Industrial Raw Materials in t
produce 1 per cent. or more of the world figure,
Africa and Northern Rhodesia between them produ
and Tanganyika about one-third of the sisal.

(*Facing p.* 26).

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CENTAGE OF WORLD PRODUCTION

NON-AFRICAN.

Dependencies.				Mandates.	Total.	Grand Total.	
Great Britain.	France.	Netherlands.	Japan.				
—	—	—	—	—	—	0·7	Antimony.
5·2	—	7·9	—	—	13·1	13·1	Bauxite.
—	12·3	—	—	—	12·3	12·3	Chrome Ore.
0·4	—	—	—	—	0·4	21·3	Copper (1).
1·0	—	—	0·4	—	1·4	3·4	Iron Ore.
0·6	—	0·4	—	—	1·0	13·7	Manganese Ore.
—	9·0	—	—	—	9·0	9·0	Nickel.
31·0	1·0	16·8	—	—	48·8	56·9	Tin (1).
11·2	1·9	—	2·5	—	15·6	15·6	Tungsten Ore.
—	0·4	—	—	—	0·4	1·9	Zinc (1).
0·8	—	2·9	—	—	3·7	3·7	Petroleum.
56·6	1·9	37·4	—	—	95·9	96·1	Rubber.
10·5	—	—	28·0	—	38·5	46·0	Graphite.
3·4	1·0	1·1	—	5·6	11·1	52·0	Phosphates.
3·2	—	—	—	—	3·2	3·4	Pyrites.
0·3	0·2	0·3	1·7	0·5	3·0	6·4	Gold.
—	—	0·5	0·4	—	0·9	1·3	Silver.
—	—	—	0·5	—	0·5	2·5	Cotton.
—	—	—	—	—	—	2·3	Wool.
—	—	—	2·9	0·2	3·1	3·1	Silk.
—	—	—	6·0	0·2	6·2	6·2	Hemp.
23·4(*b*)	1·7	30·5	—	5·0	60·6	64·4	Copra.
—	—	—	0·6	—	0·6	2·6	Cotton Seed.
0·1	0·2	3·8	2·0	—	6·1	28·5	Ground Nuts.
—	—	—	—	1·3	1·3	12·9	Olive Oil.
—	—	22·0	—	—	22·0	98·8	Palm Oil.
—	0·1	0·4(E)	0·8	0·1	1·4	8·0	Sesame.

se of which Colonial or Mandated Territories together
the exception of vanadium and sisal. South-West
haps two-thirds of the world's vanadium, and Kenya

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of the British possessions, Malaya and Ceylon, and of the Netherlands Indies. The position of Great Britain and the Netherlands is further strengthened if one adds Malaya's *tungsten* (11 per cent.), and British Guiana's *bauxite* (now only 5·2 per cent. as against 11·5 per cent. in 1925-29), to the one and Dutch Guiana's *bauxite* (7·9 per cent.) to the other.

The only other resources of the non-African dependencies worth special mention are the *chrome* (12 per cent.) and *nickel* (9 per cent.) of the French colony of New Caledonia. The latter is particularly important, since otherwise Canada has a virtual monopoly of world production.

Poverty of Mandated Territories

A striking fact which emerges from both the African and non-African sections of the table is the negligible significance of the resources of the mandated territories, apart from South-West Africa's vanadium, Tanganyika's sisal, Nauru's phosphates (4·3 per cent.), and the Palestine potash deposits now beginning to be developed. Thus it can hardly be said that " it is largely due to the loss of her colonies that Germany is so adversely affected by the present position in respect of foreign exchange and raw materials," and " that their return will materially contribute towards the restoration of economic prosperity."[1] In 1911 the total exports of the German colonies to Germany amounted only to £2,105,000, as compared with Germany's total imports of raw materials (excluding foodstuffs) of £270,000,000.[2]

To sum up: supposing, for purposes of argument, the " colonial raw materials " to be those materials of which the colonies and mandates produce at least 20 per cent. of the world's supply, the list would include the following, produced in the main by the territories mentioned: *palm* and *palm kernel oil* (99 per cent.: Nigeria, Netherlands East Indies, Belgian Congo), *rubber* (96 per cent.: British Malaya, Netherlands East Indies, and Ceylon), *copra* (64 per cent.: Netherlands East Indies), *tin* (57 per cent.: British Malaya, Netherlands East Indies), *phosphates* (52 per cent.: Tunis, French Morocco, Algeria), *graphite* (46 per cent.: Korea, Ceylon, Madagascar), *groundnuts* (28 per cent.: French West Africa), *copper* (21 per cent.: Northern Rhodesia, Belgian Congo), *vanadium* (South-West Africa, Northern Rhodesia), and *sisal* (Tanganyika, Netherlands East Indies). If Southern Rhodesia were added, her chrome ore (9 per cent.) together with that of New Caledonia (12 per cent.), would qualify this product for inclusion in the list.

(1) Hamburg Chamber of Industry and Commerce, *Annual Report for* 1935, p. 35.
(2) " The Necessity for Colonies." *Economist*, November 16, 1935.

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It may be thought that by the exclusion of foodstuffs the relative unimportance of colonial resources has been over-emphasised. But it will be seen from Appendix VI that the only important foodstuffs of which the colonial areas produce more than 20 per cent. are : *cocoa* (74 per cent. : Gold Coast 41 per cent., Nigeria 11 per cent., French West Africa 7 per cent., etc.) ; *tea* (48 per cent.: Ceylon 26 per cent., Netherlands East Indies 20 per cent., etc.) ; *cane sugar* (36 per cent. : West Indies 15 per cent., Porto Rico 6 per cent., etc.) ; and *bananas* (30 per cent. : Jamaica 11 per cent., Canaries 8 per cent., Formosa 7 per cent.). For the rest, Palestine produces some *oranges* (7 per cent.), and Netherlands India some *coffee* (4 per cent.), and *tobacco* (2·5 per cent.). [It should be noted that meat and dairy products are chiefly supplied by New Zealand, Denmark and the Argentine, while the great wheat exporters are Canada, Argentina, Australia, the U.S.S.R., and (on occasion), U.S.A.]

5. THE RAW MATERIAL DEFICIENCIES OF THE LEADING INDUSTRIAL STATES.

With these colonial resources in mind it is interesting to see precisely how far not only the dissatisfied Powers, but also the colonial Powers, are deficient in essential raw materials and have to rely, in the matter of access, upon foreign exchange and foreign goodwill.

The table opposite[1] indicates roughly the degree of self-sufficiency of the seven great Powers, distinguishing the position of Great Britain and her dependencies from that of the British Empire as a whole. For purposes of comparison, Belgium and the Congo, Czechoslovakia, and Poland have also been included. It need hardly be pointed out that manufacturers do not in practice only make use of the home or colonial supplies of a raw material even when these are available in sufficient quantities. On the other hand, the home or colonial supplies which are not consumed at home are presumably exported, so that the degree of a country's self-sufficiency at least shows how far her purchase of raw materials involves a foreign exchange problem.

The obvious feature of the table is the fact that no country or political unit is entirely self-sufficient. All are necessarily dependent on foreign sources of supply for many important raw materials since the sources of raw materials are not to any large

(1) Based on Evans Clark, *Boycotts and Peace*, Appendix I ; Brooks Emeny, *The Strategy of Raw Materials* (charts) ; Sir Thomas Holland, *The Mineral Sanction*, and trade and production figures. These authorities do not always agree, particularly in regard to the position of the U.S.S.R. The table is in fact only an approximate indication of the position of the various countries.

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RAW MATERIAL DEFICIENCIES OF THE LEADING INDUSTRIAL STATES.

	Great Britain and British Colonial Empire.[1]	British Empire as a whole.	U.S.A. and Dependencies.[2]	U.S.S.R.	France and Colonies.	Germany.	Italy and Colonies.	Japanese Empire.	Belgium and Colonies.	Czechoslovakia.	Poland.
Iron	–	*	*	*	+	–	– –	–	– –	–	– –
Copper ...	–	*	* +	–	– –	– –	– –	*	*	– –	– –
Lead ...	– –	+	* *	– –	– –	– –	* *	–	– –	– –	+
Zinc	– –	*	*	–	– –	–	*	–	–	– –	+
Tin	+	+	– –	– –	– –	– –	– –	– –	*	– –	– –
Bauxite ...	*	*	–	– –	+	– –	*	– –	– –	– –	– –
Manganese ...	+	+	– –	+	– –	– –	– –	– –	– –	– –	– –
Nickel ...	– –	+	– –	– –	*	– –	– –	– –	– –	– –	– –
Tungsten ...	– –	*	– –	– –	– –	– –	– –	–	– –	– –	– –
Chromium ...	– –	+	– –	–	*	– –	– –	–	– –	– –	– –
Vanadium ...	*	+	– –	– –	– –	– –	– –	– –	– –	– –	– –
Molybdenum	– –	– –	+	– –	*	– –	– –	–	– –	– –	– –
Antimony ...	– –	– –	– –	– –	–	– –	–	– –	– –	+	– –
Magnesite ...	– –	*	–	*	– –	–	–	– –	– –	* +	– –
Mercury ...	– –	– –	–	*	– –	– –	+	– –	– –	*	– –
Coal	+	+	+	*	–	+	– –	*	–	+	+
Petroleum ...	– –	– –	+	+	– –	– –	– –	– –	–	– –	*
Asbestos ...	– –	+	– –	+	– –	– –	–	–	– –	– –	– –
Graphite ...	+	+	– –	–	+	–	–	*	– –	+	– –
Sulphur or Pyrites ...	–	–	+	–	– –	–	+	+	– –	– –	– –
Phosphates...	*	*	+	*	*	– –	– –	– –	– –	– –	– –
Potash ...	– –	– –	–	*	+	+	– –	– –	– –	– –	+
Platinum ...	– –	+	– –	+	– –	– –	– –	– –	– –	– –	– –
Rubber ...	+	+	– –	– –	– –	– –	– –	– –	– –	– –	– –
Cotton ...	– –	–	+	*	– –	– –	– –	– –	– –	– –	– –
Wool ...	–	+	–	–	– –	– –	– –	– –	–	–	–
Silk	– –	– –	– –	*	– –	– –	+	+	– –	– –	– –
Flax... ...	– –	– –	– –	+	*	– –	– –	– –	– –	–	*
Jute... ...	– –	+	– –	– –	– –	– –	– –	– –	– –	– –	– –
Hemp ...	– –	– –	– –	*	– –	– –	+	– –	–	–	–
Manila ...	– –	– –	– –	– –	– –	– –	– –	– –	– –	– –	– –
Sisal... ...	*	*	– –	– –	– –	– –	– –	–	– –	– –	– –
Vegetable Oils	*	+	+	*	*	– –	*	– –	*	– –	– –
Timber ...	– –	*	*	+	–	–	– –	–	–	+	+

\+ Exportable surplus.
* Approximately self-sufficient.
– Partly dependent on outside sources.
– – Largely or entirely dependent on outside sources.

(1) *i.e.* Colonies, protectorates and mandates. Southern Rhodesia is excluded, see p. 15 above.

(2) Excluding the Philippine Islands, see p. 15 above.

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extent topographically concentrated. In fact, the problem of access could never be solved by transfer of territory unless whole continents were transferred ; the only real possibility of improvement lies in a greater freedom of trade.

But almost equally striking are the relatively complete resources of the British Empire as a whole, of the United States, and of the U.S.S.R.

British Colonial Empire

Great Britain by herself has adequate supplies of coal only. But with the aid of her colonies, protectorates and mandates, she has more than enough rubber (Malaya, Ceylon), tin (Malaya, Nigeria), and manganese (Gold Coast), and a sufficient quantity of bauxite (British Guiana), vanadium (Northern Rhodesia), graphite (Ceylon), phosphates (Nauru and Christmas Islands), sisal (Tanganyika), and vegetable oils (Nigerian palm oil, Malayan copra, etc.) ; whilst supplies of copper (Northern Rhodesia), and of pyrites (Cyprus) are partly forthcoming. If Southern Rhodesia were included, the supplies of chromium and asbestos would also be adequate. But despite these valuable additions from her colonies and mandates, Great Britain is still left very incompletely supplied, particularly as regards petroleum and cotton.

British Empire as a whole

When to the resources of the British Colonial Empire are added those of the Dominions and India the position is radically altered. The only materials of which a serious deficiency remains are petroleum, potash, antimony, mercury, molybdenum, silk, flax, hemp, and manila hemp ; whilst the supply of cotton and sulphur or pyrites is still insufficient. Of these, the shortage of petroleum is the most vital ; but adequate supplies are obtainable from the Government-controlled oil-fields in Iran and Iraq.

U.S.A.

The United States is seriously deficient in rubber, manganese, chromium, tin, antimony, tungsten, nickel, vanadium, platinum, asbestos, graphite, silk, flax, jute, hemp, and sisal, and has inadequate supplies of bauxite, magnesite, mercury, potash and wool. The list is a fairly long one, but it is notable that the really basic materials, coal, iron, petroleum, and cotton are all present in sufficient quantities—indeed in the case of petroleum and cotton the United States is the world's largest producer and exporter.

U.S.S.R.

Information regarding the U.S.S.R. is necessarily more uncertain, but here too there seem to be adequate supplies of the four basic materials. The list of deficiencies would at present appear to be about the same length as in the case of the United States, but there is, of course, more chance of their being remedied by new discoveries. The U.S.S.R. largely or entirely depends

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upon outside sources for rubber, lead, tin, bauxite, nickel, tungsten, vanadium, molybdenum, antimony, jute, manila hemp, and sisal, and in some degree for copper, zinc, chromium, graphite, sulphur and wool.

In the case of France, Germany, Italy, and Japan, the deficiencies are so numerous that it is better to examine such resources as they do possess.

French Colonial Empire

France herself possesses abundant resources of iron, potash, and bauxite, and grows sufficient flax. With the help of her colonies and protectorates she can also supply herself with phosphates (Tunis, Morocco and Algeria), nickel and chromium (New Caledonia), graphite (Madagascar), molybdenum (Morocco), and vegetable oils (West African groundnuts, etc.). But this still leaves her comparatively poorly supplied. Though she has more than enough iron, she has insufficient coal, rubber, lead, and zinc, and no petroleum or cotton, to mention only the major deficiencies.

Germany

Germany has a surplus of coal and potash—though the higher-quality coal has to be imported for making certain steels. Otherwise she is partly or entirely deficient in every material. She has supplies of iron, lead, and zinc, but these are insufficient since Lorraine and part of Silesia were lost. The complete lack of vegetable oils is important.

Italy

Italy has more than enough silk, hemp, mercury, and sulphur, and sufficient lead, zinc, bauxite, and vegetable oils (olive oil). But whereas Germany has at least coal, Italy lacks all the most important materials, although advantage is being taken of her abundant water power for hydro-electric development.[1] Nor is her position in any way improved by her colonial possessions.

Japanese Empire

Japan also has a surplus of silk and sulphur, and has sufficient coal, copper and graphite (Korea). But she too lacks cotton and petroleum and her iron is insufficient (though inferior supplies are available in Manchukuo). Japan's possessions, notably Korea, are by no means valueless, but her deficiencies are very nearly as striking as those of Germany and Italy. But Manchukuo has sufficient magnesite to supply Japan's requirements, as well as considerable quantities of soya beans, timber, iron ore, and oil-shale. It might also be noted that North China has coal, iron and cotton.

Poland, Czecho-slovakia, Belgium

Of the three other countries whose position has been set out, Belgium is highly industrialised, and Czechoslovakia partly so,

(1) Cf. *The Economic and Financial Position of Italy*, R.I.I.A. Information Department Papers No. 15. Oxford University Press, September, 1935.

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while Poland is still predominantly agricultural, but is beginning to develop certain industries. It is evident that these countries are in very much the same position as the " dissatisfied Powers." Poland is the best-endowed, having export surpluses of coal, lead, zinc, potash and timber, and sufficient petroleum and flax. Czechoslovakia is deficient in everything except coal, timber, antimony, magnesite, graphite, and mercury, and Belgium herself in every material. The Congo can only supply her requirements of copper, tin and vegetable oils.

Foodstuffs

It may be argued that by concentrating exclusively on industrial raw materials the foregoing analysis gives a distorted idea of the relative position of the Great Powers[1]. For Great Britain is notoriously far more dependent on imported foodstuffs than practically any other nation in the world. Even with the help of her Colonial Empire she is worse off than Germany, Italy or Japan, for the colonies supply little but fruit and sugar, cocoa, tea and coffee, and vegetable oils, and leave her seriously deficient in wheat, meat and dairy products. On the other hand, the Dominions are such large producers of these last-named commodities that the British Empire as a whole can certainly be regarded as self-sufficient (although in point of fact Great Britain leans heavily on the Argentine and Denmark). Of the other countries considered, the U.S.A. and the U.S.S.R. are net exporters of most foodstuffs, whilst Poland and Czechoslovakia are approximately self-sufficient. Germany, Italy and Japan in part depend on foreign supplies for certain items—of which perhaps the chief are, in the case of Germany, fats and oils, fruit and eggs ; in the case of Italy, meat and fish, and in the case of Japan, soya beans and wheat. In fact the positions in regard to raw materials and to foodstuffs respectively only differ seriously in the case of the unit formed by Great Britain and her Colonial Empire.[2]

(1) For their trade by categories of commodities, see Appendix II.
(2) For tables showing the leading producers of foodstuffs and the importance of colonial production, see Appendix VI.

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PART II. THE PROBLEM OF ACCESS: PRESENT AND POTENTIAL RESTRICTIONS

The facts set out in Part I show that the colonial and mandated territories are much less important as sources of raw materials than is commonly supposed. Nor is the situation materially altered by the inclusion of foodstuffs, since it is only in the production of cocoa, tea, cane sugar, and bananas that the colonies are of appreciable importance. It would, however, be a mistake to suggest that the strictly colonial raw materials are of no importance at all.

Part II is concerned with the problem of access to colonial resources. It discusses how far the obstacles which hamper the dissatisfied Powers (not to mention other States) are due to (1) direct, and (2) indirect restrictions.

The first category includes preferential export duties, discrimination in the granting of concessions, and international producers' restriction schemes. The second, indirect type of obstacle is the difficulty in securing markets and, consequently, foreign exchange. Here the colonial Powers bear a certain share of the responsibility in that, the further they carry the policy of imperial preferences, and close the door to colonial markets, the more difficult it must be for other nations to find markets for their exports. On the other hand, as markets the colonies are of small importance compared with self-governing States, so that the shortage of foreign exchange is a world, not merely a colonial problem. Moreover, in estimating the effects of colonial preferences it must be borne in mind that, while the present tendency is towards reciprocal trade, multilateral trade still exists. As a result, the home country benefiting from a sure market in its colonial territories may be able to afford an unfavourable balance of trade with certain other States, which are in consequence in possession of a surplus of foreign exchange for the purchase of raw materials elsewhere.

This foreign exchange problem is so much emphasised by the dissatisfied Powers that it is dealt with before the more direct obstacles are considered.

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1. INDIRECT RESTRICTIONS.

(i) Foreign Exchange Difficulties.

"My impression is that there is no question in present circumstances of any colony withholding its raw materials from any purchaser. On the contrary, the trouble is that they cannot be sold at remunerative prices." This statement by Sir Samuel Hoare sums up in a few words one side of the question of access. Production of practically all raw materials outstrips consumption, and producers in all countries, and particularly in colonies, are only too anxious to dispose of their wares. For instance, it is greatly to Nigeria's disadvantage, and is not her fault, nor yet Great Britain's, that Nigerian exports to Germany fell from £4 million in 1930 to £1 million in 1934.

But there is also the other side of the question—the lack of the means of payment. It would be idle and unconstructive simply to declare that colonial raw materials are freely available to all who can pay for them, when it is clear that there are some countries which for various reasons do not possess the means of payment. Even within national tariff and currency areas, raw materials have, of course, to be paid for; but purchasers outside those areas, unless direct barter is resorted to, have to pay in a foreign currency, which they can only acquire by the export of goods or services, the raising of foreign credits, or the transfer of gold or securities. So long as there are obstacles to international trade which do not apply to domestic trade, it must always be somewhat easier to purchase materials within one's own currency area, although the importance of this factor can easily be exaggerated.

At its worst phase the world economic depression was characterized by a serious breakdown of the system of distribution and exchange, within as well as across national frontiers. But although in many countries there has recently been a considerable degree of internal recovery, international trade still lags behind. The contrast is brought out in the following figures:—

International Trade: Index covering 75 Countries.[1]

	1929	*1930*	*1931*	*1932*	*1933*	*1934*	*1935*
Quantum	100	93	86	74	75	77	79
Value ...	100	81	57·9	39·2	35·2	34·1	34·6[2]

(1) Source: *League of Nations Monthly Bulletin of Statistics.*
(2) Since October, 1935, calculated without Italy.

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NATIONAL PRODUCTION : INDICES FOR SEVEN COUNTRIES.

	1929	*1930*	*1931*	*1932*	*1933*	*1934*	*1935*
Great Britain	100	92·3	83·8	83·5	88·2	98·8	105·7
U.S.A....	100	80·7	68·1	53·8	63·9	66·4	75·6
U.S.S.R.	100	129·7	161·9	184·8	201·2	239·1	—
France...	100	100·4	88·9	69·0	76·7	71·0	67·4
Germany	100	85·9	67·6	53·3	60·7	79·8	94·1
Italy ...	100	91·9	77·6	66·9	73·7	80·9	92 (8 months)
Japan ...	100	94·8	91·6	97·8	113·2	128·7	136

The drop in the quantum index of international trade means that on an average every nation has been compelled by the shrinkage of its export markets to dispense with nearly a quarter of its normal volume of imports. The still more striking fall in the value index is a reflection of the calamitous fall in prices which precipitated, and has been the fundamental feature of the economic crisis.

Responsibility for the shortage

This is not the place to discuss the origins of the depression in international trade, but whatever the fundamental causes, it is clear that their effects have been greatly aggravated by the tariffs, quotas, and exchange restrictions which have been raised to prohibitive levels in the past few years. The symptoms of this economic nationalism are most evident in the poorer and debtor countries, and all too frequently the main responsibility for the outbreak of the disease is attributed to these countries. But it is only fair to point out that these countries, having extremely limited reserves of gold or foreign exchange, have largely been driven to such expedients in self-defence, owing to the refusal of certain creditor countries either to accept interest and other payments from debtor countries in the form of goods and services, or to extend them further loans. The American tariff and the French quotas have had far more disastrous international effects than the barriers erected in reply by Germany and Italy ; the fact that these two creditor countries have now accumulated two-thirds of the world's gold reserves is a sure sign that they have not been balancing their international payments and receipts.

On the other hand, it is widely held that Germany and Italy are themselves largely responsible for their foreign exchange difficulties, in that they have erected elaborate exchange controls in order to keep up the exchange value of their currencies instead of allowing them to find their natural levels.[1] As a result the

(1) On the other hand, the fear of devaluation in countries which have previously only experienced it as a consequence of inflation has been an important psychological factor in determining policy.

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prices of German and Italian goods are artificially high in terms of foreign currencies, and the export industries have been correspondingly handicapped. This criticism does not, of course, apply to Japan ; indeed, the depreciation of the yen has been a factor of major importance in the rapid expansion of Japanese exports. It is true that devaluation of the Reichsmark would immediately increase the cost of Germany's heavy foreign debt service, but this service apart from the Dawes, Young and Potash Loans, is in any case virtually suspended. In the case of Italy no such argument is valid against devaluation, for the volume of foreign indebtedness is relatively very small. Another favourite argument is that devaluation would increase the cost of imports. But if these countries did not curtail their own supplies of foreign exchange in this way they could well afford to pay slightly higher prices for their imports.

Germany and Italy have added to their marketing difficulties by their political as well as by their monetary policy ; instances are the boycott of German goods by Jews all over the world, but particularly in New York, in reply to Nazi persecution, and the sanction imposed on Italy's export trade by some two-thirds of her customers in condemnation of her aggression in Abyssinia.

Finally, one factor is common to all three countries. This memorandum is not concerned with the ethics of rearmament. But the fact cannot be ignored that the exceptional raw material demands of the armament industries have greatly aggravated the foreign exchange difficulties of Germany, Italy and Japan. " Iron," according to General Goering, " has always made an empire strong ; butter only makes people fat. . . . Either we bought butter and went without freedom, or we achieved freedom and did without butter. We decided for iron. That is one cause of the butter shortage."[1]

(ii) Preferential Colonial Import Duties.

Colonial Preferences

By comparison with the far-reaching factors just considered, the effect of preferential colonial import duties upon the foreign exchange position of the non-colonial countries is small. Further, it is illogical to limit the survey which follows to colonial preferences. For though the nations without colonies require foreign exchange for the purchase of colonial materials, these can be obtained by selling goods in any foreign markets unhampered by exchange restrictions ; and colonial markets represent a mere fraction—less than 10 per cent.[2]—of the world

(1) *Frankfürter Zeitung*, December 8, 1935.
(2) Calculated from figures in the *Review of World Trade*, 1933, League of Nations, 1934, p. 19.

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market. Quantitatively, a far more serious development is the tendency towards exclusive trade agreements, whether bilateral or multilateral. Of these, the most important are probably the Ottawa Agreements between the United Kingdom, the British Dominions, and India, particularly in so far as these involved raising the general tariffs in order to grant a preference.[1] Other exclusive economic agreements of this kind have been concluded recently, as for example the agreement between Italy, Austria and Hungary signed in March, 1934. Naturally the only objection to such agreements is their exclusiveness ; this criticism would not apply if these low tariff groups were in practice open to all countries to join.[2]

But the present survey must be confined to potential colonial changes, and therefore to colonial barriers.

Areas Governed by International Open Door Agreements

In almost all the colonial empires, there are considerable areas in which the general policy of the mother-country is not applicable, either (i) because these areas are held under a League mandate, or (ii) because they are covered by certain international treaties, or (iii) because the colonies in question are primarily engaged in *entrepôt* trade.

The Mandates

Mandated territories are divided by the League Covenant into three classes usually known as the A, B, and C mandates.[3] In the first two, the Open Door must be observed as regards the " trade and commerce of *other members of the League.*" In the

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(1) According to the *Economist*, Ottawa Supplement, October 22, 1932, p. 7, the effect of Ottawa on the British tariff was as follows :—

Percentage of Foreign Imports taxed at	10%	11–20%	over 20%
before Ottawa	32·9	15·3	4·6
after Ottawa	28·3	21·8	7·7

The percentage of imports admitted free fell from 30 per cent. to 25 per cent.

(2) See below, p. 55.

(3) See Article 22 of the Covenant. The mandates are :—

A :	Palestine	mandatory :	Great Britain.
	Transjordan	,, :	Great Britain.
	Syria	,, :	France.
	Lebanon	,, :	France.
	(The A mandate for Iraq terminated in 1932.)		
B :	Tanganyika	mandatory :	Great Britain.
	Ruanda-Urundi	,, :	Belgium.
	British Togo	,, :	Great Britain.
	British Cameroons	,, :	Great Britain.
	French Togo	,, :	France.
	French Cameroons	,, :	France.
C :	South West Africa	,, :	Union of South Africa.
	New Guinea	,, :	Australia.
	Samoa	,, :	New Zealand.
	South Sea Islands	,, :	Japan.
	Nauru	mandatory British Empire :	Great Britain. Australia. New Zealand.

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case of the B mandates, this stipulation is made in the Covenant itself ; in that of the A mandates—the class recognised as nearly ready for independent status—the provision is made in the text of the mandate. But in the C mandates, despite Belgian and Japanese demands, " the Peace Conference found it politically necessary to exclude this guarantee."[1]

Evidence of the fulfilment of the provisions of the mandate is obtained from the annual reports submitted at Geneva by the Mandatory Power and there scrutinised and criticised by the Permanent Mandates Commission. The members of the Commission can put questions to the representative presenting the report, but they are not empowered to inspect the mandated territories themselves, nor to hear complaints through the mouth of aggrieved parties in the mandated area, since petitions can only be submitted in writing through the mandatory Power.

The Open Door provisions appear to be closely observed, and as the advantages are in practice extended to non-members of the League, such as Germany and Japan, the dissatisfied Powers would seem to have little cause for complaint.

It is sometimes argued[2] that, whatever the rules laid down, in practice the bulk of the trade goes to the administering country. But the full trade figures for all A and B mandates[3] show that in fact this is by no means always the case ; in Palestine, Tanganyika and French Cameroons the mandatory is the chief supplier of imports, but in Syria, British Cameroons, French Togo and Ruanda-Urundi, it is not.

Nevertheless, the mandatory is in all cases an important source of supply, owing partly to considerations such as language and currency (the mandated territories are all linked to the currency of their mandatory), and partly to the relative importance of purchases, both official and unofficial, by Government servants, who are nationals of the Mandatory Power and naturally tend to turn to the sources they know in their home country. " With the exception of large public works (railways, etc.) which, in a mandated territory, must be submitted for international tender, the local Government obtains all its supplies from the homeland."[4] This might seem to be an infringement of the principle of " economic, commercial, and industrial equality," but in the B mandates at least it is covered by the

(1) Cf. Quincy Wright, *Mandates under the League of Nations*, University of Chicago Press, 1930, p. 474.
(2) Cf. Leonard Barnes, *The Future of Colonies*, Hogarth Press, 1936, p.29.
(3) See Appendix III.
(4) Lord Lugard, " Africa and the Powers." *The Times*, September 19 and 20, 1935.

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very wide qualification " that the mandatory shall be free to organise essential public works and services on such terms and conditions as he thinks just." Criticism is from time to time levelled at the way in which this provision is interpreted by the mandatory Powers. For instance, in the case of a British loan to Tanganyika, it was held to justify a " tying-in clause " stipulating that the proceeds of the loan be spent in the lending country. When a loan is *not* being spent on " essential public works " there are clearly no legal grounds for " tying-in " clauses, though as Lord Lugard has pointed out, there may be mitigating circumstances : " When the suzerain has special claims, such as the expenditure of large sums without any direct return—*e.g.*, the Uganda railway and liberal financial assistance—there is some justification for considering that these special advantages are a fair *quid pro quo*."[1]

Besides these indirect discriminations, there would seem to be a small but clear breach of the Open Door principle, namely, the fact that mandated territories are allowed to enter into customs unions, provided that the other members of such unions themselves preserve the Open Door. Thus British, French and Belgian mandated territories have all entered into customs unions with other colonies which fall within the area covered by the Congo Basin Convention. Obviously such arrangements discriminate in favour of those other colonies and hence the mother countries, but the Mandates Commission considered that this objection was not sufficiently serious to warrant prohibition of the unions.[2]

Other International Agreements

The second far-reaching case in which colonial policy is no longer exclusively governed by the will of the suzerain is that of the areas in which equality of opportunity is established by international treaties, namely the Congo Basin, Morocco and British and French West Africa.

Congo Basin Treaties

In the Congo Basin,[3] the Open Door is guaranteed to the signatories and to States Members of the League of Nations by the Convention of St. Germain of September 10, 1919,[4] signed by the United States, Belgium, the British Empire, France, Italy,

(1) *The Times*, September 19, 1935.

(2) For some further details regarding equality of access in mandated territories see L. Birch, *The Demand for Colonies*, League of Nation's Union, 1936, pp. 15-19.

(3) The area covered includes the Belgian Congo, parts of French Equatorial and Portuguese West Africa, Ruanda-Urundi, Kenya, Tanganyika, Uganda, Nyasaland, Zanzibar, part of Abyssinia, part of Italian Somaliland, the northern part of Northern Rhodesia and of Angola, and part of the Anglo-Egyptian Sudan.

(4) British White Paper. Cmd. 477, of 1919.

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Japan and Portugal.[1] This Convention revised the General Acts of Berlin, 1885, and of Brussels, 1890. The Berlin Act was the result of French and German protests against British "recognition" of Portuguese rights over the mouth of the Congo, after the potentialities of the Congo Free State had become evident. It guaranteed freedom of import into the Congo Basin for the goods of all nations; this provision was revised by the Brussels Act, which allowed 10 per cent. revenue tariffs on imports, but no preferential or transit duties. Under the Convention of St. Germain there is no limit in the height of tariffs, but complete commercial equality is guaranteed. No provision is made for denunciation. But under Acticle 15, "the Signatory Powers will reassemble at the expiration of ten years from the coming into force of the present Convention, in order to introduce into it such modifications as experience may have shown to be necessary;"[2] under Article 12, "the Signatory Powers agree that if any dispute whatever should arise between them relating to the application of the present Convention which cannot be settled by negotiation, this dispute shall be submitted to an arbitral tribunal in conformity with the provisions of the Covenant of the League of Nations."

Act of Algeciras

The Open Door is also established by international treaty in Morocco. This is based on the Algeciras Convention of 1906, signed by Great Britain, France, Germany, Spain and Italy. When France assumed a Protectorate over the French zone in 1912, an Open Door pledge was again given. But after the war, Germany, Austria and Hungary surrendered their rights under the Algeciras Convention by special clauses in the Peace Treaties.

The Anglo-French Convention of 1898

In certain British and French West African colonies[3] the position is governed by an Anglo-French Convention of 1898 by which the two countries undertook not to discriminate against one another in these areas. This immunity extends to most other important States by virtue of most-favoured-nation clauses included in their trade treaties with the two Powers. The States in question include Germany and Italy, but not Japan (the application of the Anglo-Japanese Commercial Treaty of 1911 to the West African territories having been terminated by the British Government in 1934) and not the U.S.S.R. (whose present trade agreements with Britain do not give her most-favoured-nation

(1) Ratifications were deposited as follows: Great Britain, July 31, 1920; France, July 23, 1921; Japan, April 6, 1922; Portugal, October 7, 1922; Italy, April 4, 1931; U.S.A., October 29, 1934. The Convention entered into force for each signatory Power from the date of its ratification.

(2) No such meeting has in fact taken place.

(3) Nigeria and the Gold Coast, Dahomey and the Ivory Coast.

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rights in the colonies). But the present equality would appear to be threatened, for the French Government recently suggested that the provisions of Article 9 of the 1898 Convention—the relevant article—should be suspended by mutual consent of France and Great Britain, adding that, failing such agreement, the whole Convention will cease to operate as from October 22, 1936.[1]

But however wide open the door, the trade figures show that in these special areas the governing Power in practice enjoys marked advantages, far more so than in the case of the mandates:

IMPORTS.

1934 *French Morocco* (Act of Algeciras) %		*1934* *Nigeria* (Anglo-French Convention) %		*1933* *Belgian Congo* (Congo Basin Treaty) %		*1934* *Kenya-Uganda* (Congo Basin Treaty) %	
France & Algeria	43·7	U.K.	55·2	Belgium	43·4	U.K.	36·8
Japan	8·1	Japan	6·9	U.K.	13·5	Japan	15·3
China	5·6	U.S.A.	6·1	U.S.A.	7·9	Tanganyika	14·4
Belgium	5·5	India	6·0	Germany	6·5	U.S.A.	6·2
U.S.A.	5·3	Germany	4·7	Japan	5·6	India	5·5
U.K.	4·5	Netherlands	2·2	France	3·1	Germany	3·5
Rumania	4·4						
Italy	3·6						

This tendency is not necessarily the result of policy; it is in part due to the factors such as language, currency and the nationality of the administrative staff already noted in the case of the mandates. In the colonies these advantages are enhanced by the fact that the unofficial white population is usually mainly from the mother country, with which there are therefore long-standing business and cultural connections.

Policy outside these areas

The Open Door is already guaranteed (except to certain Powers in West Africa), in the greater part of the African dependencies, and also in Palestine and Syria. Elsewhere throughout the colonial empires, the tariff policies of the Imperial Powers are a matter for individual decision.

Great Britain

In the British colonies, except in the mandated and treaty-governed territories already enumerated, Imperial preference has been steadily extended since the war.[2] It was estimated by the United States Tariff Commission in 1922 that though twenty-six out of the fifty-five British colonies already gave certain Imperial preferences, only 5 per cent. of British colonial trade was

(1) *Board of Trade Journal*, December 19, 1935, p. 854.
(2) For detailed lists see *Customs Tariffs of the Non-Self-Governing Colonies, Protectorates, Mandated Territories, etc.* (Colonial No. 97, H.M. Stationery Office, 1934).

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affected by them. The proportion now must be far larger. In particular, at the Ottawa Conference the British Government undertook to "invite" the Governments of certain non-self-governing colonies and protectorates to accord specific new or additional preferences to Canada, Australia and India.[1] Moreover, these and other existing preferences had virtually all to be extended to other Empire countries.[2] The Ottawa preferences were established for five years; they cannot be removed before August 1937. It is impossible to generalise regarding their size, but frequently they are of the order of 30 per cent. to 50 per cent. of the general tariff; in some cases, for instance, in that of canvas rubber-soled shoes, they are considerably higher.

But the most striking example of discrimination in the Colonial Empire is afforded by the textile quotas imposed in 1934. In the previous year or two the pressure of Japanese competition in this sphere had become so acute that the British Government decided to restrict imports of cotton and rayon piece-goods into British colonies not pledged to maintain the Open Door; quotas were accordingly allocated to foreign countries on the basis of their average exports to the relevant colony in 1927-31.[3] Except in West Africa, imports from all countries were restricted; but the choice of 1927-31 as base years meant heavy *de facto* discrimination against Japan, since her trade with the British colonies in the 1927-31 period was only a fraction of that she had acquired by 1934. In the West African colonies, the discrimination was *de jure* as well, since the terms of the Anglo-French Convention made it impossible to restrict any but Japanese imports—a fact of which Czechoslovakia and Italy have taken advantage.[4] In West Africa duties discriminating against Japan have been imposed on articles of apparel, galvanised iron and cement.

The effect of this action is illustrated by the following figures: the import of Japanese cotton piece-goods into British dependencies where quotas were applied fell from 51 million linear yards in the first quarter of 1934 to 10 million linear yards in the first quarter of 1935; by contrast, the imports into the

(1) Cf. *Imperial Economic Conference at Ottawa, 1932: Summary of Proceedings and Copies of Trade Agreements* (Cmd. 4174 of 1932), United Kingdom—Canadian Agreement, Article 8; United Kingdom—Australian Agreement, Article 7; United Kingdom—India Agreement, Article 9.

(2) Provided for in the Articles enumerated in footnote (1) above, and in similar Articles in the Agreements with the other Dominions.

(3) For details see *Board of Trade Journals*, May-July, 1934.

(4) Cf. "How the Colonial Quota System is Working," *Manchester Guardian Commercial*, October 4, 1935. Some account of the working of the quotas is also given in G. E. Hubbard, *Eastern Industrialisation and its effect on the West*, Chapter I. Oxford University Press, 1935.

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dependencies where quotas were not applied rose from 20 to 27 million yards.[1]

France

France maintains very close trade relations with her colonies. Algeria being part of France is included in the French customs area ; Tunis makes its own customs regulations subject to the approval of the French Ministry, and grants heavy preferences to French goods.

Under the Colonial Customs Act of April 13, 1928, the " assimilated areas " (Indo-China, Madagascar, Guadeloupe, French Guiana, Martinique and Reunion) enjoy free trade with the mother country and have virtually the same tariffs ; in effect, therefore, they afford 100 per cent. preferences to France and receive them in return. The non-assimilated areas comprise the mandates and treaty territories already referred to and the remaining French colonies. Of these latter, only French Somaliland, which is chiefly of importance for entrepôt trade, maintains the Open Door ; in the other territories (part of Gaboon, New Caledonia and other Pacific Islands, French India, etc.), the tariffs strongly favour the mother country.

The complicated import quotas established by France since 1931 do not place any restrictions on the import of colonial produce, whilst some of the colonies have been given quota systems of their own correspondingly favourable to France.[2] In consequence the proportion of France's import and export trade conducted with the colonies has risen strikingly in the past few years.[3]

The report of the French Colonial Conference of 1934-35 affords evidence of a strong movement in favour of still closer trade relations with the colonial empire, even to the extent of denouncing the treaties guaranteeing the Open Door in certain areas.[4]

Netherlands

The Netherlands repealed her last preferences in favour of her own goods in 1886, and since that date her colonial economic policy, based upon strict observance of the Open Door principle, has been recognised as the most liberal in the world. Only very recently has any question of discrimination arisen. The Netherlands East Indies provided an obvious target for the onslaught

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(1) Written answer by Mr. J. H. Thomas in the House of Commons, *Hansard*, December 20, 1935, Col. 2154.

(2) Cf. F. A. Haight, *French Import Quotas*. P. S. King & Sons, 1935, p. 14.

(3) Trade with the Colonies, Protectorates and Mandated areas as a percentage of total French trade :—

		1930	1931	1932	1933	1934
Imports into France	%	12·5	14·7	20·9	23·7	25·3
Exports from France	%	20·6	24·0	31·5	32·4	30·9

(4) See *Rapports Generaux et Conclusions d'Ensemble*, and in particular the reports of the two special committees on increased home export to the colonies, Vol. I, p. 228-9 and Vol. II, pp. 40-41.

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of Japanese competition, and in 1933 by the Crisis Import Ordinance, the Governor-General was empowered to introduce an emergency quota system.[1] The quotas imposed under this ordinance on textiles, beer, cement, etc., have *de facto* discriminated considerably against Japan.

Belgium

In both the Belgian possessions the Open Door is pledged by Treaty. The whole of the Belgian Congo comes within the Conventional Basin of the Congo. It is true that in the days of the Congo Free State the provisions of the Berlin Act were notoriously violated. But the situation was radically altered after the territory became a Belgian colony in 1908, and " the Belgian Congo is no longer the subject of exceptional complaint."[2] In Ruanda-Urundi the Open Door is additionally guaranteed by the status of the territory as a B Mandate.

Portugal

The small part of Angola which lies north of the River Loge comes within the Conventional Basin of the Congo, and is therefore required to preserve the Open Door ; and Macao is a Free Port. But the Azores and Madeira are included in the Portuguese customs area ; and all the other Portuguese possessions give heavy preferential treatment to Portuguese goods. In Mozambique the preferences amount to 50 per cent. or over.[3] In Angola (outside the small Congo Basin area) " the basic duties on goods of Portuguese origin are generally 10 per cent. of those on merchandise coming direct from a foreign country ; while foreign goods imported by way of Portugal, after having paid import duties there, pay upon entry into Angola only 80 per cent. of the duties levied on foreign goods coming direct."[4] In recent years the position has been rendered still more favourable to Portuguese exporters by the Decrees of August 17, 1931, and of April 22, 1932, imposing drastic exchange restrictions in Angola and Mozambique respectively. For under these Decrees no foreign exchange is allocated for the import of luxury goods (supplied chiefly by foreign countries, notably the United Kingdom) until all the demand for necessities has been satisfied. Moreover, definite preference is given in releasing exchange for the import of Portuguese goods. Thus £225,000 was lent to the Angolan Exchange Fund to facilitate transfers in payment for Portuguese goods only.

Recently attempts have been made to stimulate inter-colonial

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(1) G. E. Hubbard, *Eastern Industrialisation and Its Effect on the West*, p. 9.
(2) B. Gerig, *The Open Door and the Mandates System*, p. 52.
(3) Department of Overseas Trade Report, 1929, p. 17.
(4) Department of Overseas Trade Report, 1925, p. 25.

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trade by preferential treatment. Since 1933 tobacco, sugar, rice, coffee, and other commodities have been allowed to pass from one colony to another duty free, or under reduced tariff, and in some cases free of export tax.

Italy

Practically all the commercially developed part of Italian Somaliland falls within the conventional basin of the Congo ; nevertheless, a preferential tariff in favour of the motherland obtained there for many years ; it was finally abolished in 1934. In the other Italian colonies preferential duties obtain. In 1934 a writer in the semi-official periodical *Gerarchia* pointed out that Italy did not yet figure in the import trade of her colonies in the measure which was " possible and necessary." He went on to point out the spread in other empires of policy of the Ottawa type ; " our colonies are in this respect a positive element for the furtherance of Fascist policy."[1]

Spain

In the Spanish zone of Morocco the Open Door is guaranteed for most countries by the Act of Algeciras. In the Canary Islands the Open Door is maintained as a matter of policy. In the other colonies preference is the general rule.

Japan

Only in the Leased Territory of Kwantung is the Open Door maintained (by Treaty). In the Pacific Islands held as C Mandates, the principle of the Open Door is evidently not scrupulously observed, despite Japanese demands at the Peace Conference for its application to C as well as to A and B Mandates.[2] Korea, Formosa, Sakhalin and all other Japanese possessions are " assimilated "—that is to say they are in a customs union with Japan, and impose the same import duties on foreign produce.

United States

Hawaii being constitutionally a part of the United States, the tariff system is assimilated thereto. Elsewhere import duties give preference to American produce.

British Dominions

The possessions of the British Dominions, apart from Papua, are held as C Mandates ; specific preferences are given in Western Samoa and in South-West Africa.

To sum up, in almost all colonial territories not covered by special treaty the export trade of the non-colonial Powers is restricted ; as regards the special treaty territories, in the colonies the imports come predominantly from the mother country, but in the case of the mandates, the mandatory is by no means always the chief supplier.

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(1) G. E. Pistolese, " Economia coloniale ed economia nazionale," *Gerarchia*, January, 1934. pp. 50-51.

(2) Quincy Wright, *Mandates Under the League of Nations*, 1930, p. 259, note.

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2. DIRECT RESTRICTIONS.

(i) Discriminatory Export Duties.

Direct restrictions upon access must now be considered. One example of these is the discriminatory export duty imposed on the raw material itself.

Export duties of moderate dimensions are employed as a normal method of obtaining revenue in many primary-producing countries. They are levied chiefly in little-developed countries where there is limited scope for direct taxation, and where the bulk of the revenue must be obtained by levies on imports or exports or both. As such, they are not open to serious objection on the score of discrimination ; they are therefore ignored here.

But in some colonial areas such duties have been made to discriminate in favour of the industry or shipping of the mother country (sometimes purely for strategic reasons), so giving cause for complaint to consumer and " starved " states.

Though the complaint is theoretically valid, in practice it is not very well founded, because in most of the colonial empires such duties are very few.

In the British Colonial Empire there are now only three examples of discrimination of this kind ; all apply to tin. Tin ore exported from the Federated Malay States and Johore is charged a prohibitive duty unless destined for smelting in the Straits Settlements (since 1903), the United Kingdom (since 1904), or Australia (since 1916).[1] Since the war a similar preference has been accorded on exports of tin ore from Nigeria to the United Kingdom or British possessions.[2] A heavy discriminatory duty upon palm kernels exported from British West Africa was approved by Parliament in 1916, but was only applied between 1919 and 1922.

As regards the policy of other colony-owning countries, " Portugal makes wide use of discriminatory colonial duties to favour her shipping, and the port of Lisbon has been built up largely as a warehouse and transhipment centre for colonial products. France . . . has long imposed discriminatory colonial export duties on a few products, and she has increased the number since the war. The other colonial powers do not ordinarily enforce discriminatory export duties in their colonies,

(1) When the price of tin is $41 per pikul, a duty of $2.40 is charged on all exports of tin ore from the Federated Malay States ; and this duty rises by 12 cents for every $1 rise in the price of tin. But unless the ore is to be smelted in the Straits Settlements, the United Kingdom, or Australia, an additional duty of $30 per pikul is charged.

(2) The preferential export duty is equivalent to 50 per cent. of the maximum royalty payable in respect of tin ore—which is at present 10 per cent.

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though such duties are found in Spanish Guinea and in Italian Libya and Somaliland. Since 1913 the United States has permitted no export duties of any sort in its dependencies except in the Virgin Islands."[1] Japan does not levy export duties.[2]

It should be remembered that neither the French nor the Portuguese Colonial Empires enjoy anything like a monopoly of any raw material.

(ii) Restriction on Exploitation.

Freedom of access implies the right to exploit as well as to purchase colonial raw materials on equal terms.

In the A and B mandated territories and in the Conventional Basin of the Congo this right is included in the guarantee of equality of commercial opportunity. Moreover, a special provision prohibits monopolistic concessions except where these are required for fiscal purposes. In other colonial territories the position varies considerably.

British Empire, Netherlands Empire

Subject to certain exceptions referred to below, in the British and Netherlands colonies the Door is as open to foreign as to British or Netherlands' capital. Thus in British Malaya rubber is cultivated by companies known to be under Japanese, American, Belgian, French, Danish and Italian control; Japanese companies also have investments in Malayan iron and manganese mines. Moreover, American companies are interested in manganese in the Gold Coast, petroleum in Trinidad, and bauxite in British Guiana. In the Netherlands East Indies 56 per cent. of the capital invested in rubber is foreign, of which 30 per cent. is British and 8 per cent. American; 30 per cent. of that in tea is foreign, chiefly British, and 46 per cent. of that in oil-palm production is foreign, of which 31 per cent. is French or Belgian.[3] Recently a concession for cotton-growing was granted to Japan in Dutch New Guinea, covering 214 square miles—one-tenth of the area demanded.[4]

In the British colonies, the only exceptions relate to the exploitation of petroleum. Thus, in British Honduras, Brunei, the Cayman Islands, Fiji, the Gold Coast, Nigeria, Nyasaland and Trinidad, oil leases or licences are only granted to British subjects. No other form of exploitation is so restricted, but in cases where it has proved convenient to grant concessions to single companies there is, as in most empires, a natural bias in favour of national

(1) B. B. Wallace and L. R. Edminster, *International Control of Raw Materials*. The Brookings Institution, 1930, p. 238.
(2) W. S. Culbertson, *International Economic Policies*, 1924, p. 225, note.
(3) Cf. *Le Temps*, October 29, 1934.
(4) *The Times*, November 19, 1935.

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concessionaries. Where such concessions are granted they effectively exclude the foreigner in the field to which they apply. Foreign objections here are the more valid where the concession granted is very large. For instance, as regards the British Empire, there are complaints of the monopolistic rights enjoyed by the British South Africa Company in Northern and Southern Rhodesia.[1] The only restrictions on foreign capital in the Netherlands Empire apply to mining; foreign companies can only obtain mining concessions provided that they have their seat, and the majority of their directors dwell, in the Netherlands or Netherlands India.

French, Belgian and Portuguese Empires

In the French colonies far-reaching restrictions are placed in the way of foreign capital, unless two-thirds of the control of the company is in French hands.[2] Partly, no doubt, as a consequence of this exclusive policy, the considerable resources of the French colonies are relatively unexploited.[3] Despite the provisions of the Berlin and St. Germain Conventions, investment in the Belgian Congo is also very largely restricted to nationals of the mother country, although there is a certain amount of British capital invested in the colony, particularly in the productive Katanga mines. In the Portuguese colonies restrictions have not prevented the influx of foreign capital (British, French, Belgian and American), particularly into Angola. Mozambique is still very little developed; but there, too, there are some British investments.

Japanese Empire

In the Japanese Empire, as in the French, foreign capital is not welcomed. The Italian and Spanish possessions offer little attraction to investors in any case. There remain the mandates of the British Dominions. Since these have C status there is no specified obligation to preserve the Open Door for purposes of investment. But the "principle of disinterestedness" is such a fundamental feature of mandatory government that infractions of the Open Door are severely criticized. Thus the decision of the Governments of Great Britain, Australia and New Zealand to monopolise and share between themselves in agreed proportions the products of the valuable phosphate deposits of the Pacific island of Nauru provoked severe criticism at Geneva.

British Dominion C Mandates

Where the restrictions are negligible foreign investors may be deterred by a preference for investment under the national flag, by government pressure to this end, or by exchange restrictions. On the other hand, the nationals of some countries have

(1) See C. K. Leith and others: *Elements of a National Mineral Policy*, New York, 1933, p. 75.
(2) C. K. Leith and others. *Op. cit.*, p. 74.
(3) Cf. H. Hauser, *La Paix Economique*, pp. 52-3.

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in recent years preferred foreign investment as offering greater security.

(iii) International Restriction Schemes.

Commodity control schemes indirectly restrict access to raw materials in so far as they cause a rise in prices. Potentially, they are also open to criticism in that they give rise to the dangers of monopolistic control. But the criticism that they discriminate against manufacturers in purely consuming countries does not appear to be justified, although it may be noted that any rise in price is more serious for a country which has to pay in foreign exchange than for one which can pay in its own or in a linked currency.

Before the war there were few control schemes, although they were not entirely unknown. But since the war they have become an inherent and an important part of the world's economic system, schemes having at one time or another been applied to the following industrial raw materials: rubber, tin, potash, nitrates, copper, lead, zinc, wood-pulp, sawn wood-goods, cotton, aluminium and steel.[1] A short survey of the more important schemes is given in Appendix IV. Here all that is relevant is the trend of their effect on the consumer.

Reasons for their establishment

A distinction should be drawn between two main reasons which have prompted the establishment of these schemes: (i) the immense expansion of productive capacity during the war, and (ii) the sudden contraction of demand during the world depression.

(i) It may reasonably be argued that any attempt to share the shrunken post-war markets between high and low cost producers was illegitimate, and that the proper course would have been to adjust supply to demand by the competitive elimination of the former. On the other hand, the argument against this course is that a long period of dislocation and price instability would have been unavoidable while the necessary adjustments were working themselves out.

(ii) But the more recent schemes must be judged in a completely different light; for "what is wanted here is to enable the whole body of the existing producers to weather the storm, so that there may be no destruction of capacity which will again be required when the demand recovers to its former level, as it may reasonably be expected to do in due course."[2]

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(1) Amongst the foodstuffs, coffee, sugar, tea and wheat have been subjected to restriction.

(2) "Artificial Control Schemes and the World's Staples," J. W. F. Rowe. *Index*, April, 1935, p. 83. (Published by the Svenska Handelsbanken, Stockholm.)

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Manner of working the schemes

But even where there are good reasons for the establishment of control, a restriction scheme is only justifiable if it is worked with due regard to the interests of the consumer ; and the promoters of those schemes soon learnt that there are at least three possible checks to the effectiveness of a short-sighted policy, namely : (1) expansion of output by low-cost producers outside the scheme (cf. Stevenson scheme (rubber), Copper Exporters Incorporated (copper)) ; (2) increased use of substitutes (*e.g.* aluminium in place of tin) ; (3) " recovery " of used materials (cf. Stevenson scheme).

The early policy of starving the market was also responsible for accusations of unfair discrimination, and in fact for the general indictment of control schemes. Sometimes the accusation was justified, sometimes not. For instance, the United States levelled this criticism at the British Empire over the Stevenson rubber scheme. It is true that the United States, as the largest consumer of rubber, suffered severely from the sudden rise in price, just as American consumers had formerly benefited from the abnormally low price ; but there is no more evidence of discrimination in the one case than in the other. All consumers suffered alike, whether British or American. On the other hand, one of the reasons for the failure of the first copper control scheme, which was in the hands of an American body (Copper Exporters Inc.), was that Copper Exporters Inc. began to discriminate in favour of American consumers.

In the more recent schemes attempts have been made to avoid the mistake of disregarding the interests of the consumer. Clearly he is compelled to pay somewhat more for his material, but as against this he benefits considerably from the establishment of a relatively stable price-level. Moreover in the new-model tin (1933) and rubber (1934) schemes, consumers' panels have been appointed to advise in working the control ; and an endeavour has been made to expand the available market by including in the schemes provision for research into new uses for the material.

Attitude of the World Economic Conference 1933

In fact, the new tin and rubber schemes represent a nearer approach than did their predecessors to the ideal scheme envisaged by the World Economic Conference of 1933 :

> " It should be fair to all parties, both producers and consumers ; it should be designed to secure and maintain a fair and remunerative price level ; it should not aim at discriminating against a particular country, and it should as far as possible be worked with the willing co-operation of consuming interests in importing countries who are equally concerned with producers in the maintenance of regular supplies at fair and stable prices."

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CONCLUSION

Requirements for successful solution

The facts set out in the preceding sections of this memorandum provide a basis on which to judge how far the purely *economic* difficulties of the dissatisfied Powers could be cured or mitigated by the colonial adjustments to which they lay claim. But as has been stated before, economics are only one side of the picture: considerations of prestige, strategy and psychology are also important, and no solution can be successful unless all these aspects are taken into account.

Economic facts to be borne in mind

But when considering the economic side, certain points which emerge from this survey of the facts must not be lost to view. Undoubtedly direct restrictions upon the access of non-colonial States to colonial raw materials are a source of irritation to those States, but such restrictions are not at present far-reaching or important. They are a potential, not an actual barrier. Access is hampered far less by them than by the indirect restriction caused by the failure of international trade to revive. This source of trouble is world-wide, not colonial in scope (for instance, the removal of discrimination against Italian, German and Japanese goods in all the colonial territories in the world would probably be of less net advantage to them than a lowering of the United States tariff), and it appears to follow that the chief remedies must be sought farther afield than in mere colonial readjustment.

Moreover, as the review of the remaining non-self-governing areas of the earth has shown, colonial areas represent—except in the case of rubber—only a small proportion of the world's industrial raw material production. Natural resources are very unevenly distributed over the earth's surface, and if the method of colonial adjustment alone be adopted to meet the economic needs of the dissatisfied powers, it seems that it might involve exploitation on a scale which is incompatible with the interests of the present inhabitants of the territories.

Solutions so far proposed

At the time of writing, there is a growing consciousness that peaceful change is the alternative to serious trouble, and the British press and numerous pamphlets published by well-known writers are full of suggestions for possible colonial change, some of which ignore or under-estimate certain of these important economic facts.

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The proposals made range over a wide field, and it is perhaps useful to summarise them here with an indication of the chief criticisms levelled at each.

Transfer of colonies or mandates

1. Some thinkers advocate transfer of territory. For instance, Lord Lothian, speaking to the National Peace Council Conference on *Peace and the Colonial Problem* stated that he "would not rule out the possibility . . . because if so other nations will never take our declared willingness to consider revision seriously."[1] But the step is condemned by others. Lord Lugard, for example, considers that it would be unjustifiable except in the case of "willing consent, or at least complete indifference on the part of the natives concerned."[2] Mr. Leonard Barnes rules it out as "based on a false psychological approach, since it perpetuates the notion that colonial 'swag' is a legitimate possession only needing fair distribution among the 'robbers.'"[3]

On more strictly economic grounds, others point out that peaceful transfer might not mitigate foreign exchange difficulties to the extent imagined. On the one hand the savings in foreign exchange which a state would achieve by acquiring resources within its own currency area would be offset by the liabilities incurred in the assumption of the colony's existing public debt and in payment of compensation to existing concerns which might have to be bought out. On the other, guarantees would have to be given to the native population, which might deprive the territory of much of its attraction from the point of view of rapid exploitation of resources.[4]

In any case the facts given in the present memorandum make it clear that the territories whose transfer is usually envisaged could not furnish the raw materials required.

Creation of International Mandates

2. Another school of thought advocates transfer not to foreign but to international hands—to an international authority acting for the League, and representing the dissatisfied as well as the present colonial Powers. Mr. J. L. Hammond[5] suggests that

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(1) Report of Proceedings. National Peace Council, October, 1935, pp. 12-13.
(2) "The Basis of the Claim for Colonies." *International Affairs*, January-February, 1936, p. 14.
(3) *The Future of Colonies*, Hogarth Press, 1936, p. 35.
(4) Cf. Herr Hitler to the National Socialist Students Association, Munich, January 26, 1936: "The white race is destined to rule. It has the unconscious urge to rule. This urge arises from its heroic conception of wealth, which is entirely non-pacificist. After all, what a great statesman said is true, that the British Empire was built up by adventurers. To-day American professors dispute the justification of this conception, but when the white race abandons the foundations of its rule over the world it will lose that rule. It is a rule which is the basis of the European economic structure."
(5) *Manchester Guardian*, October 7 and 8, 1935, and speech reported in the same paper on February 4, 1936.

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" one by one the problems of colonies should be detached from the rivalries of nations and put under international control " administered by an international civil service responsible to the League of Nations. Professor Arnold Toynbee[1] advocates change along the same lines, contending that a beginning should be made with the transfer of particular services : " Another innovation . . . would be the transfer of certain selected administrative services from the hands of the local sovereign to those of the League of Nations itself, with the proviso that these services should be staffed, and this not as a favour but as of right, by nationals of Powers other than the local sovereign up to some agreed percentage of the total personnel."

Here again other thinkers raise objections: Lord Lugard agrees with Professor Toynbee's point, but feels that though Mr. Hammond's wider suggestion is a " great and attractive idea," experience both in the colonies and on the Mandates Commission proves it to be unworkable in practice, chiefly for lack of a " common standard." " Government by committee is at best unsatisfactory, as the condominium of two experienced colonial Powers has shown alike in Egypt and in the New Hebrides . . ." He argues that success is still less likely if one presupposes a condominium of several Powers, for " the native policies of the Powers vary greatly and no device could be more sure of generating friction. In point of fact the officer appointed as Governor would dictate the policy and his nation . . . would become *de facto* mandatory."[2] Moreover, the policy of the local administrator would tend to be that of the nation to which he belonged and would be " liable to change when he was succeeded by another."[3] He adds that " it is very doubtful whether such a scheme, even if practicable, would satisfy the *amour propre* of claimants for colonies in their own right." Mr. Leonard Barnes considers the proposal impracticable for the same reasons.

Extension of national mandates system

3. A third constructive suggestion advocated amongst others by Sir Arthur Salter,[4] Professor Norman Bentwich[4] and Mr. Barnes[5] is that the imperial Powers should offer to bring their colonies under a mandate system—*i.e.*, to adminster them themselves " not in exercise of the old arbitrary imperialism, but as agent for the League and in accordance with provisions defined in a League mandate. Those provisions would include, amongst others, the four key-provisions of the present B mandates, viz.,

(1) " Peaceful Change or War ? " *International Affairs*, January-February, 1936, p. 48.
(2) " Africa and the Powers," *The Times*, September 20, 1935.
(3) *International Affairs*, January-February, 1936, p. 16.
(4) *Peace and the Colonial Problem*, pp. 5-10 and 23-30.
(5) *The Future of Colonies*, p. 37.

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that the well-being of native peoples should be treated as a primary trust ; that the Open Door should prevail ; that there should be no militarisation either of population or of territory, and that there should be an annual examination of the mandatory by the Mandates Commission."[1]

Professor Bentwich and Mr. Barnes both add to this proposal one important stipulation : that if it is to work, the Mandates Commission needs fuller powers than it at present enjoys, notably that members of the Commission should no longer derive their evidence solely from the report of the mandatory, but that they should be empowered to make tours of inspection in the territories under mandate. An objection raised to this is that it would be unwise to empower one particular member, visiting the territory for a comparatively brief period, to speak and judge for the Commission.[2]

Mr. Barnes also points out that the colonial Powers, when turning their colonies into mandates, would be unwise were they to do so without demanding some return ; they " should bargain as hard as they can to secure a *quid pro quo* no less calculated to strengthen the foundations of a durable peace. And the *quid pro quo* asked for should comprise the return of Japan and Germany to the League, and the agreement of all the dynamic (*i.e.*, dissatisfied) Powers (*a*) to work the trusteeship principle in terms of the suggested reforms in the mandate system ; (*b*) to sign a disarmament convention, and (*c*) to enter into a system of co-operative defence."[3]

The opening of the Colonial door

4. Lord Lugard holds that if the sole object to be gained is equality of economic opportunity, the cost and complication of converting present colonies into mandates administered by their present suzerains is unnecessary, since the same end can be met by opening the colonial door.[4]

He further suggests that some suzerains might prefer this system, some the transfer solution, and points out that the two methods are not mutually exclusive.[4]

> " While I am convinced that foreign Powers would emphatically decline to place their colonies under mandate, I have gained the impression, from conversations and other indications, that some Colonial Powers in Africa, not having made such pledges as have the British, would not lay the same stress on the consent of the Natives to a change of the mandatory, and would prefer to surrender a mandate provided

(1) *The Future of Colonies*, p. 37.
(2) Cf. Lord Lugard, *International Affairs*, January-February, 1936, p. 25.
(3) *The Future of Colonies*, p. 45.
(4) *International Affairs*, January-February, 1936, pp. 13-15.

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they received adequate compensation for foregoing their rights. If they are right in thinking that the inhabitants would be indifferent to the change, and if the present mandatory preferred to surrender its mandate rather than to adopt the " economic equality " regime in all its colonies, the two methods in combination might perhaps provide an effective solution."

The Open Door is not a synonym for free or even freer trade ; it simply means that the tariff, high or low, is the same to all. A concrete proposal for equality on a low tariff basis is made by Mr. Leonard Barnes, who suggests that the British Empire as a whole, which, together with other countries linked to sterling, forms a vast economic group—is in a position to give an effective lead by forming an Empire low tariff group *open to other countries to join on the same terms.*[1]

Formation of Chartered Companies with wide powers

5. Yet another proposal is for " the establishment of one or several chartered companies authorised to operate in the colonial field in the interests of the present " have-not " countries with a complete disregard to the old " trade-follows-the-flag " slogan.[2]

It is argued that transfer of territory cannot fulfil economic needs since " nature has distributed raw materials so unevenly over the world that in a single area, extensive though it might be, very few of the essential commodities might exist." The proposal involves the allocation to such companies of undeveloped land within the colonial territories. But to fulfil the various economic requirements " such areas should be large enough to give them the character of more or less self-governing and self-supporting provinces, affording possibilities for general economic activity and invested with the right of minor jurisdiction, the issue of their own coins for internal circulation and control over their own policy and police." One flaw in the proposal is that so long as the currencies remain unstabilised, it affords no solution to the foreign exchange problem except to the country to whose currency the " coins for internal circulation " are linked, which country is immediately at an advantage over all its fellows.

International Guarantee of Free Access

6. Whatever the course adopted in the matter of colonial administration, Sir Arthur Salter feels that much could be gained by some guarantee of perpetual access to all raw material sources. " I think it would be desirable that there should be a general international convention guaranteed by all the great colonial

(1) *The Future of Colonies*, p. 16. The italics are ours. Since going to press, Mr. Amery (*The Times*, April 15, 1936) has suggested that the European nations west of Russia should, with their colonies, successfully co-operate in a system of mutual preference, and should abandon most-favoured-nation rights for this purpose.

(2) See Dr. Edgar Stern-Rubarth in the *Spectator*, February 14, 1936.

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Powers guaranteeing that at all times raw materials should be supplied on equal terms to all purchasers, and that even in war time there should be no interferences with that supply except by collective action for the enforcement of international covenants."[1] In other words, Sir Arthur Salter advocates a return not to Free Trade but to non-discrimination in all territories, colonial or other, the only case where discrimination is legitimate being that of the application of economic sanctions.

This proposal is frequently countered with the contention that it has been brought forward before, often in more favourable conditions than the present, and that it has always proved abortive. This is no argument against it, though the past history of the project is, with one exception, depressing.[2]

History of earlier efforts

The Italian draft for a League Covenant stated that " the international distribution of the foodstuffs and raw materials required to sustain healthy conditions of life and industry must be controlled in such a way as to secure for every country whatever is indispensable to it in this respect." A special committee of the Peace Conference[3] debated raw materials, but led to no practical results and the Supreme Economic Council, and other international bodies meeting in 1919-20, got no farther than recommending a removal of the artificial economic barriers which were the result of the war. The question was also brought up, again on Italian initiative, at the first Assembly.

In pursuit of a League Council resolution of October, 1920, an extensive enquiry into the question of access was undertaken by the League of Nations in 1921. Two comprehensive questionnaires were circulated and the results were co-ordinated in a report compiled by a body of experts headed by the Italian Professor Corrado Gini.[4]

On the basis of this investigation, the Economic and Financial Committee recommended a number of immediate remedies for the existing abnormal conditions, but pronounced against any international office for the distribution of raw materials in view of " insuperable difficulties involved in organising it and its probable inefficacy even if put into operation."[5] The Committee also enunciated the following general principles :—

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(1) *Peace and the Colonial Problem*, p. 10.
(2) For a summary of the period 1919-27, see Wallace and Edminster, *International Control of Raw Materials*, pp. 318-343.
(3) See H. V. Temperley, *History of the Peace Conference*, pp. 66-84.
(4) *Report on Certain Aspects of Raw Material Problems*. League of Nations Document, C. 51, M.18, 1922.
(5) Wallace and Edminster, *op. cit.*, p. 325.

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"There is no question of challenging the incontestable right which States have to dispose freely of their natural resources, or of the output of their countries in respect of raw materials. It is legitimate that in exceptional circumstances they should be anxious to reserve them to themselves, and that they should have the power to subject them, at any time, to a régime in conformity with their natural economy. But it is not less incontestable that raw materials produced by one country being in many cases essential to the economic life of other States should not, unless in exceptional cases, be the object of restrictions or of differential regulations of such a nature as to injure the production of such States, or to impose upon them a systematic inferiority. It is undesirable particularly that measures of restriction taken by producing countries to meet exceptional situations should be so prolonged or altered as to change their character and from being acts of precaution or defence to degenerate into measures of economic aggression."

The question of raw materials again arose at the International Economic Conference of 1927. But the Convention for the Abolition of Import and Export Prohibitions and Restrictions which it drafted, and which was adopted by the diplomatic Conference which followed it, never received the full number of accessions necessary for entry into force.[1] The specific question of access to raw materials was again raised by the Italian delegate to the League Assembly of 1929[2], but without result. As is well known, the World Monetary and Economic Conference of 1933 (which dealt with certain aspects of the raw materials question during its work upon production and marketing) met with no more success.

Guarantees regarding specific raw materials

But out of the 1927 Economic Conference sprang one successful agreement which may provide a pointer to a way in which progress might be made. Agreement was reached upon the question of access to two specific commodities—hides and skins, and bones. (The agreement covered the abolition of prohibitions and restrictions and of export duties, other than "statistical duties" imposed for greater accuracy in checking the volume of trade). The existence of this agreement lends strength to the view that international guarantees covering access to specific raw materials are workable in practice.

This summary of past history shows that attempts at achieving international economic agreements regarding raw materials or the lowering of trade barriers have so far met with little success ; at the same time, the facts set out in the body of the memorandum

(1) See *Survey of International Affairs*, 1929, pp. 109-111.
(2) See speech by M. Scialoja. Minutes of the Ninth Plenary Meeting, September 9, 1929.

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seem to indicate that, from the strictly economic point of view, any colonial changes must be of limited efficacy.

Further, in considering what can be done to compensate for the uneven distribution of national resources, a point which is sometimes forgotten is that even " if one could re-arrange the map of the world so as to make each nation relatively self-sufficient to-day, it would probably cease to be so in a few years time owing to changes of invention or changing needs."[1] But, while due weight must be given to these economic drawbacks, it does not necessarily follow that all consideration of colonial adjustments is idle.

For the economic side of the claim for colonies must be viewed in its proper relation to the psychological aspect. The fact must be faced that the claim exists, based on a lack of certainty of continued access to sources of supply, which, combined with motives of prestige and strategy, creates a desire for possession. If the colonial Powers decide to ignore this claim, they would appear to lay themselves open to trouble ; in the words of Dr. Goebbels : " it is dangerous for the world not to concede such demands, because some day the bomb will explode."[2]

But undoubtedly the dissatisfied Powers tend, consciously or unconsciously, to overestimate the economic advantages of colonial change ; as has been shown, the cure for their difficulties is world-wide rather than colonial in scope. Adjustment in the matter of access to colonial resources is a step towards easing their situation, but it is instilling a false hope to argue that the whole solution lies that way. This important point was emphasized by Mr. Eden in his maiden speech as Foreign Secretary :

> " I must make it clear that His Majesty's Government have in no way withdrawn from the proposal of Sir Samuel Hoare on the question of access to colonial raw materials. They are perfectly willing at any time to enter into an examination of this subject, and they think that such an examination could usefully be held at Geneva. The appropriate moment, however, for such an examination must clearly depend on many factors, including the attitude of other Powers towards the proposals. Useful though we believe such an examination would be, I think that the House would be mistaken if we were to imagine that from a pursuit of it we should discover some magic touchstone for all our ills."[3]

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(1) Sir Norman Angell, *Raw Materials, Population Pressure and War*, World Peace Foundation, 1936, p. 11.
(2) Speech to the Berlin Branch of the National Socialist Party, January 17, 1931.
(3) Speech in the House of Commons, *Hansard*, February 24, 1936, coll. 82-83.

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APPENDIX I.

BALANCES OF PAYMENTS OF GERMANY, ITALY AND JAPAN.

GERMANY.[1]
(Rm. 000,000.)

	1929			1932		
	Credit. (Exports)	Debit. (Imports)	Balance.	Credit. (Exports)	Debit. (Imports)	Balance.
Merchandise	13,632	13,676	−44	5,834	4,782	+1,052
Shipping, Insurance, etc.	2,257	1,545	+712	1,163	898	+265
Interest...	400	1,200	−800	200	1,100	−900
Reparations	—	2,337	−2,337	—	160	−160
			−2,469			+257
Gold and Foreign Exchange	510	345	+165	256	—	+256
Capital movements ...	4,423	2,119	+2,304	786	1,299	−513

ITALY.[2]
(000,000 Lire.)

	1929			1932		
	Credit. (Exports)	Debit. (Imports)	Balance.	Credit. (Exports)	Debit. (Imports)	Balance.
Merchandise	15,236	21,665	−6,429	6,811	8,257	−1,446
Interest and Dividends (net)	—	1,050	−1,050	—	500	−500
Shipping and Freights...	1,690	555	+1,135	?	?	+500
Tourist Expenditure ...	2,418	316	+2,102	1,000	170	+830
Emigrant Remittances	2,350	230	+2,120	?	?	+910
Reparations in cash ...	231	—	+231	—	—	—
Other items	420	—	+420	150	—	+150
			−1,471			+444
Gold	10	242	−232	15	90	−75

JAPAN.[3]
(INCLUDING KOREA AND FORMOSA.)
(000,000 Yen.)

	1929			1933		
	Credit. (Exports)	Debit. (Imports)	Balance.	Credit. (Exports)	Debit. (Imports)	Balance.
Merchandise	2250·2	2413·9	−163·7	1966·0	2045·9	−79·9
Interest and Dividends	102·4	122·2	−19·8	92·6	143·6	−51·0
Shipping and Freights...	222·1	0·9	+221·2	212·6	2·9	+209·7
Other services	255·2	273·9	−18·7	333·1	402·5	−69·4
			+20·0			+9·4
Gold	—	0·6	−0·6	34·7	—	+34·7
Capital movements ...	427·2	484·1	−56·9	278·6	524·8	−246·2

(1) *Wirtschaft und Statistik*, 1934. Sonderheft No. 14.
(2) *Economic and Financial Position of Italy*: R.I.I.A., 1935.
(3) *Balances of Payments* (1933) and *Balances of Payments* (1934): League of Nations.

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APPENDIX II.

TRADE BY CATEGORIES OF COMMODITIES: SEVEN GREAT POWERS.

	Imports.					Exports.				
	I Live Animals %	II Food-stuffs %	III Raw Materials and semi-manufactured goods %	IV Manufactured Goods %	V Gold and Silver %	I Live Animals %	II Food-stuffs %	III Raw Materials and semi-manufactured goods %	IV Manufactured Goods %	V Gold and Silver %
					UNITED KINGDOM					
1929	1·6	40·1	32·4	19·9	6·0	0·3	5·7	14·4	69·0	10·6
1933	0·9	34·4	24·1	11·1	29·5	0·1	5·6	15·9	63·2	15·2
					U.S.A.					
1929	0·5	21·2	46·8	24·0	7·5	0·1	13·6	38·9	44·0	3·4
1933	0·1	26·5	40·1	22·7	10·6	0·1	9·7	45·5	29·3	15·4
					U.S.S.R.					
1929	1·4	8·3	52·6	37·7	?	0·3	24·3	65·0	10·4	?
1933	3·9	4·5	39·5	52·1	?	—	22·7	63·6	13·7	?
					FRANCE					
1929	0·4	19·6	51·7	15·3	13·0	0·7	11·9	20·9	66·1	0·4
1933	0·6	20·7	29·2	11·3	38·2	0·1	9·1	11·5	41·3	38·0
					GERMANY					
1929	1·1	27·3	51·5	16·2	3·9	0·2	5·0	18·5	69·2	7·1
1934	0·7	22·6	54·9	15·8	6·0	0·1	2·5	16·9	69·8	10·7
					ITALY					
1929	2·3	20·4	49·6	26·5	1·2	0·1	24·7	21·1	54·1	—
1933	1·4	13·3	46·4	23·3	15·6	0·2	32·9	18·2	47·5	1·2
					JAPAN					
1929	0·2	21·1	57·5	21·0	0·2	0·1	9·2	37·8	52·7	0·2
1932	0·2	25·9	55·7	16·7	1·5	0·1	8·9	27·1	56·9	7·0

Source: *International Trade Statistics*, 1934, League of Nations, 1935.

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APPENDIX III.

DIRECTION OF TRADE OF A AND B MANDATED TERRITORIES.

A MANDATES.

SYRIA (FRENCH). 1934

Imports from—	%	*Exports to—*	%
France	14·0	France	11·6
United Kingdom ...	14·3	Palestine and Iraq	50·0
Japan	10·6	U.S.A.	7·7
Turkey	8·5	Egypt	4·5
U.S.A.	6·7	United Kingdom ...	4·2
Germany	5·5	Turkey	4·2
Italy	5·5	Italy	3·2
		Germany	2·6
		Japan ...	...negligible

Total Imports : French francs 736,649,000.
Total Exports : French francs 311,288,000.

PALESTINE (BRITISH). 1934.

Imports from—	%	*Exports to—*	%
United Kingdom ...	19·5	United Kingdom ...	55·4
Germany	10·9	Germany	18·7
U.S.A.	8·5	Syria	6·9
Syria	7·1	Italy	0·6
Italy	3·1	Japan ...	...negligible.
Japan	3·9		

Total Imports : £P15,152,781.
Total Exports : £P 3,217,562.

B. MANDATES.

TANGANYIKA (BRITISH). 1934.

Imports from—	%	*Exports to—*	%
United Kingdom ...	27·6	United Kingdom ...	20·5
Other British Possessions ...	19·7	Other British Possessions ...	36·4
Japan	22·3	Japan	2·2
Germany	9·8	Germany	11·7
Italy	0·6	Italy	5·8

Total Imports : £2,343,185.
Total Exports : £2,856,589.

CAMEROONS (BRITISH).[1] 1934.

Imports from—	%	*Exports to—*	%
United Kingdom ...	19·5	United Kingdom ...	6·2
Germany	42·5	Germany	79·8
India	7·0	French Possessions and Mandates ...	10·0
U.S.A.	4·4	Japan ...	...negligible
Japan	4·4	Italy ...	...negligible
Italy	...negligible		

Total Imports : £113,013.
Total Exports : £193,322.

(1) The trade of the British Cameroons is included in the figures for Nigeria ; the above relates to the overseas trade of the ports of Victoria and Tiko only.

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CAMEROONS (FRENCH).

1934.

Imports from—	%	*Exports to—*	%
France	25·8	France	52·2
United Kingdom ...	17·0	United Kingdom ...	3·5
U.S.A.	12·1	U.S.A.	4·2
French Colonies ...	9·6	Netherlands ...	16·8
Germany	7·7	Germany	12·6
Belgium	3·1	Belgium	2·1

Total Imports : French francs 58,713,000.
Total Exports : French francs 72,528,000.

FRENCH TOGO.

1934.

Imports from—	%	*Exports to—*	%
France	15·1	France	47·0
United Kingdom ...	39·0	United Kingdom ...	8·0
U.S.A.	9·1	U.S.A.	5·1
Germany	5·9	Germany	23·2
Japan	3·8	Spain	1·0
Netherlands ...	3·0	Netherlands ...	5·8
Belgium	1·6	Belgium	1·8

Total Imports : French francs 32,200,000.
Total Exports : French francs 28,061,500.

BRITISH TOGO.

Percentages for Togo (British) are omitted in view of the negligible volume of its foreign trade.

1934 Total Imports : £14,480.
1934 Total Exports : £78,143.

RUANDA-URUNDI (BELGIAN).

1934.

Imports from—	%	*Exports to—*	%
Belgium	18·5	Belgium	93·4
Japan	34·5	Tanganyika ...	6·2
Tanganyika and Uganda	10·5		
United Kingdom ...	9·0		
U.S.A.	7·7		
Dutch East Indies ...	6·7		
Germany	6·6		
Italy	0·8		

Total Imports : Belgian francs 26,610,291.
Total Exports : Belgian francs 23,834,745.

The source is in each case the latest issue of the report of the Mandatory Power.

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APPENDIX IV.
SUMMARY OF THE PRINCIPAL INTERNATIONAL RESTRICTION SCHEMES.

(The Information Department is indebted to Mr. F. Ashe Lincoln for the material in this Appendix).

Rubber

The situation in 1922 which led to the British rubber restriction scheme was essentially created by the severe decline in the demand during the post-war slump. Immediately after the war a first attempt had been made at restriction, which was merely a voluntary reduction of output by the producers of the British Empire. But a weakening demand for rubber, together with increased output from the Netherlands East Indies, led to a steady decline in prices, until the low level of 10d. per lb. was reached in 1921.

The Stevenson Plan

In response to an appeal from rubber growers, the Colonial Office then appointed a committee under the chairmanship of Sir James Stevenson, which evolved the famous Stevenson Scheme. The scheme had to be worked without the co-operation of the Dutch or the French, who were at the time unwilling to consent to the proposed restrictions. Its immediate object was to raise and maintain prices at about 1s. to 1s. 6d. per lb., and in this it was so successful that by the end of 1925 the price had risen to 4s. per lb. and world stocks were falling rapidly.

But meanwhile, the rise in prices had encouraged the use of reclaimed rubber, and of synthetic rubber and other substitutes in the U.S.A., the world's largest consumer. Moreover, the production of the native planters in the Netherlands East Indies was stimulated to such an extent that it became clear that the only effect of British restriction was to give these rivals an increased share in the world's markets and revive the problem of over-production. These two factors combined to depress the price to 1s. 8d. per lb. in 1926, and to 1s. 4⅛d. in 1927, and in November, 1928, the British Government abandoned the scheme. The price then fell to 8½d. per lb., by which time the British share of the world market had fallen to 52 per cent.—an unhappy contrast with the 1921 share of 75 per cent.[1]

The present scheme

No further restriction scheme was attempted until 1934. Meanwhile the price had fallen to a new low level of 1½d. per lb. This unremunerative price made the Netherlands producers amenable to negotiation and in April, 1934, a new restriction scheme was announced " to reduce world stocks to a normal figure by adjusting the supply to the demand, and to maintain a price that would be a reasonable remuneration to efficient producers." Following successful negotiations between private producers, an agreement was signed between the Governments of Great Britain, India, the Netherlands, France and Siam. The scheme was to be administered by an International Rubber Regulation Committee (a governmental body) with power to determine the production quotas to be exported from the various countries. An important departure in principle from previous schemes was the provision that consuming interests might be invited to serve on the Committee, though in an advisory capacity only. Another feature of the plan was stimulation of research by the Rubber Growers' Association, in close co-operation with the International Rubber Committee, with the object of discovering new uses for rubber and thus widening the basis of demand.

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(1) An account of the Stevenson Scheme is given by H. V. Hodson in the *Survey of International Affairs* for 1930, pp. 473-7.

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The effect of the plan has not been spectacular, as the world price has only risen to about 7½d. This is probably due to the fact that the large accumulated stocks at the time of the introduction of the scheme in June, 1934, have not been dealt with by any pooling arrangements, their absorption having been left to the ordinary activities of the market. Another difficulty has been the failure to exercise adequate control over Dutch native production, which necessitated an expansion in 1935 of the quota allocated to the Netherlands East Indies.[1]

Tin

The present tin scheme dates back to an agreement in 1931, between the Governments representing 90 per cent. of the world's producers, to restrict output on a quota basis and to set up a pool to deal with accumulated stocks.[2] The importance of this scheme lay in its reduction of stocks, and consequent effect upon the world price, which from £118 per ton in February, 1931, at one time rose to £245. But the rising price so stimulated the use of aluminium that the market for tin was seriously affected.

In October, 1933, the agreement was renewed by a treaty between the Governments of the tin producing countries establishing a scheme operative for three years from January 1st, 1934. The signatories were Bolivia, Malaya, the Netherlands Indies, Nigeria, and Siam, but certain other small producers later (July, 1934) adhered to the plan, namely, Great Britain (Cornwall), Portugal, Indo-China and the Belgian Congo. The remainder of the world's tin is accounted for by Spain, Burma, China, Japan, Australia, and South Africa.

Under the new scheme of 1933, the consumer is represented on a tin consumers' panel acting in consultation with the International Tin Committee of producer Governments. Further, an International Tin Research and Development Council, endowed by funds collected as a levy on production by the Governments participating in the control scheme, has been established "to discover and develop new applications of tin." Another feature of the scheme during 1934-5 was the buffer stock or pool managed by a sub-committee of the International Tin Committee; this was all sold out by October, 1935.

So far as producers' interests are concerned, the scheme worked successfully during 1934, maintaining the price at about £230 per ton. During 1935 there was a slight drop to £225; there was at the same time a fall in world stocks. But it would seem that the International Tin Committee has experienced some difficulty in estimating the requirements of the consumer. The curtailment of supplies resulting from the 1934 quota led to such a rapid depletion of world stocks as to create an acute shortage of available market supplies. As a result there have been marked fluctuations in the production quotas permitted by the Committee, which jumped from 45 per cent. of the maximum in June, 1935, to 90 per cent. in January, 1936.[3] These rapid changes in the quota figure have not only endangered the stability of the scheme, but have proved dangerous from the consumers' point of view, since there is necessarily a lapse of about three months before a quota change is reflected in supplies.

There is also by no means complete agreement that the price of £230

(1) The origin of the present rubber scheme is discussed in *Commodity Control in the Pacific Area*, Institute of Pacific Relations, 1935. For further details see the monthly Statistical Bulletins of the International Rubber Regulation Committee, and *Rubber Regulation*, Rubber Growers' Association.

(2) Cf. *Tin : World Statistics*, 1932, Anglo-Oriental Mining Corporation, pp. 5-9.

(3) Reduced to 85 per cent. as from 1st April.

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is ideal from the consumers' point of view. Critics of the scheme take the view that the maintenance of a price of over £200 per ton can only be obtained by starving the market and that in any event, £200 per ton or over is too high a price to secure the consumer's goodwill.

The case for control is summed up in the fact that the productive capacity of the industry exceeds 200,000 tons per annum, whilst consumption in 1935 was still only 140,000 tons, compared with 175,000 tons in 1929.[1]

Copper

The first effort at copper regulation was the formation in the United States of America in 1926 of Copper Exporters, Incorporated. Voting power in this organisation was restricted to the U.S.A. producers, though foreign producers could become associate members, and in fact the body developed into what amounted to an international cartel controlling 90 per cent. of world production. It began to break up in 1929, when, to placate American Customs smelters, Copper Exporters Inc. granted them a price preference. But this concession did not prevent the smelters from supplying London at cut prices, and the Cartel, rendered inoperative, was dissolved in 1932.

The cartel raised the price of copper to a level at which high cost producers could operate at a profit (from 12.9 cents per lb. in 1927 to a peak of 24.38 cents in 1929), but not unnaturally resulted in an increased use of substitutes, notably aluminium. At the same time it encouraged the development of copper deposits outside the United States, who lost her dominance of the world market. She produced nearly 50 per cent. of world mine production in 1929, but less than 17 per cent. in 1934, the ground being gained by Canada, Northern Rhodesia and the Belgian Congo.

An attempt to form a new Cartel in 1932 was not successful, but in March, 1935, an agreement was reached for the control of production, marketing and trade practices over a trial year from June 1st, 1935.[2] The three participating countries are Chile, Northern Rhodesia, and the Belgian Congo (who together accounted for 41 per cent. of world production in 1934) whilst exports from the United States are limited by a Gentleman's Agreement.[3] The new restriction scheme has undoubtedly contributed to the recent rise in the price of copper. But the fate of Copper Exporters Inc. is not forgotten, and there may be some safeguard for consumers in the fact that " there is no desire anywhere to force prices up to a level at which substitute metals could become competitors."[4]

Potash

Before 1919 the production of potash was a German monopoly. But with the cession of Alsace, France gained some of the mines. In 1924, however, a Franco-German Cartel was formed, which governed the world market for some years.[5]

This cartel monopoly was finally upset by the discovery of rich potash deposits in other countries, notably Spain, Poland, the U.S.S.R., and the United States. The cartel was therefore extended as follows :—

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(1) For further details of the tin scheme see *Economist*, February 1, 1936 and the *Statistical Bulletins* of the International Tin Research and Development Council.

(2) For fuller details of the two copper schemes, see *International Control of Raw Materials*, Wallace and Edminster, Brookings Institution, Washington, 1930 ; *Financial News*, March 29, April 2, 1935 ; *Economist*, November 2, 1935.

(3) Canada, whose copper is chiefly produced as a by-product of nickel production, has not formally adhered.

(4) Sir Auckland Geddes to the Copper Development Association, 1935.

(5) Cf. *International Control of Raw Materials*, Wallace and Edminster, Brookings Institution, 1930, pp. 76-121.

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1. Poland was included on a 4 per cent. basis.

2. In April, 1935, Spain was included on a 14 per cent. basis. The details of the price fixing agreement have not been disclosed.

3. In December, 1934, it was rumoured that the U.S.S.R. had adhered to the cartel on undisclosed terms, but this is not confirmed by any Russian statement. (On the other hand Russian production only balances home demand at the moment.)

4. In 1935 an understanding was reached with American producers, but no details have been disclosed. Ostensibly, this was only a propaganda and research agreement, but it is an open secret that it governs sales as well.

At the moment the only producer of any significance outside the cartel is the Palestine Potash Company, which is exploiting the Dead Sea deposits, but the volume of production here is not yet sufficiently large to affect world markets.[1]

Nitrates

Before the war Chile, the only producer of natural nitrates, had a monopoly of the world market. But, since nitrogen is of vital importance in the manufacture of explosives, most of the Great Powers equipped themselves with nitrogen-producing factories (in most cases State-aided), so that Chile now provides only 9 per cent. of the world supply. A result was that world production came to exceed world consumption.

The first Cartel was formed in 1928 by the three leading European producers, and this was extended in 1929-1930 to include Chile. In July, 1934, the first "World Nitrate Agreement" was concluded in Paris between all the European producers and Chile (the United States and Japan not participating). This Agreement granted Chile special import quotas in the domestic markets of the European synthetic producers, and in return Chile undertook not to start a price war by undercutting the synthetic producers in those markets. Chile also received as her quota in the remaining world markets the quantity of her actual exports in 1933.

This agreement came up for reconsideration in May, 1935. On August 2nd, 1935, the United Kingdom increased her import duties for some of the most important nitrogen fertilisers from 20 per cent. *ad valorem* to £4 per ton, which represented approximately 50 per cent. *ad valorem*. This was imposed, it was stated, because of the "problematic continuance of the international agreement." The effect of this step was to bring about a new agreement running for three years from July 1st, 1935. By this scheme the nitrogen factories in Belgium and the Netherlands were closed down, compensation being paid by all the remaining European synthetic producers. Price figures and quotas for the respective groups have not been divulged.[2]

Lead

The position of lead is at present very satisfactory from the producers' point of view. After many years of fluctuating prices the year 1934 found world production at last adjusted to demand and in early 1933 there was a noticeable reduction in world accumulated stocks. This trend was quickly reflected in a rise in world prices. In January, 1935, the average price was £10 6s. 5d. per ton. By May this had risen to

(1) *Financial News*, August 24, 1935.
(2) Cf. *Financial News*, September 25, 1935.

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£14 13s. 9d. per ton and in July there was a further rise to £15. At the same time, spelter reached a peak price of £15 16s. 3d. per ton. For the first three months of 1935, production actually fell behind consumption, there being on the previous year's figures an increase in consumption of 20 per cent., while production only increased by ½ per cent.[1] In order to further this desirable reduction in stocks the lead producers of Australia, Canada, Burma, America and Mexico (who together accounted for 68 per cent. of world production in 1934) agreed in July, 1935, that there should be no increase in production without due notice.[2] This agreement continues to govern lead production for the moment.

Other Producers' schemes

Aluminium is controlled by a cartel (the Alliance Aluminium Company), which includes all the large producers except the United States. The European *Steel* Cartel was greatly strengthened in 1935 by the adhesion of Great Britain. European supplies of *sawn soft woods* are controlled by the Comité International du Bois, which arose out of the appointment of a consultative committee of the League of Nations. The European output of *wood-pulp* is also controlled by a cartel, which includes Norway, Sweden, Finland and Germany.

Finally, " some negotiations have taken place during 1935 between the leading international oil, coal, and spelter producers, and in the Indian jute industry strenuous efforts are being made to unite all growers in that country. Down to the end of the year, however, no practical results had been achieved."[3]

Cotton

There is no international restriction scheme controlling the output of cotton. But for some years, and particularly since the New Deal was inaugurated, the United States has been following a policy of one-sided restriction, with the avowed object of raising world prices. The American producers still largely control the market for cotton of medium staple, and therefore this policy has some slight effect on prices; but this is partly offset by the increasing production of other countries, notably Brazil and India. Egypt is now the largest supplier of long staple cotton.

Petroleum

At first sight the possibility of an international petroleum restriction scheme would appear to be considerable. The two largest producers are the United States and the U.S.S.R. But outside these two countries, production is very largely in the hands of the three great international oil companies—the Standard of New Jersey, Royal Dutch Shell and Anglo-Iranian. The first two divide between them the control of output from South America (notably Venezuela), Mexico and the Netherlands East Indies, whilst Anglo-Iranian monopolises the production of Iran. Between them the three (in conjunction with French interests) control the Iraq Petroleum Company, the only Company at present producing oil in Iraq (the British Oil Development Company, in which the Italians have a considerable interest, not yet having reached the stage of production), and also control a large part of Rumania's output.

Moreover, there are undoubtedly arrangements between the important companies with the object of stabilising markets in certain areas. In practice, however, even these limited steps in the direction of regulation

(1) *Financial News*, June 11, 1935.
(2) *Financial News*, July 23, 1935.
(3) " Commodity Control Schemes, New Trend in 1935," *Financial News*, December 30, 1935. This article gives an excellent summary of the recent working of the schemes.

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are all subject to the law of supply and demand and any attempt at establishing artificially high prices would certainly fail. Although Russian exports have recently been falling off rapidly, the output of other American and Rumanian companies is more than sufficient to upset any attempts at extensive regulation by the large companies alone.

In 1933 an effort was made to regulate production throughout the U.S.A. as part of the National Recovery programme, but in practice exports of "hot oil" from Texas prevented the Oil Code from becoming effective, and in any case, in 1935 N.R.A. was ruled unconstitutional by the Supreme Court.

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APPENDIX V.—TABLE 1.—WORLD PRODUCTION OF METALS.

PERCENTAGE PRODUCED BY EACH COUNTRY.

Sources: *League of Nations Statistical Year-Books* and *Imperial Institute Statistical Summaries*.

	Antimony Ore (Metal content).		Bauxite.		Chrome Ore.		Copper. (Content of ores mined).		Iron Ore.		Lead (Content of ores mined).		Manganese Ore.		Mercury.		Nickel.		Tin Ore (Metal content).		Tungsten Ore and Concentrate.		Zinc (Content of ores mined).		
	1925-9.	1933.	1925-9.	1934.	1925-9.	1933.	1925-9.	1934.	1925-9.	1934.	1925-9.	1934.	1925-9.	1934.	1925-9.	1933.	1925-9.	1933.	1925-9.	1934.	1925-9.	1934.	1925-9.	1934.	
World Total ... ... (000 metric tons)	31·4	19·6	1,800	1,270	430	410	1,620	1,280	169,000	119,000	1,640	1,330	3,060	2,920	4·6	1·9	42·4	45·4	167	122	10·6	14·4	1,580	1,440	World Total (000 metric tons)
British Empire:																									British Empire:
Great Britain			0·2	—					6·7	8·9	1·0	4·1							1·6	1·6	0·3	1·3			Great Britain.
Australia	0·2	0·2			—	0·2	0·6	0·9	0·4	0·6?	11·6	17·5							1·1	2·2	1·6	1·8	9·8	9·9	Australia.
Canada							3·9	12·7			8·3	11·8					88·5	83·5					4·6	10·2	Canada.
India	0·3	—	0·5	—	10·5	3·9	0·3	0·9	1·1	1·0?	5·5	6·8	35·6	13·8			0·9	2·2	1·4	2·8	10·6	23·2	3·4	4·0	India.
Newfoundland							—	0·3	0·8	0·3	—	2·8											0·3	6·3	Newfoundland.
New Zealand															—	0·2					0·1	0·3			New Zealand.
South Africa					6·5	8·4	0·5	0·6	—	0·2			—	1·7					0·7	0·5					South Africa.
South West Africa ...							0·6	—			1·3	—							0·1	—					South West Africa.
Southern Rhodesia ...					44·1	8·6															0·2	0·7			Southern Rhodesia.
British Guiana ...			11·5	5·2																					British Guiana.
British Malaya ...									0·3	1·0															British Malaya.
Cyprus					0·2	—	0·2	0·4					0·5	0·6					34·5(E)	31·0(E)	2·1	11·2			Cyprus.
Gold Coast																									Gold Coast.
Nigeria													11·9(E)	12·4(E)											Nigeria.
N. Rhodesia							0·1	12·3			0·2	—	—	0·1					5·0	4·4			0·5	1·4	N. Rhodesia.
Sierra-Leone									—	0·2															Sierra-Leone.
Total	0·5	0·2	12·2	5·2	61·3	21·1	6·2	28·1	9·3	12·2	27·9	43·0	48·0	28·6		0·2	89·4	85·7	44·4	42·5	14·9	38·5	18·6	31·8	Total.
France	3·8	1·5	33·0	42·5					26·1	27·1	0·4	—	0·1	—									0·5	—	France.
Algeria	1·5	0·5							1·1	1·1	0·5	—			0·1	—							1·1	0·1	Algeria.
French Morocco ...											0·2	—	0·1	0·2											French Morocco.
Indo-China																									Indo-China.
New Caledonia ...					9·5	12·3													0·4	1·0	1·0	1·9	1·4	0·4	New Caledonia.
Tunis									0·5	0·4	1·2	0·4					8·7	9·0					0·4	—	Tunis.
Total	5·3	2·0	33·0	42·5	9·5	12·3	—	—	27·7	28·6	2·3	0·4	0·2	0·2	0·1		8·7	9·0	0·4	1·0	1·0	1·9	3·4	0·5	Total.
Netherlands																									Netherlands.
Neth. East Indies ...																									Neth. East Indies.
Guiana			8·1(E)	7·9(E)									0·5	0·4					20·2	16·8					Guiana.
Total			8·1	7·9									0·5	0·4					20·2	16·8					Total.
Belgium									0·1	0·1?															Belgium.
Belgian Congo... ...							6·1	8·6															0·4	0·2	Belgian Congo.
Total							6·1	8·6	0·1	0·1									0·5	3·7					
Portugal...																			0·5	3·7			0·4	0·2	Total.
							0·1	0·2											0·4	0·5	1·6	4·8			Portugal.
Italy	1·2	1·8	8·2	10·3			0·1	—	0·3	0·4	1·8	1·4	0·4	0·2	40·5	31·6							5·0	3·0	Italy.
Spain							3·2	2·3	3·0	1·7	7·5	5·5	1·0	0·1	43·2	35·2					1·6	0·3?	3·1	2·2	Spain.
Sp. Morocco	0·2	0·2							0·5	0·3?															Sp. Morocco.
Total	0·2	0·2					3·2	2·3	3·5	2·0	7·5	5·5	1·0	0·1	43·2	35·2					1·6	0·3	3·1	2·2	Total.
Japan					1·9	4·9	4·2	5·2	—	0·3?	0·2	0·5	0·6	1·9	—	0·4			0·4	1·4	0·3	0·2?	0·6	1·4	Japan.
Korea									0·3	0·4?	0·1	—									0·3	2·5			Korea.
Formosa							?	0·3?																	Formosa.
Total					1·9	4·9	4·2	5·5	0·3	0·7	0·3	0·5	0·6	1·9		0·4			0·4	1·4	0·6	2·7	0·6	1·4	Total.
U.S.A.	0·1	2·7	20·0	12·6	—	0·2	49·5	15·9	39·3	20·7	36·8	19·5	2·0	0·9	10·2	17·2	0·9	0·2			9·8	12·7	41·7	28·4	U.S.A.
U.S.S.R.			—	4·8	7·4	27·6	1·4	3·4	2·8	18·4	0·2	2·1	28·5	61·3	1·9	5·9?					0·9	—?	0·3	2·0	U.S.S.R.
Africa.																									Africa.
Egypt													4·4	—											Egypt.
America.																									America.
Argentina																					0·2	—			Argentina.
Bolivia	11·2(E)	9·6(E)									0·2	0·2?													Bolivia.
Brazil							8·4	0·2			1·0?	0·8?							22·6(E)	19·0(E)	2·4	5·5	0·2(E)	0·6(E)	Brazil.
Chile													10·0(E)	0·1(E)											Chile.
Colombia							15·3	20·3	0·8	0·8			0·3	—											Colombia.
Cuba																									Cuba.
Mexico	7·5	9·9			7·9(E)	5·9(E)	6·8	0·4	0·3	0·1?			1·8(E)	3·1?(E)											Mexico.
Peru	0·3	—					3·9	3·4			13·6	12·5			1·4	8·0					—	0·5	8·0	8·9	Peru.
							2·8	2·1			0·7	0·7											0·6	—	
Asia.																									Asia.
China	67·0	65·5							0·8	1·1?	0·4	0·2?	1·9	0·3?	0·6	0·8			5·1	6·3	65·8	33·0	0·6	0·3	China.
Manchuria									0·3	0·9?															Manchuria.
Siam																			5·1	8·4	0·3	?			Siam.
Europe.																									Europe.
Austria	1·9	—																							Austria.
Bulgaria			0·1	—			0·1	—	0·9	0·4	0·4	0·4	1·0	0·4?	0·1	—							0·2	0·2	Bulgaria.
Czechoslovakia ...	3·6	6·9																							Czechoslovakia.
Finland							0·1	—	0·9	0·3?	0·2	0·4	—	1·9	1·5	0·3					0·4	—			Finland
Germany			0·2	0·5			—	0·7																	Germany.
Greece	—	0·9	0·2	—	4·2	3·6	1·6	2·1	3·4	4·0	3·3	4·3									0·3	—	7·6	9·3	Greece.
Hungary			12·6	9·0					0·1	—	0·3	0·7?	0·1?	0·1?			0·5	3·1					0·6	0·9?	Hungary.
Luxembourg									0·1	—			0·5	0·2											Luxembourg.
Norway...									3·1	3·2															Norway.
Poland							0·9	1·6	0·2	0·3?							0·5	2·2					—	0·4	Poland.
Roumania			—	0·2					0·3	0·2	0·8	0·5											7·2	2·9	Roumania.
Sweden													0·6	0·4									—	0·3	Sweden.
Turkey	0·1	0·2					—	0·4	5·0	4·4	0·2	0·6	0·5	0·2									1·4	2·1	Turkey.
Yugoslavia	0·4	—	5·2	6·7	2·8	18·5	4·6	5·7			0·4	—	—	0·1	1·2	—							0·1	0·4	Yugoslavia.
							0·9	3·4	0·2	0·1	0·7	5·3											—	3·8	

(E) = Exports.

PERPUSTAKAAN NASIONAL

APPENDIX V.—TABLE 2.—WORLD PRODUCTION OF NON-METALLIC MINERALS AND PRECIOUS METALS.

PERCENTAGE PRODUCED BY EACH COUNTRY.

(SOURCES: *League of Nations Statistical Year Books* and *Imperial Institute Statistical Summaries.*)

	COAL.		PETROLEUM.		ASBESTOS.		GRAPHITE.		MAGNESITE.		PHOSPHATES.		POTASH.		PYRITES.		SULPHUR.		GOLD.		SILVER.		PLATINUM.		
	1925–9.	1934.	1925–9.	1934.	1925–9.	1931.	1925–9.	1934.	1925–9.	1934.	1925–9.	1933.	1925–9.	1934.	1925–9.	1933.	1925–9.	1933.	1925–9.	1933.	1925–9.	1933.	1925–9.	1934.	
WORLD TOTAL ... ... (000 metric tons)	1,247,360	1,100,000	173,223	206,460	356	243	142	112	800	850	9,950	8,210	2,034	2,000	7,185	6,730	2,389	1,980	0·6	0·7	8·0	5·2	0·006	0·012	WORLD TOTAL (000 metric tons)
BRITISH EMPIRE:																									BRITISH EMPIRE:
GREAT BRITAIN	18·4	20·2																							GREAT BRITAIN.
AUSTRALIA	1·0	0·8							1·4	1·1									2·5	3·7	4·0	6·4	1·2	0·2?	AUSTRALIA.
New Guinea & Papua ...																			0·2(Ξ)	0·5(Ξ)					New Guinea & Papua.
CANADA	0·9	0·6	—	0·1	73·3	56·3	1·2	1·2	2·6	3·1					0·6	0·8			9·3	13·0	8·6	9·0	11·3	50·0	CANADA.
INDIA	1·8	1·8	0·7	0·6			—	0·3	3·2	1·8			0·1	0·2					1·9	1·5	2·4	3·6			INDIA.
NEW ZEALAND	0·1	0·1																	0·6	0·7	0·2	0·2			NEW ZEALAND.
SOUTH AFRICA	1·0	1·1			5·5	4·8			0·2	0·2									51·4	47·0	0·4	0·7	11·2	9·1	SOUTH AFRICA.
South West Africa ...	0·1	0·1			9·3	9·0															0·3	—			South West Africa.
SOUTHERN RHODESIA ...																			2·9	2·8	—	0·1			SOUTHERN RHODESIA.
British Borneo ...			0·4	0·1															—	0·1					British Borneo.
British Guiana ...																			—	0·1					British Guiana.
British Malaya ...																			0·1	0·1					British Malaya.
Ceylon							9·6(Ξ)	10·5(Ξ)																	Ceylon.
Cyprus					2·9	0·5									3·0(Ξ)	3·2(Ξ)									Cyprus.
Gold Coast																			0·9	1·3					Gold Coast.
Nigeria																			—	0·1	—	0·1			Nigeria.
Pacific Islands... ...											3·4(Ξ)	3·4(Ξ)													Pacific Islands.
Sierra Leone																			—	0·1			—	0·1	Sierra Leone.
Trinidad			0·5	0·7																					Trinidad.
Mandates.																									*Mandates.*
Nauru											3·0(Ξ)	4·5(Ξ)													Nauru.
Palestine													—	0·7											Palestine.
Tanganyika																			—	0·1					Tanganyika.
TOTAL	23·3	24·7	1·6	1·5	91·0	70·6	10·8	12·0	7·4	6·2	6·4	7·9	0·1	0·9	3·6	4·0			69·8	71·1	15·9	20·1	23·7	59·4	TOTAL.
FRANCE	4·1	4·3			0·3	0·2					2·2	0·9	18·7	18·6	2·8	2·5			0·2	0·4	0·2	0·2			FRANCE.
Algeria											8·6	7·2			0·2	0·2					0·1	—			Algeria.
Fr. Eq. Africa... ...																			—	0·1					Fr. Eq. Africa.
French Guiana ...																			0·2	0·2					French Guiana.
Fr. Morocco											11·9	11·7													Fr. Morocco.
Fr. W. Africa																			—	0·3(Ξ)					Fr. W. Africa.
Indo China	0·1	0·1									0·2	—							—	0·1					Indo China.
Madagascar							11·9	7·5											—	0·1(Ξ)					Madagascar.
Tunis											27·3	22·0									0·1	—			Tunis.
New Caledonia, etc. ...											1·7	1·0													New Caledonia, etc.
TOTAL	4·2	4·4			0·3	0·2	11·9	7·5			51·9	42·8	18·7	18·6	3·0	2·7			0·4	1·2	0·4	0·2			TOTAL.
NETHERLANDS	0·8	1·1																							NETHERLANDS.
Neth. E. Indies ...	0·1	0·1	2·2	2·9							—	0·1					—	0·6	0·6	0·3	0·9	0·5			Neth. E. Indies.
Neth. W. Indies ...											1·0(Ξ)	1·0(Ξ)													Neth. W. Indies.
TOTAL	0·9	1·2	2·2	2·9							1·0	1·1						0·6	0·6	0·3	0·9	0·5			TOTAL.
BELGIUM	2·1	2·4									0·3	0·3							0·7	1·4					BELGIUM.
Belgian Congo ...																									Belgian Congo.
TOTAL	2·1	2·4									0·3	0·3							0·7	1·4					TOTAL.
PORTUGAL...															3·8	3·0									PORTUGAL.
ITALY					0·9	0·2	6·0	3·5	2·0	0·3					8·3	10·9	13·3	20·3			0·3	0·2			ITALY.
SPAIN	0·5	0·5					0·3	—			—	0·2	1·0	6·9	50·5	33·0	0·5	0·6			1·1	1·7			SPAIN.
JAPAN	2·6	3·4	0·1	0·1			0·4	0·8?			0·7	0·4			6·8	13·4	2·4	5·8	1·6	1·9	1·8	3·6			JAPAN.
Formosa	0·1	0·1															0·1	—	0·1	0·1					Formosa.
Korea	—	0·2?					13·6	28·0											0·9	1·6	—	0·4			Korea.
Mandated Islands ...											0·9	1·1													Mandated Islands.
TOTAL	2·7	3·7	0·1	0·1			14·0	28·8			1·6	1·5			6·8	13·4	2·5	5·8	2·6	3·6	1·8	4·0			TOTAL.
U.S.A.	43·9	34·0	68·9	59·5	0·6	1·2	3·5	3·9	15·4	11·4	35·0	28·6	1·9	6·4	3·9	4·3	83·1	72·1	11·1	10·1	24·0	13·7	5·2	0·8?	U.S.A.
PHILIPPINES																			0·5	1·3	—	0·1			PHILIPPINES.
TOTAL	43·9	34·0	68·9	59·5	0·6	1·2	3·5	3·9	15·4	11·4	35·0	28·6	1·9	6·4	3·9	4·3	83·1	72·1	11·6	11·4	24·0	13·8	5·2	0·8	TOTAL.
U.S.S.R.	2·4	8·5	6·2	11·7	6·6	26·6	3·0	4·1?	13·2	42·5	1·0	11·8	?	4·6	1·9	5·6			4·1?	11·5?	0·2	?	47·0	24·2	U.S.S.R.
AFRICA.																									AFRICA.
Abyssinia																									Abyssinia.
Egypt			0·1	0·1							2·1	5·4							0·1	—			0·8	1·7?	Egypt.
AMERICA.																									AMERICA.
Argentina			0·7	1·0																					Argentina.
Bolivia																									Bolivia.
Brazil	—	0·1																	—	0·1	2·2(Ξ)	3·3(Ξ)			Brazil.
Chile	0·1	0·2																	0·5	0·5					Chile.
Colombia			1·0	1·1													0·5	0·6	0·2	0·6	0·5	0·2			Colombia.
Ecuador			—	0·1															0·9	1·3	—	0·1	23·1(Ξ)	13·7(Ξ	Ecuador.
Mexico	0·1	0·1	6·4	2·8															0·3	—					Mexico.
Peru			0·8	1·0			3·9	3·5											3·7	2·8	40·0	40·6			Peru.
Venezuela			6·0	9·8															0·5	0·4	8·2	4·4			Venezuela.
ASIA.																			0·2	0·4					ASIA.
China	1·2	1·7?																							China.
Iraq			—	0·2															0·7	?					Iraq.
Iran			3·0	3·3																					Iran.
Manchuria	0·7	0·8?							?	8·5															Manchuria.
EUROPE.																									EUROPE.
Austria															0·2	—									Austria.
Czechoslovakia ...	1·1	1·0					13·4	16·3	40·7	19·0					0·3	0·2									Czechoslovakia.
Estonia							20·6	3·1	5·6(Ξ)	2·2(Ξ)															Estonia.
Finland											—	0·1									0·4	0·6			Finland.
Germany (inc. Saar) ...	13·0	12·4	—	0·1	0·4	0·3									0·6	2·6									Germany (inc. Saar).
Greece							12·6	15·7	?	1·0?			75·7	59·5	4·2	2·8					2·0	3·8			Greece.
Hungary	0·1	0·1							11·3	5·2					1·3	2·7					0·1	—			Hungary.
Norway...																									Norway.
Poland	3·6	2·7	0·4	0·3			—	2·0	0·1	0·2					9·3	12·8					0·1	0·2			Poland.
Roumania			2·1	4·1							0·2	0·1	2·4	3·0	0·2	—					0·1	—			Roumania.
Sweden															0·4	0·2			0·3	0·5	—	0·2			Sweden.
Turkey	0·1	0·2							—	0·1					0·8	1·3			0·1	1·3	—	0·6			Turkey.
Yugoslavia									0·6	2·3					0·7	0·3			0·1	0·3	—	2·3			Yugoslavia.

PERPUSTAKAAN NASIONAL

APPENDIX V.—TABLE 3.—WORLD PRODUCTION OF RUBBER AND TEXTILE FIBRES.

PERCENTAGE PRODUCED BY EACH COUNTRY

(Sources: *League of Nations Statistical Year Books* and *International Year Books of Agricultural Statistics.*)

	Rubber (Shipments)		Cotton (ginned)		Wool		Silk (raw)		Flax (fibre)		Hemp (fibre)		Jute	
	1925–9.	1934.	1925–9.	1933–4.	1925–9.	1933.	1925–9.	1933.	1925–9.	1934.	1925–9.	1933–4.	1925–9.	1933.
World Total (000,000 quintals).	6·6	10·2	57·7	57·9	16·7	16·6	0·6	0·5	5·3	6·8	5·4	3·3	18·8	14·6
British Empire:														
Great Britain and N. Ireland					3·0	3·3			1·0	0·5				
Australia			—	0·1	25·0	27·0								
N. Guinea (mandate) and Papua	0·1	0·1												
Canada					0·4	0·5								
India	2·1	1·1	17·8	15·6	2·7	2·7	0·3(E)	0·1(E)					99·0	98·8
Irish Free State					0·4	0·5			0·1	0·1				
New Zealand					7·2	8·2								
South Africa					7·7	7·7								
Basutoland					0·3(E)	0·2(E)								
British Borneo	2·5	2·8												
British Malaya	45·4	46·0												
Ceylon	9·0	7·8												
Nigeria	0·1	0·1	0·1	0·1										
Sudan			0·4	0·5										
Uganda			0·5	0·9										
Mandates—														
Cameroons	0·1	—												
Tanganyika			0·1	0·1										
Total	59·3	57·9	18·9	17·3	46·7	50·1	0·3	0·1	1·1	0·6			99·0	98·8
France					1·2	1·1	0·4	0·1	4·9	1·9	0·9	0·8		
Algeria					1·0	1·1								
French Eq. Africa	0·2	0·1												
French Morocco					0·6	0·7					0·1	?		
French W. Africa	0·1	—	0·1	—										
Indo-China	1·3	1·9					0·1	—						
Tunis					0·2	0·2								
Mandates—														
Cameroons	0·1	—												
Syria and Lebanon					0·2	0·1	0·5	0·2			0·3	0·2		
Total	1·7	2·0	0·1		3·2	3·2	1·0	0·3	4·9	1·9	1·3	1·0		
Netherlands									2·1	0·7				
N. E. Indies	33·5	37·4												
Total	33·5	37·4							2·1	0·7				
Belgium									4·9	2·9				
Belgian Congo	0·1	—	0·1	0·4?										
Total	0·1		0·1	0·4					4·9	2·9				
Italy					0·8	0·7	8·2	6·3	0·4	0·3	18·4	17·8		
Spain					2·2	2·1	0·1	0·1	0·1	—	1·3	1·1		
Japan							69·5	78·0	0·6	0·6?	1·5	2·4	0·1	0·1
Formosa													0·2	0·3
Korea			0·5	0·5			1·4	2·9			3·8	6·0		
Total			0·5	0·5			70·9	80·9	0·6	0·6	5·3	8·4	0·3	0·4
U.S.A.			57·4	49·0	10·3	12·3								
Philippines											*	*		
Total			57·4	49·0	10·3	12·3					*	*		
U.S.S.R.			3·7	7·1	10·2	3·7	2·0	2·3	56·5	77·3	58·3	46·6		
Africa														
Egypt			6·0	6·7					0·1	0·2				
America—														
Argentina			0·4	0·8	9·2	10·5								
Bolivia	0·5	0·1												
Brazil	3·2	0·8	2·0	4·7	0·8	1·0?								
Chile					0·8	1·1					0·4	?		
Ecuador	0·1	—												
Haiti			0·1	—										
Mexico	0·5	—	0·9	1·0	0·1	0·1								
Peru			0·9	1·0	0·4	0·4								
Uruguay					4·0	2·9								
Venezuela	0·1	—												
Asia—														
Afghanistan					0·4	0·4								
China			7·7	10·2	1·8(E)	1·6(E)	16·4(E)	8·5(E)						
Iraq					0·4	0·4								
Iran			0·3	0·4?	1·3	1·3?	0·6(E)	0·4(E)						
Nepal													0·6(E)	0·7(E)
Siam	0·6	1·7												
Europe—														
Austria									0·2	—				
Bulgaria									—	0·1	0·2	0·6		
Czechoslovakia									1·9	0·8	1·4	1·6		
Estonia									1·8	1·0				
Finland									0·2	0·3?				
Germany					0·9	0·8			?	0·8				
Greece			—	0·1	0·3	0·4	0·3	0·4						
Hungary					0·3	0·2			0·3	0·1	1·5	2·4		
Latvia									4·1	2·3				
Lithuania									6·8	3·1				
Norway					0·1	0·1								
Poland					0·2	0·2			10·6	4·4	3·5	3·1		
Roumania					1·5	1·5			0·4	1·0	3·0	7·9		
Turkey			0·3	0·5	1·1	1·0	0·2	0·3						
Yugoslavia					0·7	0·8			1·5	1·5	5·3	8·4		

* The Philippines are the sole producers of manila hemp. (E) = Exports

APPENDIX V.—TABLE 4.—WORLD PRODUCTION OF VEGETABLE-OIL SEEDS AND NUTS.

Percentage Produced by each Country.

(Sources: *League of Nations Statistical Year Books* and *International Year Book of Agricultural Statistics.*)

	Colza. (rapeseed)		Copra. (net exports)		Cotton Seed.		Groundnuts.		Linseed.		Olive Oil.		Palm and Palm Kernel Oil.		Sesame.		Soya.	
	1925–9.	1933.	1925–9.	1933.	1925–9.	1933–4.	1925–9.	1933.	1925–9.	1933.	1925–9.	1934–5.	1925–9.	1933.	1925–9.	1933.	1925–9.	1933–4.
World Total ... ... (000,000 quintals)	12·6	12·6	13·6	16·3	117	118	45·8	60·7	37·5	32·1	8·4	7·1	4·8	5·8	6·4	7·4	60·1	67·7
British Empire:																		
Australia					—	0·1												
New Guinea (mandate) and Papua			4·6	4·3														
Canada									3·1	0·5								
India	78·5	84·4			20·4	18·0	49·5	55·5	10·7	12·8					73·3	73·8		
New Zealand																		
West. Samoa (mandate)			1·0	0·7														
South Africa							0·1	0·2										
British Borneo ...			0·5	0·7														
British Guiana ...			0·2	—														
British Malaya ...			8·3	8·6														
Ceylon			12·2	9·3														
Cyprus											0·1	—						
Gambia							1·4(E)	1·1(E)										
Gold Coast			0·1	0·1									0·9	0·2				
Kenya															0·3	0·4		
Nigeria					0·1(E)	0·1(E)	3·9	4·8					53·3	42·9	0·6	1·3		
Pacific Islands... ...			5·1	3·6														
Seychelles Islands ...			0·4	0·2														
Sierra Leone													6·7	5·3				
Sudan					0·5	0·6									2·7	2·2		
Trinidad			0·5	0·6			0·3	0·1										
Uganda			0·1	0·1	0·6(E)	1·0(E)												
Zanzibar			0·8	0·8														
Mandates.																		
Palestine															0·4	—		
Tanganyika			0·6	0·5	0·1	0·1	0·4(E)	0·5(E)							0·5(E)	0·6(E)		
Total	78·5	84·4	34·4	29·5	21·7	19·9	55·6	62·2	13·8	13·3	0·1		60·9	48·4	77·8	78·3		
France	1·8	1·1							0·5	0·1	0·9	1·5						
Algeria											2·5	1·9						
Fr. Eq. Africa ...							0·2	0·2					1·0	1·0				
Fr. Morocco									0·3	0·1	0·9	1·6			0·1	0·1		
Fr. W. Africa							14·5	13·2					11·1	6·1	0·5	0·4		
Indo-China			0·8	0·5			0·3	0·2							0·1	0·1		
Madagascar			0·1	0·1			0·3	0·1										
New Caledonia, etc. ...			1·2	1·2														
Tunis											4·7	7·7						
Mandates.																		
Cameroons							0·4	0·4					4·5	4·5	0·4	0·4		
Syria and Lebanon ...											1·2	1·3			0·5	0·1		
Togo			0·1	0·1									1·2	0·6				
Total	1·8	1·1	2·2	1·9			15·7	14·1	0·8	0·2	10·2	14·0	17·8	12·2	1·6	1·1		
Netherlands	0·4	0·2							0·3	0·1								
Neth. E. Indies ...			30·2	30·5			4·6	3·8					4·8	22·0	0·6(E)	0·4(E)	1·8	2·7
Total	0·4	0·2	30·2	30·5			4·6	3·8	0·3	0·1			4·8	22·0	0·6	0·4	1·8	2·7
Belgium ... ...* ...									0·3	0·2								
Belgian Congo ...					0·1	0·2?	1·6	1·2?					11·5	13·9	1·6	0·8?		
Total					0·1	0·2	1·6	1·2	0·3	0·2			11·5	13·9	1·6	0·8		
Portugal...											5·8	3·4						
Angola							0·1	0·2?					1·4	1·2				
Mozambique			1·4	1·9			0·8(E)	0·3(E)							0·2(E)	0·3(E)		
Port. Guinea							0·5(E)	0·4(E)					1·0	1·1				
Total			1·4	1·9			1·4	0·9			5·8	3·4	2·4	2·3	0·2	0·3		
Italy									0·2	0·1	22·9	30·6						
Italian Somaliland ...															0·2	—		
Libya											0·4	0·4?						
Total									0·2	0·1	23·3	31·0			0·2			
Spain							0·5	0·3			49·5	32·2						
Japan	6·0	7·0					0·3	0·2	0·1	0·1					0·4	0·5	6·7	5·3
Formosa							0·9	0·7							0·2	0·2	0·1	—
Korea					0·6	0·6									0·5	0·6	9·1	8·7
Kwantung							1·2	1·3									0·3	0·3
Mandated Islands ...			0·7	0·6														
Total	6·0	7·0	0·7	0·6	0·6	0·6	2·4	2·2	0·1	0·1					1·1	1·3	16·2	14·3
U.S.A.					52·6	44·5	7·9	6·8	13·7	5·5							3·3	4·7
Philippines			30·0	34·5			0·1	0·7										
Total			30·0	34·5	52·6	44·5	8·0	7·5	13·7	5·5							3·3	4·7
U.S.S.R.					3·9	7·3			15·2	24·3					1·0	1·1	0·7	1·5
Africa.																		
Egypt															0·6	0·8		
Liberia					6·0	6·7	0·3	0·2					1·0	1·0				
America.																		
Argentina					0·5	0·8	1·3	1·7	49·7	49·5								
Brazil					2·3	4·4							1·6	—				
Haiti					0·1	0·1?												
Mexico					1·0	1·0	0·2	0·1							1·7	1·7		
Paraguay							0·2	0·1?										
Peru																		
Uruguay					0·7	0·8												
Venezuela					0·1	?			1·5	2·3								
Asia.																		
China	4·6(E)	1·3(E)			8·9	11·6	4·4(E)	4·6(E)	1·4(E)	0·5(E)?					8·2(E)	4·5(E)	*	*
Iran					0·3	0·3?												
Manchuria							—	1·2(E)							—	2·8	78·0	77·0
Siam															0·2	—		
Europe.																		
Austria	0·1	0·2																
Bulgaria	0·8	—																
Czechoslovakia ...	0·2	0·1													0·2	0·4		
Estonia									0·2	0·1								
Germany	2·2	0·5							0·3	0·2								
Greece																		
Hungary	0·8	0·6							—	0·2	8·9	15·5			0·5	1·0		
Latvia									0·5	0·4								
Lithuania									1·0	0·7								
Poland	1·9	2·2							1·8	1·4								
Roumania	2·1	2·1							0·2	0·3								
Turkey									0·1	0·2								
Yugoslavia	0·3	0·2			0·4	0·5					1·5	2·8?			4·1	5·4		
											0·5	0·6?			1·0	1·1		

(E) = Exports.

* China's production of soya beans is estimated roughly at 99,930,000 quintals in 1933–34. There is no estimate for earlier years. China's export of soya beans is very small.

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