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# BRITAIN AND 'ECONOMIC AID'

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**W**ITH the growth of the mass struggle against Tory reaction there are renewed hopes among Labour leaders of an early general election in which Labour would get a majority for a new government. Already the 'back-room boys and girls' are busy churning out new programmes, designed to give Labour a face-lift on a variety of problems.

In relation to the widespread poverty in the countries now known as the 'third world', Judith Hart MP, who was Minister for Overseas Development in the last Labour Government, has written a new book entitled *Aid and Liberation*\*. It gives an outline of a 'socialist' plan for economic aid to these countries. Far from being a 'socialist' policy it can contribute little or nothing towards a solution of the mass poverty and starvation in these countries, which constitute more than half the world's population. True, there is a belated recognition that it is 'complete nonsense to regard private investment as aid', though the Labour Government accepted this principle after its adoption by the second world conference of the United Nations Committee on Trade and Development (UNCTAD) in 1968.

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\* *Aid and Liberation*, Judith Hart. Gollancz, 288 pp., £3.80.

Early in 1970 Judith Hart announced new allocations for Britain's economic aid programme, rising from £219 million in 1969-70 to £300 million in 1973-74. This was far short of 70 per cent 'official' government aid, as distinct from private investment. In the past ten years official aid has declined from 53 per cent of the total amount to 39 per cent last year, while private investment (supposed to be 30 per cent) rose from 47 per cent to 61 per cent. This trend existed both under Tory and Labour governments.

From the standpoint of actual sums involved the amount of official aid under Tory rule went up in 1971 to £268.9 million, £23 million *more* than provided in Judith Hart's plan for 1971-72. So, from the standpoint of the volume of official aid, Labour's plan was still far behind.

True, there was an even bigger increase in net private investment in 1971 (including private export credits) reaching £416.7 million, compared to £345.8 million in 1970. By adding together official aid and private investment Britain was 0.15 per cent above the one per cent UNCTAD target of the gross national product.

However, what is involved in relation to this vast problem of world poverty is not so much the paltry figures and manipulation of economic aid schemes, but how to battle against the intensified exploitation of the peoples of the third world, which is neither in their interest nor that of the ordinary people of Britain.

In reality, official economic aid is not designed to transform the backward economies of the third world and to raise living standards, but to provide a screen to conceal the real process of exploitation. Even so, the imperialists are reducing to a minimum the amount provided for this screen, which has become so thin and transparent that the countries of the third world can see through it.

In her book Judith Hart puts forward an eleven-point plan. It excludes private investment as part of the aid programme of the next 'socialist' government, asserts that no part of official aid should be used to assist private investment, that Britain should withdraw from the International Finance Corporation (IFC) of the World Bank, redefine the functions of the Commonwealth Development Corporation (which invests in private enterprise), that Britain should recognise the right of the countries of the third world to nationalise private enterprises, that the debts of the third world should be waived or reduced, and that Britain should aid mainly those third world countries which have progressive aims.

These proposals represent a slight advance on the practice of the last Labour Government, but do not touch even the fringe of the

vast problem of world poverty. Apart from the gigantic profits which flow to Britain from private foreign investment in the third world, there is also the huge tribute which Britain (and other capitalist countries) get from the continuous drop every year in the prices of third world exports on the world market, and the constant rise in the prices of third world imports, together with vast sums extracted from them every year for the repayment of past loans and interest. Judith Hart seems extremely shy and retiring on these aspects, which are far more vital than economic aid schemes.

Government journals are reluctant to give full facts about the flow of profits into Britain. It is not generally appreciated that the income from abroad of UK companies in 1971 was £2,515 million, compared with £5,769 million gross trading profits in Britain itself. In reality, income from abroad was £3,115 million and in Britain £4,869 million. Of course, the bulk of this income from abroad was from developed capitalist countries. UNCTAD was told (TD 143. November 12, 1971) that profits from private investment which flowed out of the third world in 1969 amounted to £2,130 million, though the document does not give an account for particular imperialist countries.

However, apart from direct profits from investment, the big monopoly firms derived vast benefit from the lower prices of goods from third world countries, and from the increased prices of exports to them. The repayment of debts and interest on past loans in 1969 also amounted to about £2,000 million. The £200 or £300 million 'economic aid' which Judith Hart writes about is only a tiny pebble compared with this vast tribute.

The terrible reality of world poverty is not just a mathematical problem to be solved by manipulating figures on 'economic aid', but a crucial *political* problem of relations between the imperialist countries and the third world. Judith Hart refers to Britain's 'substantial income from overseas earnings' as something in the past, when Britain was a 'leading industrial country', without any mention of *imperialism*. This process still goes on, for an important aspect of neo-colonialism is the extraction of even greater profit than when the third world countries were under direct colonial rule.

What is involved is the political recognition of the need for the utmost solidarity with the peoples of the third world in the struggle against imperialism—the common enemy. This involves greater mass pressure on the British Government (whether Tory or Labour) to operate, in practice, a trading policy of equitable prices on the world market for the product of these countries, restricting the gigantic

profits of British overseas firms, and to cancel entirely the heavy burden of loans and interest charges these countries are forced to repay.

Any Labour Government with a socialist outlook would break away from the rat race within the Common Market to extract more raw materials and primary goods at cheaper prices from the third world in the interest of the monopoly firms. It would seek instead to direct more of its trade (on equitable terms) to the third world, assist in transforming their backward economies, and extend genuine technical aid, all with the aim of raising the living standards of the masses—so providing a vast and expanding market far greater than that which exists in Europe.

More than ever, the interests of the British workers and the peoples of the third world are identical. In these countries the struggle against imperialism takes different forms and is growing rapidly. Solidarity action in Britain with every strike action against imperialist firms, with every step towards taking over foreign enterprises, and with every blow against reaction, is also in the interests of the British working class. This is far more important than so-called economic schemes whose main purpose is to conceal the vast robbery which is going on.

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