

THE BRITISH COMMONWEALTH IN THE POST-WAR WORLD*

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THE British Commonwealth of Nations is a rather difficult entity to describe. True, we have a definition in the famous Balfour Declaration of 1926, but this suffices only for constitutional clarity. The Commonwealth is "a free association" of equal and autonomous states. Yet the term Commonwealth misleads, implying a constitutional arrangement, an association with definite institutions, above all the existence of a permanent central body controlling its affairs and making decisions for all; but the Commonwealth displays no such structure. It has been stated, not without some justification, that the term is an impressive name for a vital institution that does not exist. Yet every member of the organization will affirm that it does exist and is an important entity in the affairs of the world. It is just a free association, without any very tangible machinery for such association. All its arrangements are on an *ad hoc* basis; yet they are none the less real and important. The free association is not so much institutional as habitual, which is probably a better indication that it will be durable and will be able to adjust itself as a body to the strange new post-war world.

It is not sufficient, however, to say that the Commonwealth is a free association of nations. The League of Nations was that; but the Commonwealth cannot be explained by its purposes, like the League, but by its evolution. The members have this in common, that they have all in the past been under the control of Great Britain and were acquired and developed either by settlement or conquest by that nation. They are not by any means British in race, being a conglomeration of races for the most part, with the British element sometimes in the ascendancy and sometimes not. Only New Zealand of the Dominions has a completely British character and outlook. But the Dominions are British in another sense, because they always had or have acquired institutions with a definite British character, like the cabinet system or the common law. The ideals of these nations, as far as such a thing may be determined, are for the most part British in character. These are cohesive elements, to which may be added certain common experiences, such as united participation in two major wars, and a common

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monarchy. All these factors are important but should not be over-emphasized. There are other factors that are properly more vital.

The Dominions of the Commonwealth grew to their present size, character and prosperity in a world that England dominated. That domination was of a peculiar kind. The period of British domination has been called by some historians the *Pax Britannica*. From Waterloo until the outbreak of World War I there was a period in which mankind was relatively free from major wars and was enabled to develop its peaceful pursuits to the utmost. The maintenance of this peace was undertaken by and was due, to a great extent, to Great Britain, whose interests were essentially tied up in maintaining it. Britain had engineered and striven to maintain a balance of power in Europe that prevented any nation there from embarking on a policy of aggression and domination. The British Navy, with its mobility and facility of concentration, was a very important instrument in this policy. It served another purpose as well, that of extending British influence and maintaining the type of orderliness suitable to British interests in the non-European world. The British Dominions, since they participated to some extent in British affairs, gained some understanding of British problems in this development and developed a certain interest with Britain in maintaining such a state of affairs. The habitual cooperation of the British Commonwealth was an expression of that common interest.

The *Pax Britannica* was also an age of unparalleled mercantile activity. Devotion to economic pursuits was the characteristic of the age, and its most important institution was the free world market. Britain had taken an early lead in this process, and the system of world trade developed was practically a British system with its prices and activities to a very great extent regulated from London. The world trading system was looked upon as complementary. The British Dominions developed economies that fitted into the British trading scheme in a complementary way. Their economies were developed to a large extent by British capital and credit, since Britain was then the world's banker. The Dominions found their place in an economic world that was a British-dominated world, and developed a common interest with Britain in maintaining that state of affairs.

The world trading system, to a large extent, came to an end with World War I. The development of mass industry

and later of autarky made the complementary conception of trade more and more untenable. The collapse of world trade tended to bring the Dominions into even closer economic co-operation. With world trade gone they looked upon the Empire as an area where trade could be maintained on a more or less complementary basis. The products of the Dominions found their chief and sometimes only market in Britain. Britain still obtained considerable income outside the structure and was enabled to enter the Ottawa agreements in a very unfavourable balance. The ratio of Canadian trade to Great Britain in comparison with trade from Great Britain was maintained at a ratio of about seven to one. Such was the economic nature of the Commonwealth at the beginning of World War II; a group of states dependent on the needs of one state for a large part of their export trade.

The Commonwealth could not, in the pre-war period, be separated entirely from the British Empire proper because it formed part of an Imperial whole from the point of view of military strategy. The war potential of the whole group was customarily considered as a unity. The military position of the Empire was a matter of serious concern to each dominion in the Commonwealth, because the nature of the world situation and their own place in it depended upon that military position. Communications, the so-called life-line of Britain, meant as much to some of the Dominions as it did to Britain herself. Naval policy, the vital factor in communications, was one in which the Dominions were always at least consulted. The maintenance of bases and the protection of such points as the Suez Canal were matters of moment to the Commonwealth as a whole. True, the burden of maintaining the strategic advantages fell almost altogether on Britain, but the Dominions could always be looked upon as a reserve of power. New strategic considerations were worked out as warfare changed, and the Commonwealth Air Training Scheme was a very important step in Commonwealth history. The strategic nature of the Commonwealth only becomes clear in war time but should be assessed in peace time with every change in the alignment of world power.

The post-war arrangement finds the whole international picture profoundly changed so that the British Commonwealth will have to readjust its outlook to take in an entirely new situation. Foremost among the changes is a realignment of world power. The first powers of the world are now the United States

and Russia. The position of Britain has deteriorated relatively from that of acknowledged world leadership to a poor third in a Big Three. Even that position depends more and more on the support of the United States, since that nation has a certain interest in maintaining Britain as a power in the world. Not that Britain's military strength is less, but that of other nations has grown relatively more. The nature of military power has changed greatly since the development of aerial warfare; hence, the British Navy no longer has the commanding position it once had in European waters. To maintain the defense of Britain and essential waters around Europe takes all the efforts of the Navy, which condition leaves it no force to exert elsewhere in the world; hence, the strategic link of the Empire has ceased to exist in the old sense. The British economy, the centre of the Commonwealth's war potential in the past, is no longer as safe from the ravages of war as it once was. Britain has no longer the military means of maintaining the balance of power in Europe.

Britain's power, however, was always more than military power; its fundamental aspect was economic. In the days of her greatness Britain had been the great market for raw materials and the foremost producer of manufactured goods. She was the centre of a great world trading system and was the world's banker. Two world wars have greatly accelerated the deterioration of her economic position, as her productive activities had to be concentrated on her immediate military needs and consequently the countries depending on British supplies felt forced to develop their own productive resources to make up for the lack of British materials—with the result that Britain lost much of her export trade. The process, which has been of long duration, was offset in the past by the need of Crown Colonies for certain of her products, but the general effect has been one of gradual deterioration. The past war will also have the effect of cutting down her import trade as she was forced to develop her own food resources and regulate consumption. So Britain's position as a trading nation has grown steadily weaker though it is still considerable. Her economic decline has been even more startling on the financial side since she has shrunk from the position of world's banker to the position of a debtor nation. During the war she was forced to liquidate her investments abroad to obtain currency for procuring supplies, since her export trade had been cut off by her own immediate need of production for war. Her efforts to rebuild her

shattered economy have been greatly hindered by the need for foreign currency, which need loans and gifts from the United States and Canada have by no means been able to offset. Britain must not only export, but she must export to countries where she obtains her supplies in order to get currency. Hence the pre-war arrangements cannot long suffice to maintain imperial trade. The economic structure of the Commonwealth will have to be readjusted if it is to survive.

The weakened economic power of Great Britain is having a tremendous effect on Britain's political power in the world. Britain is no longer in a position to maintain her commitments all over the world and has been forced to withdraw from some of her former strategic positions. "The maintenance of the life line" and other military and political activities have got beyond Britain's capacity. The deterioration has been greatly accelerated by the growth of nationalist movements in the Indian Empire and certain of the Crown Colonies and mandates. Consequently, Britain has had to accept rapidly demands for independence. The removal of political control may well mean a loss of trade in these localities as well, though such a development is not inevitable, for, should the newly independent states enter the Commonwealth, imperial trade could even grow in volume. Whatever the position of the former Colonies, the Commonwealth will be profoundly affected in many ways by the new state of affairs.

Whether the Commonwealth will continue as before or in any new arrangement will depend upon the decisions in the economic field made by the various Dominions separately. The Commonwealth trade arrangements can no longer be maintained on the old basis unless the Dominions are satisfied to go on giving money grants to Britain every few years to enable her to buy their products. Britain's exports to the Dominions must be increased if her imports are to be maintained. But the products of industrial development in the Dominions are often competitive with English products. The Dominions must decide whether they want to sacrifice their own industrial developments in some lines in order to continue their shipments of raw materials and agricultural products to Britain. Development of other markets of equal importance for these products does not seem likely in the present world situation. Should they decide to forgo the English market, it would mean a development of autarky such that, considering the state of their population if not their resources, it would be difficult if not impos-

sible to achieve. Also it would mean probably the complete collapse of Great Britain with a resultant situation they that would not care to face. Some compromise in policies does seem probable. Consultation and discussion will be vital; new imperial agreements will have to be worked out. Some planning of economic policies on an Imperial scale could even be possible in the future, should the Commonwealth feel a sufficient need for mutual economic support. The sterling bloc could even lead to a Commonwealth currency if the economic unity of the Commonwealth were forced far enough. One thing seems obvious: imperial trade will be considered a necessity for most of the members of the Commonwealth. At the same time it is clear that the Ottawa agreements cannot be maintained on their present basis.

The Commonwealth has undergone in recent years a revolution in its financial balance. Britain is no longer the creditor nation but has become a debtor, both within and without the Commonwealth. Canada and some other Dominions have become capital exporters to a certain degree. The centre of importance in the Commonwealth has consequently spread, yet it seems dubious that any Dominion can take up Britain's position as the centre of the structure. The Dominions are becoming in a very actual way "equal in status", but that is all. A large part of the common interest of the Commonwealth centres not in Britain or any Dominion but in the United States, which is outside the structure altogether, yet in very many ways a partner to it.

If present developments continue, the Commonwealth may undergo some changes in content that would very profoundly affect its whole nature. Many former Crown Colonies, like Burma, Malay, and to a lesser degree West Africa and the West Indies, are reaching a stage in political development that makes their independence inevitable. Should such states decide to enter the Commonwealth and accept Dominion status, a new era would be entered by the Commonwealth. The present Commonwealth has been made up of nations that in the past have assumed the superiority of the white and the ascendancy of Western European civilization. Should Dominions where the former subject races are ascendant be included an adjustment of that outlook would have to be made. The Commonwealth is an area of peace in the world, and a widening of its basic content in this way could be a factor of tremendous importance in the development of international cooperation and could

profoundly affect the whole world situation. There may be problems immediately before the Commonwealth that have never before been fully considered with a habitually cooperative spirit in modern times.

The coming independence of India is a matter of vital importance to the Commonwealth. Whether or not India accepts Dominion status will have more effect on Commonwealth affairs than probably any other event in the post-war world. It is impossible to measure to what extent the prosperity of Great Britain has been tied up with political and economic control of India. Likewise it is impossible to ascertain whether or how much Britain will be weakened economically by the breaking of the political ties with India. Should India enter the Commonwealth and that institution develop its reciprocal trading agreements, the effect on Commonwealth economics would be tremendous because India is one of the greatest potential customers for industrial products in the post-war world. The technological development of that country, a process that appears to be necessary and highly probable, could well be a saving factor economically for Britain and many of the Dominions. A similar state of affairs exists with regard to the smaller colonies that are attaining independence. Whether these nations enter into economic cooperation with Britain and the older Dominions will depend considerably upon the amount of cooperation that is achieved in the social sphere. It is a matter of tremendous importance to the Commonwealth and the world because of the huge populations involved, which in any future alignment of world power will be essential factors. It matters considerably whether these units remain in the area of peace that the Commonwealth has been in the past.

The Commonwealth is based upon a common sympathy and understanding among its members, for only in that atmosphere is habitual cooperation possible. Can the Commonwealth achieve such common sympathy and understanding between members of such different cultural and racial backgrounds as, say, India and Canada? Before such an achievement could be reached, there would have to be a radical change of outlook in the older Dominions. Britain, with her long experience in colonial problems, must lead the way here. Mere formal expressions of good will are not enough. Canada, for instance, would have to modify her immigration policies in order to wipe out the present discrimination against Indians. South Africa would have to cease her discrimination against Hindu minorities

there. The problems involved are very deep-rooted and probably insoluble. Yet the Commonwealth system of constant exchange of views on all matters of interest to other members should tend to make for better relations than could exist, say, between India and any nation outside the Commonwealth. Meetings for discussion of Commonwealth problems in a formal way would have to be much more frequent than they are now. The present Commonwealth system of cooperation, which is capable of considerable growth, would have to be greatly augmented to face the problems that would arise in a future association such as may come into being in the next few years.

India's complaint regarding discrimination against Hindus in South Africa, placed before the Assembly of the U. N. last fall, is a definite indication of the sort of question that lies ahead both for the U. N. and the British Commonwealth. At present, the U. N. does not seem to be an effective instrument for dealing with such problems. Habitual cooperation within the Commonwealth might succeed in a field where the U. N. fails. The need, for the whole world, of such an achievement anywhere is great. Whether the Commonwealth ever gets an opportunity to deal with such problems—for it is by no means clear that it will do so—will depend on the extent to which the Dominions decide that the Commonwealth is worth retaining and the extent to which they are willing to compromise to uphold it. Are the advantages received in economic matters, by the existence of such an area of peace and cooperation, worth the sacrifices involved? The decision of the Indians and other future independent colonies is much the same in kind. Would or would not the Commonwealth be the best association for them to enter in their new state of independence? Much depends on these decisions.

The British Commonwealth has always been to a certain extent a strategic concept. Matters dealing with common defence have always been among the foremost topics at Imperial Conferences and have called for constant consultation and exchange of ideas and information. The division of responsibility was for the Dominions to be responsible for their immediate local defense and for Britain to maintain the control of the seas and assume the burden of maintenance of bases and communications that were actually for the good of all the members. The situation has changed considerably in recent years.

Although Great Britain can no longer maintain a balance of power and a state of affairs to her liking in Europe by naval

and economic power, her position as an almost unassailable base is of the utmost strategic value. For a large part of the late war the maintenance of Great Britain as a bridgehead was a primary strategical objective of both the Commonwealth and the United States. It still remains as a foremost strategic aim that Great Britain be maintained in a strong position as a base from which operations can be made into Europe. To keep a strong position at home Britain must necessarily reduce commitments abroad. Probably some of these commitments must be abandoned completely. The maintenance of a life line through the Mediterranean and Suez is now a task beyond the strength of the Commonwealth alone, that is, of Britain alone. Her commitments in the Near East are being quickly reduced. Should the United States step into the vacuum with sufficient vigor the world strategic conditions need not necessarily be changed. Britain's withdrawal from the Eastern Mediterranean is a result of the lessened importance of her naval power. The changed situation has been fully realized, and a second life line is being built up, not a naval one, but aerial, by means of a series of air bases extending across Africa. In any conflict in the Eastern Mediterranean they will act as a base for aerial operations and as a line of communication with Dominions in the Far East.

The Commonwealth defense in other areas of the world has had to be taken over to a large extent by other Commonwealth members. Canada has taken on her own shoulders responsibility for her own defense and to some extent the maintenance of communications in the North Atlantic. Close cooperation with the United States through the Joint Defense Board has been established and maintained. Britain has withdrawn much power from the Far East as well; so Australia and New Zealand have been obliged to take steps to maintain defense there. The movement of Australian troops during the war from the Mediterranean theatre to the Pacific is symbolic of much that is permanent in the situation. Close cooperation with the United States has been the necessary course there as well.

The defense of the Commonwealth that Britain had largely maintained in former times is now in the hands of either the Dominions themselves or of the United States. There is still a common objective of maintaining Great Britain in Europe and showing a common front in other areas of strategic importance. Despite the decentralization of responsibility, the Com-

monwealth may still be regarded as a military whole against any major threat to any part of it. The cooperation of the war years seems to be continuing on a permanent basis, as Dominion General Staffs are in frequent consultation. More and more standardization of equipment is sought, and the military production of the Commonwealth is being worked out on a complementary basis. The arsenal is not centred in the British Isles to the extent that it formerly was, but the military power of all parts of the Commonwealth is being developed to an extent never before attempted on a permanent basis. The old order is gone, and the Commonwealth is rapidly adjusting itself to the new. To a considerable extent the adjustment is being made as a commonwealth.

No estimate of the military position of the Commonwealth can be made without considering the position of the United States and the relation of that nation to the Commonwealth. As Britain has declined in political, military and economic power the United States has advanced. The war has shown that the United States must play a full and active part in world affairs. The place that Britain had in military affairs in the Commonwealth is now being assumed by the United States. The main defence of the world situation and the way of life that the Commonwealth wishes maintained is being undertaken by that nation. Hence it is clear that close cooperation with that nation by various Dominions is natural and essential. The United States developed its strength in peace largely because it was protected by Britain, for the Monroe Doctrine would have been meaningless if the British Navy had not in fact striven to maintain it. The United States fitted into the *Pax Britannica* in much the same way as the Dominion did; it grew up as part of a British world system without realizing the fact; and now it is the main bulwark of that system. As Britain has relinquished her power in the world, the United States has had to grasp it herself in order to maintain the world situation to which she has been accustomed. The United States continues a British Commonwealth task, and is able to do so with the cooperation of the Commonwealth. The United States carries on the strategic aim of the Commonwealth and consequently has become the military centre of the structure without being in it. The total military power of that organization is complementary to the military power of the United States.

Does the cooperation in the military field extend to other

fields as well? The United States has become in this century the world's financial centre. She has taken over the position of Great Britain as the principal capital-exporting country of the world, and she holds that position in a much more commanding way than Britain ever did. The United States is now almost the only capital-exporting country in the world, the place of the Dominions being only of very secondary importance in that respect; hence, capital investment necessary for maintaining the Commonwealth must come to a large extent from the United States. Because of this the Commonwealth countries must develop a large measure of economic cooperation with that country. To repay American loans, Commonwealth countries, and especially Great Britain, must export to the United States or obtain currency from countries that do export to the United States. In this way Commonwealth economies must be in some measure complementary to those of the United States. Therein lies a very difficult problem.

The United States has been, in the past, the most completely protectionist country in the world. As long as the United States was a new and expanding country such a policy seemed natural and inevitable. With an expanding internal economy the United States entered into world trade only to a limited extent. Gradually she developed marginal surpluses and entered more and more into export trade. However, her imports of other than essential raw materials like rubber did not increase to any great extent. Consequently, the United States amassed great reserves of capital that could be exported in the form of loans to other nations, but the tariff policies of the United States made it impossible for other nations to repay these loans. So the United States has in recent years become an advocate of freer world trade. The fields where she looked for expansion of trade were often made difficult by the operation of the sterling bloc and the Ottawa agreements. That is, the necessities of United States policies have often run counter to the necessities of Commonwealth policies. How can this situation be resolved?

The United States can forgo tariffs like the Smoot-Hawley tariff only if she can find great advantage from serving foreign markets. The Commonwealth can forgo the sterling bloc only if it obtains compensation by being able to export to the United States not only raw materials but industrial surpluses as well. A compromise will be difficult to achieve. The development of the markets in backward countries, including members or former

members of the British Empire, will be another field in which the United States and the Commonwealth may find themselves in competition. The United States may well resent any special advantage obtained by Great Britain by Imperial preferences in any Commonwealth system in which former colonies are included.

The need for the development of cooperation between the United States and the Commonwealth in economic matters is great. Cooperation developed in military and political affairs may well depend on the success of cooperation in the economic field. Within the Commonwealth itself a pattern already exists for such habitual cooperation. In fact, the means of cooperation on all matters of common interest is not merely an instrument of the Commonwealth but is the essence of that institution, because the Commonwealth is habitual cooperation and little more. Such habitual association can exist only as long as a community of interest exists among the members. Maintenance of a community of interests in the Commonwealth will depend to a considerable extent upon the extension of that community of interests and the machinery of cooperation characteristic of the free association to include the United States. This is the principal trend of the Commonwealth in the post-war world and a very essential one for that world.

The development of cooperation is one of the principal aims of the United Nations. Even the most cursory examination of present events and trends will disclose how difficult that aim is of attainment and how difficult such a task for the United Nations alone. The split between the Western World and the Russian dominated world regarding the aims and the conception of society may well be impossible to mend. Nevertheless the aims of the United Nations cannot be abandoned by the modern world. The development of a world community and world peace must remain as an ultimate objective no matter how difficult it may be of attainment. The British Commonwealth as an association for cooperation and peace is the largest achievement yet reached in that direction. It is an arrow pointing the way to the desirable future. The Russian Communist system puts itself up as a rival means of achieving world community. The variance of views between Russia and the West may defeat any efforts being made through the United Nations to bring about a friendly atmosphere. The West may yet be forced into closer cooperation. The British

Commonwealth already offers a model and, possibly, a framework for closer union of the democracies.

In many respects we may consider the United States, the dominating figure of Western power, as part of the Commonwealth. The aims of the Commonwealth and the United States are in very many ways the same. Can we envisage the United States within the framework of the Commonwealth? It has the same characteristics as the present members, being a former British possession and having some of the peculiarly British institutions. The common allegiance to the Crown is not necessarily a barrier, since Ireland no longer acknowledges allegiance and yet remains within the structure. The United States could formally take over the leadership that it has essentially assumed.

Such a state of affairs is obviously visionary, however, although in considering the British Commonwealth in the post-war world, we must consider its possible extension in several directions. That the Commonwealth is a living body, the experiences of the past war should have shown. The state of the post-war world appears to make it very probable that the Commonwealth will continue as a very necessary association. To members of the Commonwealth there are two measures of its worth: self-interest and communal interest. In very many ways these are the same. Citizens of the Dominions should strive individually and collectively to further the development of the Commonwealth, for it has immense importance for them and for the world. By no means should it be considered as static. In the modern world the extension of cooperation is a thing to be sought always. Let us see what the Commonwealth can achieve.