

Introduction

Commonwealth trade has its roots in the historical relationships between Britain and other members of the Commonwealth when they provided the raw materials and Britain the manufactured goods. Commonwealth tariff preferences arose in the collapse of the world economy after 1929, as a defensive measure intended to shield Commonwealth countries from the rising tide of protectionism that world trade faced at the time.

The complementary patterns of production, investment and trade that grew up under this relationship between Britain and the members of the Commonwealth evolved in different ways as these countries developed and diversified their economies. International payments arrangements, generally with sterling as their common reserve currency and a pattern of trade considerably influenced by Commonwealth preferences, further extended and developed those relationships.

As the former colonies became independent nation states, responsible for their economic planning and development, more industrialization and economic modernization spread throughout the Commonwealth. While the volume of intra-Commonwealth trade has grown its percentage of total world trade has tended to decline as member countries established additional links with non-Commonwealth countries and sought new markets. Nonetheless, the existing financial and trade links within the Commonwealth are of an order and magnitude that warrant special attention. Intra-Commonwealth trade is a substantial part of world trade. Exports of Commonwealth countries to other Commonwealth countries totalled approximately four thousand four hundred and thirty million pounds sterling, i.e. more than 24 per cent of the total exports of Commonwealth countries in the year 1968, and intra-Commonwealth imports were also about one quarter of the total imports of Commonwealth countries.

Trade is influenced by individual and business associations, and while all members of the Commonwealth are outward looking with regard to trade, they do not minimize the importance of maintaining and building on the friendships and associations that exist within the Commonwealth to expand their trade and trading opportunities. Business associations and financial links in Commonwealth countries have led to a number of joint ventures in agriculture and industry and there are growing opportunities for joint investment and participation in projects of mutual benefit to member countries.

Commonwealth Trade Ministers have on more than one occasion stressed the fact that while they do not look inwardly towards the Commonwealth relationship for the development of markets, and see the Commonwealth in the context of the widest global relationships, there is considerable scope and opportunity for Commonwealth countries to consult and act in concert in the protection of their mutual interests.

Commonwealth countries include some of the largest producers of a number of primary commodities, and there is a considerable volume of trade within the Commonwealth and outside in these commodities. Commonwealth countries have therefore considerable influence in international forums on trade and have actively supported international arrangements for price stabilization for primary commodities. It was the Commonwealth that took the initiative as far back as December 1951 in establishing the Commonwealth Sugar Agreement between major importing and exporting countries in the Commonwealth. The benefits conferred by the Commonwealth Sugar Agreement are real and substantial for exporting countries but this is by no means a one sided agreement. At times of

shortage and of high prices countries importing sugar have been assured of supply at the negotiated price. There are similar commodities of great interest both to Commonwealth and non-Commonwealth countries where consultation within the Commonwealth can lead the way for international arrangements to support price stabilization so necessary for the producing countries. Some examples are jute, cocoa, tea where major producer and consumer interests are represented within the Commonwealth, which also has special knowledge of the problems involved.

It might be said that the Commonwealth today is not an economic bloc with common trading purposes nor does it seek to formulate a position based on self-interest in order to influence the development of international trading relationships and policies. Nevertheless, membership within it of a very representative cross-section of both the rich and the poorer countries, that has demonstrated its capacity for providing a forum in which the diverse and frequently conflicting trading interests of countries can be discussed intimately without an atmosphere of confrontation, gives special value to the Commonwealth association in helping to meet new challenges in the field of international economic relationships and economic policy.

It is in this hope and spirit that Commonwealth Ministers meet prior to international meetings to consider broad questions of international economic policy and strategy. Thus heads of Commonwealth delegations to the first UNCTAD Meeting at Geneva in 1964 and to the Second UNCTAD Meeting in Delhi in 1968, held a number of Commonwealth meetings to discuss matters of mutual concern with a view to help understand and formulate international policy to the mutual advantage of member countries. At these meetings Ministers found valuable a number of background papers including a special paper on Commonwealth Preferences prepared by the Secretariat in consultation with member countries.

The Commonwealth Secretariat maintains liaison with international economic organisations such as UNCTAD, GATT, the World Bank, and the F.A.O. At their meeting in London this year, Commonwealth Prime Ministers stressed the need to give practical effect to the unanimous agreements reached in principle at UNCTAD II. They emphasised the importance of continuing consultation at the Trade and Development Board and other organs of UNCTAD and asked the Secretary-General to maintain close contacts with these and other International Agencies in order to keep developments under review.

Prime Ministers recognized that more orderly and satisfactory markets for primary products were crucial for Commonwealth countries and stressed the need for further efforts by Commonwealth countries in international forums to secure improved conditions for international commodity trade, including better access to markets in both developed and developing countries and equitable and stable prices for primary products. They stressed the dangers of excessive protectionism in a number of foreign industrialised countries for agricultural products of export interest to Commonwealth countries.

While they recognized that Commonwealth trade must be seen in the larger context of global trade of which it was a vital part, they agreed there was continuing scope for the expansion of Commonwealth trade and that for this purpose there was need to strengthen the well established links among Commonwealth members.

This publication, "Commonwealth Trade 1968", which is part of the series of trade and commodity publications issued by the Commonwealth Secretariat, reviews the main features of the external trade of individual Commonwealth countries and of the Commonwealth as a whole. Special sections incorporate the prominent features of the trade of Commonwealth countries and their

important trading partners—both individual countries and groups—outside the Commonwealth. It attempts to present a statistical picture of Commonwealth trade in the context of world trade with the object of providing a source of ready reference for use by Commonwealth Governments and organizations. To the statistical picture has been added a short review of the general situation in regard to Commonwealth trade in commodities, manufactures and semi-manufactures. A brief account has also been included of measures of regional economic co-operation, with particular reference to regional trade among Commonwealth countries.

The Secretariat undertakes research and provides economic intelligence on commodities of special interest to Commonwealth countries. Its Commodity Division produces regular series on various products of interest to member countries such as dairy produce, meat, fruit, industrial fibres, grain crops, plantation crops, vegetable oil and oil seeds, and keeps members informed of various stages of development in the international study of commodity problems and the developments in arrangements for Commodity Agreements.

Measures for expansion of Commonwealth trade naturally go beyond these studies. Export promotion has been recognised as a vital part of the plans of member countries to expand their trade. Senior Trade Officials of Commonwealth Governments meeting at Nairobi in 1967 recommended that a feasibility study should be undertaken by the Commonwealth Secretariat in regard to a Commonwealth initiative in the trade promotion of Commonwealth countries. Accordingly, in consultation with Commonwealth Governments four experts, two from developed countries and two from developing countries, were attached to the Secretariat to assist it in this study. It is expected that the recommendations arising from this study will be ready by the end of 1969.

A few structural changes have been introduced in this year's "Commonwealth Trade" to widen the presentation of material, and so make it of greater interest to member countries. It is hoped that future publications will go further in this direction and become an increasingly useful instrument for analysing the main elements of Commonwealth trade so as to contribute, in however modest a measure, to the objective of expanding the trade of Commonwealth countries and thereby promoting their economic development.