

Introduction

Commonwealth trade has its roots in the historical relationships between Britain and the other members of the Commonwealth when Britain was the world's largest trading nation and provided the market for raw materials and goods from her colonies. The complementary patterns of production, investment and trade that grew under this relationship evolved in different ways as member countries developed and diversified their economies. International payment arrangements, generally with sterling as their common reserve currency, and a pattern of trade considerably influenced by Commonwealth preferences, further extended and developed the relationship.

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. Nevertheless, the existing financial and trade links within the Commonwealth are of such importance and magnitude as to warrant special attention.

Intra-Commonwealth exports in 1969 aggregated £4,826 million as against £4,443 million in 1968, although the proportion of this trade to the world exports of Commonwealth countries declined from 24 to 23 per cent.

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 minimise 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 several occasions stressed the fact that, while seeing 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 in trade and development.

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 therefore enjoy considerable influence in international forums on trade and have actively supported international arrangements for price stabilisation 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 it is by no means a one-sided agreement. At times of shortage and of high prices, the 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 could perhaps lead the way for international arrangements to support price stabilisation so necessary for the producing countries. Some examples are jute, cocoa and tea, where major producer and consumer interests are represented within the Commonwealth, which also has special knowledge of the problems involved.

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, its membership composes a very representative cross-section of both the richer and the poorer countries, and it 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. This 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 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 understanding issues and formulating international policies to the mutual advantage of member countries. More recently, there have been informal consultations among Commonwealth representatives at Geneva on the question of Generalised Preferences and their likely impact on existing Commonwealth Preferences and generally on the trade of Commonwealth countries. Discussions at these meetings have been facilitated by a number of background papers 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., as requested by Commonwealth Heads of Government. At their meeting in January, 1969, Prime Ministers recognised 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 recognised that Commonwealth trade must be seen in the larger context of global trade of which it was a vital part, they agreed that 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 1969", which is one 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 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 organisations. To this have been added short reviews of the general situation in regard to international trade policy and commodity trends and arrangements.

The Secretariat also undertakes research and provides economic intelligence on commodities of special interest to Commonwealth countries. Its Commodity Division produces regular series of reports on various products such as dairy produce, meat, fruit, industrial fibres, grain crops, plantation crops, vegetable

oil and oil seeds, and keeps members informed of various developments in the international study of commodity problems.

Measures for expansion of Commonwealth trade naturally go beyond these studies. Export promotion has been recognised as a vital part of the development plans of member countries. In pursuance of a decision by a meeting of Commonwealth Governments that a feasibility study should be undertaken by the Secretariat on a Commonwealth initiative in the export market development field for Commonwealth countries, a four-man study team was appointed in 1968 and has recently concluded its work. It is hoped that consideration by Commonwealth Governments of the report, and of the recommendations embodied in it, may further the objective of expanding the trade of Commonwealth countries and thereby accelerate their economic development.