BRITAIN & OVERSEAS

A DIGEST OF NEWS AND VIEWS ON BRITAIN'S ECONOMY AND OUR ROLE IN OVERSEAS TRADE AND PAYMENTS

Vol. 3 No. 5 September/October 1973

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Published bi-monthly
Editor: Edward Holloway

Published by Commonwealth Industries Association Ltd.,
6/14 Dean Farrar Street, London, SW1H 0DX.

Subscription rates: U.K. £2 p.a. Australia $5. Canada $6. New Zealand $5. U.S.A. $6.

COMMONWEALTH PARLIAMENTARIANS DEBATE

On September 12th, in the historic setting of Westminster Hall, Her Majesty the Queen, flanked by Yeomen of the Guard, by her own Bodyguard, and by Ministers from Britain and the Commonwealth, opened the 19th Commonwealth Parliamentary Conference.

Over three hundred Commonwealth Parliamentarians and their wives were present. Was this blaze of splendour the final signal before the extinction of the Commonwealth, now Britain had chosen Europe in preference to the Open Seas?

Throughout the Conference speakers continually harked back to this question. In his speech of welcome, Sir Alec Douglas-Home stoutly refused to contemplate it, prophesying that the discussions would reveal afresh the support for the Commonwealth that exists in the British and all the other Parliaments.

But it was the delicate touch of Her Majesty the Queen that gave us all even more hope for the future. In describing the importance of the Commonwealth in providing bridges of communication, she stressed the informality of the Commonwealth and the absence of "rules and regulations". British MPs, with their lockers full of EEC Decisions, Directives, and Regulations, that they have neither the time to read nor the opportunity to discuss, smiled wryly at the implied contrast.

Julian Amery, in opening the debate on the Englarged European Community and the Commonwealth, was optimistic in his certainty that the new Europe would not be inward-looking; indeed, he thought it would have much to learn from the Commonwealth example, and suggested that the Commonwealth Parliamentary Association should establish links with the European Parliament.

Too Optimistic

The Speaker of the West Bengal Legislative Assembly, who followed Julian Amery, considered his speech to be too optimistic and declared that "the economic content of the Commonwealth is going to be substantially eroded with Britain joining the Community."

Mr. Mohamed for Mauritius voiced the thought of many when he said "I wish that instead of a European Parliament we had a Commonwealth Parliament. The United Kingdom could perhaps have taken the initiative in creating a Commonwealth Parliament, but unfortunately we have missed the bus."

Will The EEC Last?

Sir Harmar Nicholls brought a sense of reality to the discussion when he asked "Need we take it for granted that with things as they are we shall remain as members of the Common Market indefinitely, or that the EEC will remain as it is?"

Robert Muldoon, the former New Zealand Minister of Finance, who was one of the most forceful speakers at the Conference, followed up Sir Harmar's question with another.

"Will the EEC last? All of European history says that it will not. I am talking in terms of fifty to a hundred years. Certainly it will last in the immediate future, but it will not be permanent. Will the Commonwealth last? I believe that the very diversity of its economic, social and ethnic structure makes it more flexible. **Although countries will come and go over the years, one can argue with some logic that the Commonwealth is in the long run likely to outlast the EEC."**

The Leader of the Jamaican delegation felt Mr. Muldoon's confidence in the future of the Commonwealth was not justified.

"I am not at all happy that in the final analysis, when all the shouting is finished, we may not find that the Commonwealth has been fragmented because there is not one common voice speaking for it." He went on to suggest that a Conference such as this should act as the voice of the entire Commonwealth.

Confidence Shaken

So many delegates shared the view of the Leader of the Opposition in Trindidad and Tobago that "the United Kingdom must have been conscious when she was thinking of gaining entry into the EEC that it would shake the confidence of individual members of the Commonwealth in the United Kingdom's good intentions."

But the prize for tact went to Western Samoa.

"From our point of view on the other side of the world, this is a strange mesalliançe. However, we know that it is in Britain's interest to foster this new union, and it is up to us, who are all pragmatists, to support Britain in her entry, knowing full well that she will not desert us."

The Conference succeeded in exposing the very real anxieties of delegates who presented the problems that faced their countries as a result of the United Kingdom's accession to the Treaty of Rome. Many of them expressed their confidence that the British Government would not let them down. Their confidence was reinforced by the publication of the Report of the Select Committee on Overseas Development, which was handed to each delegate.

But there was universal regret that the proceedings of the Conference were not covered by the London newspapers. The omission was surprising and unfortunate. Had the 19th CPA Conference been held in any other Commonwealth country, the national Press would have given its proceedings full coverage. Has the British Press come to the conclusion in their enthusiasm for the European Community that the Commonwealth is on the road to extinction?

CAN PHASE 3 SUCCEED?

The Government's proposals for the third stage of the programme to control inflation were published as a consultative document on 8 October. Few will disagree with the objectives of the counter-inflation programme: "To maintain a high rate of growth and to improve real incomes, to improve the position of the low-paid and pensioners, and to moderate the rate of cost and price inflation."

The economic climate in which the proposals are launched, however, is far from encouraging. There are threats of industrial action from workers in vital sectors of industry, and unless the rise in the price level can be halted, or at least slowed down significantly, there is likely to be widespread industrial trouble.

There seems little evidence that inflation, now at an annual rate of around 10%, has been halted. In reply to Mr. Russell Johnson in the House of Commons on 18 October, Mr. Nott (Minister of State, Treasury) stated that—"Taking the internal purchasing power of the £ sterling as 100 p in February 1972, its value in August 1973, the latest date available, is estimated at 88½ p on the basis of the change in the General Index of Retail Prices."

Money Supply

Meanwhile the rise in money supply continues at an alarming rate. The figures released by the Bank of England on 22 October showed that the broad definition of money supply, known as M3, rose at an annual rate of 41.6% in the three months to September. The returns for M3 showed a rise of about £720 million in September, similar to the increase in August.

In Government circles the narrower definition of money supply known as M1 is favoured. This fell in September by £265 million. M1 measures only notes and coins in circulation with the public plus current accounts, less an allowance for items in transit, while M3 includes in addition money held in deposit accounts, non-sterling deposits, money with the discount houses and the public sector's deposits with the banks.

Excessive Expansion

The case put to the Prime Minister in a letter signed by twelve economists which is quoted on page 6 of this issue makes the point that inflation arises primarily from the excessive expansion of the money supply, a view which is now gaining considerable support from those concerned with financial questions. The monthly 'Monetary Bulletin' issued by W. Greenwell & Co., the stockbrokers, states that "Our overall impression remains one of excessive monetary expansion." In the *Financial Times* for 25 October, Mr. Samuel Brittan comments—"In the current argument it seems to me that the 'monetarists' are right about the effects of financial stimulation of the kind in which the Government has indulged." In the *Sunday Telegraph* for 21 October, Mr. Patrick Hutber says "The rise in the money supply is still much too high for comfort" and he goes on to say "fresh cuts in Government expenditure have got to come."

The *Ionian Newsletter* for October, which is published by the Ionian Bank, takes up the same theme. Commenting on the fact that the Government remains "largely impervious to any suggestion that they should cut public expenditure or exert a tighter control over the money supply" they go on to suggest that "Cuts in public expenditure are plainly needed as other demands on resources become more pressing, yet the spacing-out of public building contracts just announced scarcely scratches the surface of the problem. A reduction in the rate of increase of the money supply is clearly necessary if other policies are to succeed in reducing inflationary expectations, yet the latest figures suggest that the underlying rate of increase (after all possible official allowance is made for artificial distortions) is still running at an annual rate of well over 20%

Foreign Borrowing

Recent reports that the public sector deficit to be covered during the current financial year had been considerably reduced provides a ray of hope in an increasingly dangerous situation. On the other hand the steep increase in foreign borrowing, principally by nationalised industries and local authorities is shown by the fact that since the last budget over £2,000 million has been raised from foreign borrowing by the Electricity Council, the Post Office and other similar bodies. While this has helped to offset the continuing heavy trade deficit on the balance of payments, it has to be remembered that these borrowings have to be financed in sterling and may well contribute substantially to the rise in money supply.

On 18 October, in a reply to Mr. Bruce-Gardyne, Mr. Nott said—"The Government's monetary policy is to restrain the growth of money and credit to the amount needed to finance the sound growth of the economy. Since the second quarter further steps have been taken to restrain monetary expansion."

The success or failure of Phase 3 depends far more on the right steps being taken to restrain monetary expansion than on any of the more publicised policies of controlling wages and prices.

APPEAL TO PRIME MINISTER ON INFLATION DANGERS

A group of representative economists sent a letter to the Prime Minister on 28 September drawing his attention to the dangerous situation arising from the failure to contain inflation. The letter warns the Prime Minister that if inflation continues at its present rate "it will lead to a complete breakdown not only in the monetary system but in the political system as we know it."

The full text of the letter was as follows:

28 September, 1973.

The Rt. Hon. Edward Heath, M.B.E., M.P.
10 Downing Street,
London, S.W.1.

Dear Mr. Heath,

We admire your many achievements and the courage with which you and your Government have tackled the many seemingly intractable problems with which you have been unexpectedly faced, but we feel that we should draw your attention to our views about the dangerous situation which is arising from the failure to contain Inflation.

We believe, firstly, that Inflation is essentially a monetary malady which can only be put right by monetary discipline.

Secondly, we believe that Inflation arises primarily from the excessive expansion of the money supply which, as far as the U.K. is concerned, is shown by the figures published by the Bank of England.

Thirdly, that this excessive increase in the money supply stems primarily from deficitory expenditure by the public sector. Whenever such deficitory expenditure is financed by borrowing from the banking sector instead of from the non-bank private sector, it enlarges the basis of credit and so increases the supply of money in circulation. This in turn increases demand which, in conditions of near full employment, leads inevitably to price increases which stimulate wage increases.

We are convinced that Inflation can only be contained by limiting the supply of new money to the real increase in the Gross National Product, i.e. about 4% per annum.

This does not mean that the total stock of money should be reduced, but that the *rate* of increase should be effectively controlled, which in turn means that the Government must reduce its net borrowing requirements to the amount which it can borrow from the non-bank private sector.

To express this in language which every householder can understand, by "deficitory expenditure" we mean spending more than one's income. "Excessive deficitory expenditure" means spending not only more than one's income, but more than one can borrow from one's neighbours. Only Governments are capable of doing this and they do it by creating new money under cover of ostensibly "borrowing" from the banks. It is this "excessive deficitory expenditure" which we believe must be eliminated.

It is never easy to reduce Government spending, yet, if inflation is to be contained, it must be done and the sooner it is done the better. We realise that it will be difficult for you, that it will cause disappointment and may even result in some hardship, yet these are temporary effects which will be more than counter-balanced by the long-term gains, both internal and international, from stabilising the value of our money.

In contrast, if inflation continues unchecked, it will lead to a complete breakdown not only in the monetary system, but in the political system as we know it.

This letter is not inspired by Party Politics, but only by an intense desire to see our country recover from the malady of inflation. We appeal to you to tackle the problem of excessive Central and Local Government expenditure with the same courage and determination that you have shown in tackling so many other seemingly intractable problems.

G. C. Allen	Emeritus Professor of Political Economy, University of London. (Vice President, Economic Research Council)
S. H. Frankel	Emeritus Professor of Economics, University of Oxford.
Edward Holloway	Hon. Secretary, Economic Research Council.
Graham Hutton	Economist and Author.
Harry Johnson	Professor of Econmics, London School of Economics.
Patrick de Laszlo	Chairman, Economic Research Council.
D. R. Myddelton	Professor of Finance and Accounting, Cranfield School of Management.
C. Northcote Parkinson	Economist and Author.
John Paxton	Editor, Statesman's Yearbook.
Simon Webley	Director of Research, British-North American Research Association.

Two further signatures have been added since the letter was sent—**Professor Dennis Gabor, C.B.E., F.R.S., N.L.,** of the Imperial College and **Brian Griffiths** of the London School of Economics. Professor Gabor was awarded the Nobel Prize for Physics in 1971 for his invention of holography.

WHAT ABOUT UNEMPLOYMENT?

Inflation at 10 per cent; that is the major economic problem for 1973. Who can seriously dispute Enoch Powell's comment that "It is a social evil, an injustice between man and man, a moral evil, a dishonesty between government (note the small g) and people, between class and class".

No speech or discussion on a possible cure, however, can take place without the question arising 'but what about unemployment?' The present Government's policies, which include, this year, a budget deficit on current account of over £4,000,000,000 are again and again 'justified' by reference to the 'alarming' rate of unemployment in 1971 and 1972. Any effective proposal for monetary restraint is ignored for fear that it might again lead to an increase in unemployment.

The thesis that unemployment can be cured by a dose of inflation would no doubt have appalled—or amused—our Grandparents. In essence, the idea that through the manipulation of money, unemployment can be reduced, is based on the works of John Maynard Keynes. The present Government's policies are justified, it is said, because they are the 'Keynesian' solution.

'Unemployment and Inflation—The Need for a Trustworthy Unemployment Indicator' by Jim Bourlet and Adrian Bell* takes a cool, long look at this proposition. Firstly they turn to Keynes' great work 'The General Theory of Employment Interest and Money'. It is clear from this that Keynes was certainly not advocating monetary expansion as a cure for ALL unemployment—but only as a possible cure for one specific and narrowly defined type of unemployment which Keynes called 'Involuntary' unemployment.

Categories of Unemployment

There are various types of unemployment and a careful disaggregation of the total should be undertaken before one can decide whether Keynesian measures are appropriate or not. The pamphlet concedes that some assistance in the Development Areas is justified but strongly concludes that reflation throughout the entire economy was a major mistake and has led to the present dangerous inflationary conditions.

Arising directly out of Keynes' discussion of unemployment the writers list the various other categories of unemployment and make tentative estimates for the likely size of each during the 'great unemployment scare' of 1971-72. These categories include 'frictional' unemployment and 'voluntary' unemployment as well as the 'hard core of unemployables' and those who register as unemployed whilst working casually in (for example) the building industry. When many people are changing their jobs—as happens during a period of fast structural change in the economy—it is quite understandable that new jobs take time to find, especially if they involve a change in occupation or location. It may well be that it is a sign of our increasing affluence and improved social conditions that many prefer to 'take their time'—but they obviously swell the 'total numbers unemployed' in so doing.

The writers conclude that under present circumstances a higher total of unemployed than has been usual since 1945 should be accepted and should not be a cause for alarm. Better employment exchange organisation and more retraining facilities etc. are a more practical and direct way of helping those unemployed than is escalating inflation. Reflationary measures should only be taken if 'Keynesian' or 'involuntary' unemployment appears. The suffering and distress involved in this type of unemployment is of course intolerable and is—or can be—a thing of the past.

* Unemployment and Inflation—The Need For a Trustworthy Unemployment Indicator. Jim Bourlet and Adrian Bell. Economic Resesearch Council. October 1973. Price 40p.

How Many Vacancies?

Popular misunderstanding of the unemployment statistics is matched by equal misunderstanding of vacancies statistics. Each month the Government announces a 'vacancies' figure. During 1972 when unemployment was approaching one million these were typically given as about 200,000—only one vacancy for every 5 unemployed persons! But these vacancies are only those *notified* to Employment Exchanges. Only about 15% of people obtain employment through Employment Exchanges—the rest through newspaper advertising, private agencies or the 'grape vine'. No employer notifies Employment Exchanges of all vacancies—not even Government Departments! We simply do not know how many vacanices exist today—or how many existed during 1971-72. The best guess the writers of the pamphlet can make is that it was probably between 2 and 3 million. This means that in the more prosperous areas of Britain there were probably more like five vacancies for every unemployed person!

More Trustworthy Indicators

In future policy making the Government clearly needs far more accurate—and trustworthy—indicators of the unemployment situation. This is not a simple matter—there are always problems in translating economic concepts into precise data. But by using surveys and recording extra information from those unemployed, a far more useful picture can be built up. A detailed sample analysis should be undertaken immediately—now at a time of relatively 'low unemployment' when the whole subject can be discussed dispassionately. Firm by firm surveys to estimate the true number of vacancies should also be immediately undertaken—or would the Government be embarrassed to find 3 million vacancies? The suggestion is not new—it was a clear recommendation in the famous 1944 White Paper on Unemployment.

DEBATE ON COMMONWEALTH SUGAR

Since the days of Sir Winston Churchill the House of Commons never has been so united upon a European issue as it was on Wednesday, October 24th. That evening the Government accepted an Opposition motion calling upon them to honour their undertakings to Commonwealth sugar producers and to insist upon major accompanying changes in the sugar policies of the EEC.

No one could have been surprised at the Government's acceptance of the Lancaster House obligations, which are written into Protocol 22 of the Treaty of Accession and have been acknowledged by the European Commission and by all our partners in the Community, except by the French, whose Minister of Agriculture has described them as "ridiculous".

The more valuable admission was their acceptance of the need for fundamental changes in the sugar policies of the EEC. This was a virtual admission that our negotiators in the Brussels negotiations had been outsmarted by the French beet sugar lobby when they agreed to Protocol 17 of the Treaty of Accession. Protocol 17 laid down that the price of cane sugar in Britain shall be fixed sufficiently high to avoid prejudicing the sale of Community beet sugar and also imposed a levy to bridge the gap.

Before our entry, the EEC had not fixed a cane refining margin, as the refining of cane sugar was such a small part of their activities. When Mr. Godber attempted to negotiate a refining margin of £17 a ton, which compared favourably with the EEC beet processing and refining margin of £38 a ton, the Council of Ministers beat him down to £11.50 a ton.

Incompatible with Treaty of Rome

When the British Government then responded by giving a subvention to the refiners of £5.50 a ton, the European Commission declared such a subvention to be incompatible with the Treaty of Rome. However, later the Council of Ministers agreed for it to be continued until the end of June 1974.

How much of our sovereign rights we handed over to Brussels can be gauged by the fact that under Protocol 17 a levy of £11.10 a ton is payable to the Community because the cost of production of cane sugar is cheaper than that of sugar beet in U.K., and under the Treaty, after 1977 that levy will be

fixed on the basis of the cost of production of sugar beet in the Community and at present prices will rise to over £23 a ton.

In these days of inflation, housewives must regret that in the negotiations we gave away so much to the French sugar beet lobby.

On the reasonableness of our claim for a cane refining margin of £17, it was interesting to note that Mr. Richard Wood, who replied to the debate, when challenged about the French cane refining margin, admitted that "it is at least as high as the £17 per ton which our own refiners need, and is probably higher".

Undertaking Valueless

The majority of the speakers in the debate appreciated that unless the Commission fixed a remunerative margin for the refining of cane sugar, any undertaking for the importation of 1.4 million tons of Commonwealth cane sugar is valueless. Indeed, if the Community sugar beet production continues to expand astronomically, without an adequate margin the British port refiners will be unable to compete.

The two most unsatisfactory parts of the debate were, firstly, the Minister's surprising claim that whether or not we had entered the Common Market we would have phased out our imports of Australian sugar. As Australia was an original signatory of the Commonwealth Sugar Agreement, and Queensland sugar is the most efficiently produced and the cheapest, it was impossible to understand why we would have denied British housewives these advantages. Secondly, was his claim that quite apart from the results of British entry, there was excessive port refining capacity and that the solution was the reorganisation of the industry, throwing out of employment some of the workers at the port refineries, and a merger with the British Sugar Corporation in one giant monopoly. It was indeed a surprising suggestion to hear from a Conservative Minister. The fact that the British Government hold 36% of the shares of B.S.C. makes the claim suspect. But, in addition, it vitiated the Minister's own argument.

The only justification for the need for such a giant monopoly would be so as to balance the losses on the refining of cane by the gain on the refining of beet. But to admit this as the future situation is really to abandon all hope for the continued implementation of the Lancaster House undertaking, since not even a monopoly will willingly refine half its production at a loss in order that that loss might be wiped out by more remunerative refining of the remainder. **Inescapably it will attempt to increase its refining of sugar beet to the disadvantage of the Commonwealth cane producers.**

Both sides of the House agreed that the British port refineries, who had a record of efficient production and excellent labour relations, should not be sacrificed, and if the industry was to be reorganised, a competitive two company structure was infinitely preferable to a huge public corporate monopoly.

SUGAR AND THE COMMON MARKET

Within the next few months, a decision will be made which will determine for many years who will supply Britain with sugar. The decision will not be determined by any of the considerations consumers might hope for, such as the relative efficiency of different producers and refiners, or who can supply the major customers, the housewives and food manufacturers, with sugar at lowest cost. It will not be determined by what happens in the plantations and fields where raw sugar is grown, in the refineries where it is turned into white sugar, or in the markets where it is sold. It will be decided by politicians, in Whitehall and in Brussels. Some of the decisions will be made in Brussels, and the basis will be almost entirely one of "horse trading" between politicians.

Adoption of French ideas will "strangle the British sugar refining industry through lack of profitability" states Aims of Industry in their study "British Industry and the Common Market (Sugar)".* Cane sugar would "leave the factory gates £5.60 a ton cheaper than beet sugar but for the EEC levy. The refining industry stands to suffer entirely through the arbitrariness of politics, not through any fault of its own".

Not only must the Government fight for reasonable conditions argues this first of a series of studies by Aims on industrial problems resulting from our entry into the EEC. The cut from 1.7 million tons a year of cane sugar imports to 1.4 million a year visualised in the European Commission's proposals would represent a reduction of nearly 18% in the refiners' volume of business, and this will lead to unemployment in areas such as Merseyside and the Clyde.

In Britain the present beet sugar structure "is a Government-imposed nonsense". Beet sugar processing is a statutory monopoly for the British Sugar Corporation, which is effectively state controlled. The Government owns 36¼% of the capital, and allocates the whole 900,000 tons a year British sugar beet quota to the Corporation". The study argues that Britain's two major refiners, Tate & Lyle and Manbre & Garton should be allowed to enter into sugar beet processing. "The Government-imposed, anomalous position of the British Sugar Corporation has resulted in negligible or non-existent exports. Giving a sizeable beet quota to effective private enterprise firms would lead to a boost in our exports".

"Because of its bias in favour of beet sugar, the EEC has fixed the 'refining margin' on cane sugar at an absurdly low level, some £4.50 to £5.00 below the £17.00 level which the British refiners say is necessary."

"The British Government recognises this, and currently pays a supplement to bring the margin up to £17 a ton."

Other important points made in this study are:

i) "Any loss of cane sugar tonnage by the refiners should be compensated by an equivalent allocation to them from Britain's beet quota."

ii) "To enable the refiners to get started quickly in sugar beet processing, they should be permitted to buy factories from the British Sugar Corporation."

iii) "As a matter of equity, the British Sugar Corporation should be permitted to enter cane sugar refining, if it so wishes, and should be free to buy refineries from the existing refining companies."

iv) "Sale of the Government's shareholding of British Sugar Corporation through the Stock Exchange should present no difficulty.

v) "There is no reason why the Australian quota of 335,000 tons should be allowed by Britain simply to lapse or be gradually phased out. Queensland is highly dependent on sugar, and Britain will make few friends there if she does not, at the very least, insist on a long transitional period for running down the Australian quota." If this quota cannot be maintained for Australia it should not be supplied by the French or even by British farmers. "To the developing nations, sugar is a matter of life or death, sometimes the only crop and the only major employer, and often the only significant source of foreign currency earnings for a developing nation."

* British Industry and the Common Market No. 1 Sugar. Issued by Aims of Industry. 15p.

The existing Common Agricultural Policy, particularly as it applies to sugar, represents the crudest way to harmonize European agriculture. The Community is rich enough to inflict this on itself. No amount of wealth gives it the right to inflict it on the sugar-producing countries of the Third World.

—From Cane Sugar, The Battle for Survival—
A World Development Movement puplication.

TRADE WITH THE CARIBBEAN

Apart from the United States, Britain is the Commonwealth Caribbean's most important trading partner. British exports to the region consist mainly of manufactured goods, machinery and transport equipment; while imports from it are almost exclusively primary agricultural produce. Until 1965 the value of Britain's imports from the Commonwealth Caribbean exceeded the value of its exports to the region. Since then, with exports rising and imports fluctuating, the balance of trade has swung increasingly in Britain's favour. In 1972, however, British exports to the region fell by some £6.3 million (4 per cent) compared with 1971, while imports from the Commonwealth Caribbean fell by only £1.1 million (1 per cent). As a result Britain's surplus in its trade with the region fell from the record £41.8 million in 1971 to £36.6 million in 1972.

BRITAIN'S TRADE WITH THE COMMONWEALTH CARIBBEAN

(Value of merchandise exported to and imported from each country)

£'000

Country	1965			1972		
	Exports	Imports	Balance	Exports	Imports	Balance
British Honduras	2,715	2,080	+635	3,835	2,613	+1,222
Bahamas	5,494	506	+4,988	8,584	4,248	+4,606
Bermuda	4,902	4,342	+560	10,358	5,889	+4,469
Leeward Islands	4,372	1,940	+2,432	8,873	1,557	+7,316
Barbados	6,013	6,496	—483	12,523	7,195	+5,324
Windward Islands	4,529	13,033	—8,504	10,013	9,894	+119
Jamaica	23,683	28,148	—4,465	41,508	38,684	+2,924
Trinidad and Tobago	25,445	24,416	+1,029	36,028	19,551	+16,477
Turks and Caicos Islands and Cayman Islands	68	8	+60	564	19	+535
Guyana	10,817	9,329	+1,488	14,130	20,352	—6,222
Total	88,038	90,298	—2,260	146,686	110,002	+36,684

Britain is the region's main market for its major export crops, taking the bulk of the sugar exported, almost the entire banana crop and most of the citrus. These products are extremely vulnerable to world competition, and the help which Britain has given in providing guaranteed markets or in helping to stabilise prices has been of vital importance to the producing countries in providing a much needed element of stability and security. The most important agreement in this context has been the Commonwealth Sugar Agreement under which Britain has, since 1953, provided a long-term guarantee of access and price for more than two-thirds of the Commonwealth Caribbean's sugar exports. The agreement will terminate in 1974 and will not be renewed because of Britain's entry into the European Community. Britain has, however, taken steps to protect the interests of those of its Commonwealth trading partners most likely to be affected by its entry into the Community. In May 1971 the Community informed Britain that it would be its 'firm purpose . . . to safeguard the interests of the countries in question, whose economies depended to a considerable degree on the export of primary products, particularly sugar'. In the following month, Britain and the Commonwealth sugar producing countries, including those of the Caribbean, jointly announced that they regarded this 'as a firm assurance of a secure and continuing market in the enlarged Community on fair terms for the quantities of sugar covered by the Commonwealth Sugar Agreement in respect of all its existing developing member countries'. The British Government also stated that 'it would be (its) firm policy . . . to ensure that the proposal of the Community would be implemented'.

The British connection with the Caribbean goes back more than 350 years; the settlements on the islands of the Eastern Caribbean in the first half of the seventeenth century were among the first of Britain's overseas colonies. Although today only a minority of the inhabitants of the Commonwealth Caribbean are of predominantly British descent, most share a common language and in several respects a common culture with the British.

BRITAIN'S ALTERNATIVES

In a new Paperfront book entitled **"The Common Market: Renegotiate or Come Out"***, Mr. Enoch Powell has made available 24 of his speeches on aspects of the Common Market made between September 1969 and July of this year, with linking footnotes.

Mr. Powell urges that if the electorate is to have an opportunity of making a decision on this vital subject, it is essential that the major political parties clarify where they stand on the Common Market issue. As he sees it the broad alternatives are:

> "Britain retaining its national and Parliamentary independence and sovereignty, but ready and willing where common interest is served to co-operate closely and cordially with the continental countries of the EEC"

or

> "A Britain which rapidly becomes one province of an economic, monetary and political union in Western Europe"

In the forthcoming election, Mr. Powell says that the British people "can take this supreme decision back into their own hands where it belongs. They can charge that new parliament with the mandate to renegotiate the Treaty of Accession so as to regain and maintain Britain's sovereign and legislative independence and to ensure that Britain's interests are preserved."

* Common Market: Renegotiate or Come Out" by J. Enoch Powell, published by Elliott Right Way Books, 25p.

THE ANNUAL GENERAL MEETING

of the Commonwealth Industries Association Limited will be held in Westminster on Wednesday, 5th December 1973, at 5.30 p.m.

Members and Subscribers who would like to attend this meeting should apply to the Secretary, Commonwealth Industries Association Ltd., 6/14 Dean Farrar Street, SW1H ODX, for details.

The Plaistow Press Ltd., 3 New Plaistow Road, London E15 3JA