

D. Inconspicuous colonialism

We cannot focus our attention solely on those questions which *Industry and Society* has asked itself. For it contains no discussion of the *international* ramifications of big business. A number of interesting questions are at once raised when we realise the abiding existence of the "corporate rich." Just what, for instance, are their relationships, commercial and financial, with the transatlantic "corporate rich" which

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C. Wright Mills has so vividly analysed? We know that United States investment in Britain has reached alarming proportions; we know that in the post-war period American capital was being exported to Britain at a faster rate than to any other European country. How has this influx of foreign investment affected the power relations within the industry of this country as a whole? There are certain sectors where

United States firms are clearly very important: soap, for instance (Thomas Hedley's) and motor vehicles (Fords). What is the relationship of such firms to, say, the Federation of British Industries? How will they fit into the structure proposed by *Industry and Society*?

These questions might seem irrelevant, were it not for the fact that the British oligopolies have long been known to display a disquieting sense of solidarity with their foreign opposite numbers. The pre-war links of I.C.I. with Du Pont of America and the Nazi I. G. Farben have been amply documented by Stocking and Watkins in *Cartels in Action*. Even after the war—despite the diminution of New Deal "trust busting" with its attendant exposure of realities, certain facts have come to light: in 1951, a United States Federal Court found I.C.I., Du Pont and Remington Arms guilty of "a conspiracy to divide the markets in explosives and chemicals" (*Manchester Guardian* 29/9/51). Our own research in preparing this pamphlet showed that Continental Cans Inc. of the United States owns £716,971 out of the issued capital of £763,696 in Metal Box overseas, the subsidiary of Metal Box that operates abroad. This substantial holding by a foreign combine would appear to make the internationally competitive status of Metal Box—one of the chosen managerialist examples of *Industry and Society*—somewhat ambiguous.

The rather unfortunate insularity of *Industry and Society* marks its attitude to the British firms, such as the oil, sugar and rubber companies, which derive their wealth from overseas under-developed regions. The pamphlet does not see these as special problems: the oil companies, for instance, are here and there adduced to prove one point or another, without a pause to detail and discuss their role in Middle East politics. *Industry and Society* proposes State shares in the largest companies. Since no qualification is made, we are left with the impression that this standard policy might well be followed in respect of Bookers of British Guiana, the London Tin Corporation in Malaya, and the United Africa Company (Unilevers) which dominates the economy of Ghana and Nigeria. Is the State to acquire shares in these highly profitable, highly oligopolist, fundamentally colonialist concerns? Can their managements be left alone?

We do not have to *imagine* the consequences of such a programme. The British Government already possesses a majority interest in the British Petroleum Company (formerly Anglo Iranian). In the words of Bob Edwards, M.P.:

"This ownership does not give the people control of the policy of this huge, expanding, near monopoly. British petroleum products are part of a restrictive world oil cartel which has been soundly condemned by the American Government for artificially restricting production, maintaining exorbitantly high prices in the world market and sabotaging new scientific developments" (*Socialist Digest*, September 1957).

We may add that British Petroleum is a member of the "oil consortium" which is at the back of every puppet premier and feudal king in the Middle East.

To suggest that the next Labour Government might, on the proposals of *Industry and Society*, become unwittingly involved in the type of State "participation" of which British Petroleum is an example, is not altogether alarmist. If investment considerations alone will govern the acquisition of shares, then through acquisition of I.C.I. shares the British Government would have a direct stake in its subsidiary, the Magadi Soda Company, which exploits, at the customary wages for native labour the largest mineral

deposit in Kenya. Through its capital in Unilevers, the Pensions Fund would become a partner in the United Africa Company's vast West African profits. A "co-partnership" scheme which would give to every worker in the National Superannuation Plan a palpable interest in the maximisation of profit from the raw material wealth of Malaya, the West Indies, East and West Africa, and the Middle East.

In its statements on Economic Capital Aid to the Colonies the National Executive has proposed the allocation of one per cent of the national income, amounting to some £160,000,000 annually, to the development of backward and colonial territories. However well-meaning in intention, such a policy ignores the huge profits already being made by certain firms by the exploitation of its proposed beneficiaries when it suggests that we raise a development fund by general taxation from the nation as a whole. And in trying to solve the problem of colonial development in abstraction from the concrete economic relations established by the colonial companies, it runs the risk of being nullified by the overseas implications of *Industry and Society*.

In fact, the next Labour Government will be unable to establish a new relation with the colonial peoples, will be unable to work out a viable programme of aid to the under-developed regions of the world, or to ensure the raw material supplies essential to this country's economy, unless it reconsiders its policy towards these companies. For the economic consequences of colonial exploitation are to deprive the primary producing regions of the profits which should be used to finance their development, and to restrict their role to that of raw material suppliers. Its political consequences are to obstruct their progress to independence or to hamstring it once it is gained, and thus also to envenom our relations with countries whose economies are naturally complementary to ours, while we have everything to gain from co-operating with each other.

Labour must embark on a long-term policy designed first to redirect colonial profits to the development of the territories concerned; second, to promote agreements on a genuine basis of equality, to ensure our future provision of food, fuel and raw materials, in return for an undertaking to provide funds for development; and thirdly, to arrange for the transfer to democratically elected Governments in the under-developed regions of control over the exploitation of their own resources.

This sort of policy should revolutionise the development of Africa, Asia and the Caribbean. It would produce a great new demand for the products of British industry. But *Industry and Society* does not even dispel the fears mentioned above. "In addition," the authors inform us, after a general discussion of the large firms, "there are a number of companies, not covered by this study, which operate mainly overseas (in particular the oil companies), or in the field of finance, banking and insurance. There are not many companies in this group, but they include some of the largest in the country" (P. 14). And so, full stop. Eight months after Suez, contemporary with Oman. And yet Suez and Oman, the scrabbling efforts of British oil interests to retrieve their lost ascendancy, are as much a part of policy in the big board-rooms as status, prestige and long-term growth. And they show the obverse side of an irresponsible power elite. If *Industry and Society* in its revised form is to really study contemporary capitalism, it cannot be content to say that these companies "are not covered by this study" without prompting the question: what, then, is this study *about*? Is it about the theory of the managerial revolution, or is it about contemporary British capitalism? The two are not unrelated; but they are certainly not the same.