

AFRICA'S ECONOMIC ADVANCE:

1: AFRICA'S CAPITAL MUST STAY IN AFRICA

says JACK WODDIS

Africa is one of the world's greatest under-developed regions. Her average annual income per head ranges from about £10 in Ethiopia to about £45 in Central Africa. Millions live below these levels. Illiteracy ranges from 60 per cent in some territories to as high as 99 percent in others. Disease is widespread and squalid slums are the normal accommodation for most African workers.

Everywhere, on the land, in building, in transport, forestry, even frequently in the mines the most common 'machine' is the human body — hands, feet, shoulders, back and sometimes head being pressed into service to carry or move goods or to mould raw materials with the most primitive tools.

For decades, imperialist economic might and military occupation compelled Africa to serve as a raw material appendage to Western industry and Western food consumption. Africa's valuable mineral wealth — oil, gold, diamonds, copper, iron ore, manganese, tin, bauxite, cobalt and so on — as well as her food and industrial crops were shipped to the West for consumption by Western industry and trade. Usually — and this continues to this day in most African territories — only the preliminary processing of raw materials were done on the spot, while the final industrial use of the material was reserved for the metropolitan countries.

Thus African countries were prevented from producing for themselves the manufactured goods they needed, but had to buy from imperialist sources. Africa was forced to give up her riches to the imperialists at the lowest possible price, but had to pay correspondingly higher prices for the goods which the imperialist powers dumped on them. Imperialist ownership of trade, shipping, banking and insurance helped to preserve this economic relationship.

This picture is generally true of all African countries which have won their political independence in recent years.

No Milch-Cow

How to break this pattern, how to end a situation in which Africa is merely a milch-cow for the West, producing raw materials for export with a limited circulation of commodities within the territories, the economy left lop-sided and distorted, and the people in consequence ill-paid, ill-fed, and ill-housed?

Africa needs to stop the drain of her wealth, to end her reliance on one or two cash crops and minerals for export, to build her own industries, diversify her production and especially her agriculture so as to produce her own basic foodstuffs, and to win through to economic independence as a necessary counterpart to the gaining of political independence.

Economic assistance, from whatever quarter it comes, can only help Africa's economic development if it helps to bring about these changes.

White Know-How . . . or Doom?

One of the arguments spread in the West and accepted in some government circles in the new African states, is that African economy cannot be developed without Western capital and Western advice.

"The newly-emerging nations of Africa" argues the New York Herald Tribune "have the choice of accepting the white man's financial help and know-how or dooming themselves to economic stagnation . . . They lack the capital, the experience and the skills to go ahead rapidly on their own."

Accordingly, some African states conclude that they must make concessions and offer inducements (low profits tax, no limits on repatriation of capital, pledges of 'no-nationalisation' etc.) in order to attract Western investment. In fact, investments from the West are often looked on by some African leaders as the main, if not sole, way by which to secure capital for development. Of course, one should not expect the African states to sever all economic relations with the West. Providing that African interests are safeguarded, such relations are essential. But to obtain the necessary capital for development Africa has other sources — sources, moreover, which enable her to end her one-sided dependence on the West.

There is the question of internal accumulation. The African people are poor, but Africa has immense riches — and potentially could be richer still.

Capital is being accumulated in Africa all the time, but it is being pumped out of Africa to the West. Valuable mineral resources, such as iron ore, which could lay the basis for an iron and steel base and thus for African heavy industry, are still being shipped away, and Africa left un-industrialised. Thus, one major source of capital of which Africa is robbed daily could be secured by the simple process of Africa taking back into possession her own resources at present in foreign hands.

The African states also lose valuable sources of accumulation through the unequal exchange of trade that takes place between them and the Western powers. The amount lost to Africa through the

unfavourable terms of trade in the last two or three years would be more than sufficient to build a dozen complete Volta Dam schemes.

The distorted economies of Africa are another source of loss of capital. In 1957 for example, Ghana had to devote 18 per cent of her import expenditure on food, and is only now in a position to diversify her agriculture, step up the production of foodstuffs and make possible the import of more machinery for building her industry. In 1960 Ghana spent £5 million importing sacks for her cocoa. Now Ghana is to make her own sacks.

Aid Which Doesn't Help

By making an energetic challenge to the foreign monopolies on their soil and by reducing and eventually taking away their economic power, the new African states can begin to tackle their economic backwardness. Through such steps, accompanied by the utmost democratic mobilisation of the whole people and the establishment of a state sector of the economy, Africa can diversify and increase her production, develop her industry and break the imperialist stranglehold on her trade.

Does Western 'aid' help this process? On the contrary. It is mainly directed to prevent this fundamental change in Africa's economy taking place. True, the Western powers talk about 'aid' to Africa, but under this single heading they lump together loans (at high rates of interest), investments (which usually are channelled to those enterprises yielding the biggest profits, especially minerals), the supply of military equipment (with reactionary aims in mind), the dumping of the West's surplus goods (often shoddy or even mouldy), and the provision of highly-paid technicians and advisers whose advice is seldom in the real interests of Africa.

Throughout Africa the imperialists are sinking millions of pounds into developing transport and communications. But this is not to 'aid' Africa. On the contrary, it is intended to make it easier to transport the wealth of Africa to the metropolitan centres of manufacture in Europe and the United States.

Heavy Western investments are being made to increase the output of minerals in Africa. This, too, is not to 'aid' Africa but to rob her and aid the imperialists. In many parts of Africa, the railways run straight from mineral-bearing mountains down to the seaports, so that millions of tons of wealth can be shipped away — and the African landscape left flattened and derelict. The new proposals to ship Swaziland's iron ore to Japan is but the most recent example of such robbery.

Where Will the Money Come From?

2: AID FROM THE SOCIALIST COUNTRIES

Socialist aid, by contrast, is directed quite purposely to assist the underdeveloped countries to build up their economies, to become industrialised and to secure their economic independence. The experience of the Soviet Union, China and other socialist countries, and now of Cuba, too, shows that the quickest and most successful way out of underdevelopment is to leap over into socialism. The new African states have not yet taken this step. They are only just emerging from colonialism and have yet to determine whether their future path will be capitalist or non-capitalist.

During this transition period, though it is essential that they rely mainly on the accumulation of capital from their own internal resources of manpower and materials, socialist aid can be of considerable importance.

Socialist aid to underdeveloped countries takes many forms—trade and navigation agreements; the construction of whole plants; the granting of long-term, low-interest credits (usually 2 to 2½ per cent as against the usual 4 to 7 per cent charged by Western monopolies and in-

stitutions); trade and payment agreements by which the underdeveloped countries pay in their own currencies and the socialist country purchases from the country in question the goods it wishes to export; and large-scale technical help, including the carrying out of surveys, designing projects, the provision of patents, blue-prints, scientific advice and equipment, and the training of technicians and skilled workers.

To assist the training of technical cadres for Africa, Asia and Latin America, the Soviet Union has set up the Patrice Lumumba Friendship University, which already has 600 students from these regions. Similar provision is made by other socialist countries, in which a number of Africans are receiving education and technical training.

When Guinea declared its independence, the French imperialists took a number of unprecedented steps to bring her to her knees. They removed practically everything from the country which could dislocate Guinea's administration and economy. They even took criminal records from police stations and health

records from hospitals. The socialist countries, when approached, responded to every request to assist the young republic, providing loans and equipment and making trade agreements which enabled Guinea to face up to her hour of need. The new trade relations which Guinea has been able to build up with the socialist countries have been exceptionally beneficial to her.

In 1958, the year in which Guinea declared for independence, she had an unfavourable balance of trade, imports costing £17,800,000 and her exports earning only £8,700,000. The main reason for this imbalance was the high cost Guinea had to pay for imports from France, and the artificial over-valuation of the French African franc. Guinea's new trade agreements with socialist countries are changing all this. Sugar imports from the German Democratic Republic, for example, have reduced the price of sugar in Conakry by no less than 75 per cent.

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SOCIALIST AID TO AFRICA

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Key to all the economic relations being built up between the socialist countries and the politically independent states of Africa is the readiness of the former to help Africa industrialise. The Western powers look with disfavour on the attempts of the African states to become industrialised. They would prefer them to remain as sources of raw materials. This explains why, for sixty odd years since the commencement of this century, the imperialists did nothing to establish iron and steel bases in Africa, or create centres of modern engineering, except in territories of substantial white settlement as South Africa, Southern Rhodesia and the Congo.

Scientifically speaking, industrialisation means the construction of machines which can produce the means of production. In other words, machines which can make machines and machine tools, thus enabling a country to manufacture its own main requirements. Such a modern engineering industry must have its base in an iron and steel industry, electric power and chemicals. It is precisely this kind of industrial development which the socialist countries are willing to assist. One has only to examine the various

economic agreements made between African states and the socialist countries to appreciate the character of the aid being provided.

In the United Arab Republic, the Soviet Union is assisting in the construction of over 80 projects, including five metallurgical establishments, eleven engineering plants, five chemical and pharmaceutical factories, textile mills, and a ship-building yard. All this is in addition to the huge Aswan Dam.

To Mali, the Soviet Union has granted a £16 million long-term credit which will be used for technical assistance in geological prospecting, to improve the navigation of the River Niger, to survey and design a railway line from Bamako to Kan Kan in Guinea (thus giving Mali an outlet to replace Dakar in Senegal), and to set up a training centre for Mali technicians. Similar agreements have been reached between Mali and China and Czechoslovakia, the last named providing Mali with equipment for a textile mill and a hospital.

A recent agreement between Tunisia and the Soviet Union provides for a £10 million loan to assist Tunisia's ten-year plan. The loan will be used for building dams on five rivers and for erecting a national technological institute.

Under an agreement between the Soviet Union and Somalia, work has begun in planning a number of enterprises and institutions for the republic, including harbour works, a fishery, meat-canning

plant, hydro-electric stations and a radio station as well as assistance in agriculture, geology and architecture.

A new agreement with Sudan provides for Soviet assistance in constructing several industrial projects and in training technicians and skilled workers.

Socialist aid to Africa means that the West has lost its monopoly of capital equipment in the world market, as well as its virtual monopoly in the fields of trade, credit and the training of technicians.

The effect of the character and weight of the aid from the Soviet Union and other socialist countries has been to modify imperialist economic policies towards underdeveloped countries, even compelling the imperialists, as Khrushchov has said, "to make certain concessions in dealing with these countries."

Joseph S. Berliner, an American publicist and economist has admitted that Soviet aid "strengthens the bargaining power of recipient countries in their negotiations with the older sources of aid."

If peace can be safeguarded and world disarmament achieved, then the socialist camp, which will account for half the world's total production within a decade, will be able to offer increasing economic assistance to the new African states—assistance, moreover, which such leaders as Sekou Toure, Kwame Nkrumah and Nasser have publicly declared to be without any strings.