

## Problems of British Colonial Trusteeship

An account has been given in these pages of the British policy of colonial development and welfare, as embodied in the Act of 17 July 1940, and of wartime problems of social and labour welfare up to approximately the end of 1940.<sup>1</sup> It is now possible to examine, in particular in the light of statements made in the Houses of Parliament on 9 July and 6 August 1941 and of a despatch sent in June to the colonial Governments, the extent to which Great Britain has been able to apply or to plan for the application of the 1940 Act, to meet the immediate needs of certain dependencies seriously prejudiced economically by the war, and generally to work out the implications of the principle of colonial trusteeship.

### APPLICATION OF THE COLONIAL DEVELOPMENT ACT

In the House of Lords on 9 July 1941 the Earl of Listowel, supported by Lord Faringdon, asked for a statement on the steps taken to implement the provisions of the 1940 Act.<sup>2</sup> He pointed out that the Act aimed at expenditure up to £5,000,000 a year on raising the standard of living and improving the social services of the colonial peoples, that British attention had been diverted from these freely accepted responsibilities to the defence of Great Britain, that the colonial estimates for the present year included a sum for only £400,000 under the Act, but that Lord Moyne, the Secretary of State for the Colonies, had recently indicated the Government's intention to revive the temporarily discarded policy of development and welfare. After referring to the problems of the colonies suffering from the loss of their principal markets and to the warmth of colonial support for the British cause, Lord Listowel concluded:

We can hope to convince the neutral countries of our sincerity only if we are prepared to adopt a colonial policy which will demonstrate by deeds, and not by words alone, or even by Acts of Parliament alone, that we are actually

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<sup>1</sup> *International Labour Review*, Vol. XLIII, No. 3, Mar. 1941, pp. 299-308: "Wartime Policy in British Colonial Dependencies".

<sup>2</sup> *Parliamentary Debates, House of Lords*, 9 July 1941.

today, in the midst of the greatest war in the whole of our history, helping our colonial subjects to build up their own social services and to lay the foundations of a sound and prosperous economic order.

Among the points made by Lord Faringdon in support were the desirability of extending immediate international co-operation on colonial social questions between the Allied Governments in London and of evolving with them the skeleton of a post-war colonial policy, the need for a reorientation of colonial economies so as to aim more at raising the standard of living and less at producing goods for export, and the possibility of the establishment of subsidiary industries in the colonies.

The reply of Lord Moyne, Secretary of State for the Colonies, began with a summary of war emergency relief measures for the colonies, a subject which is treated below. But while the war, he said, had increased the number of emergency grants to the colonies, it had reduced the possibility of carrying out the long-term policy of colonial development.

British policy for the application of the 1940 Act had, Lord Moyne said, suffered considerable fluctuation. Subject to some exception in the case of the West Indies and some schemes of purely local character, it had first been decided that much progress would not be possible, since vital resources and the energies of colonial Governments were needed for the war effort.<sup>1</sup> Later the conclusion had been reached that it was desirable to review the whole policy which colonial Governments would be invited to pursue, having regard to the following two opposing considerations:

On the one hand there was the need to call upon those people in the colonies who enjoy a standard of living similar to that of this country to support similar sacrifices in their consumption of non-essential goods, and on the other hand there was our obligation to maintain and if possible improve the standard of living of those less fortunate but more numerous classes in the colonies whose existing standards fall short of the minimum we regard as desirable.

These two desiderata were examined in a despatch sent by the Secretary of State to the colonial Governments on 5 June 1941.<sup>2</sup> Before discussing measures to apply the principle that efforts much more nearly commensurate with those being made in Great Britain should be made by all inhabitants of the Empire who enjoy a comparatively high standard of life, the despatch makes it clear that this policy should not be to the prejudice of the raising of the standards of the poorer peoples:

There are, throughout the Colonial Empire, large populations spread over great areas whose standard of living is now so low that the same policy cannot and should not be applied to them, even in wartime. On the contrary, it is an imperative duty to do all that is practically possible to raise the standard of living of such people, even during the war period, alike for humanitarian, political, economic, and administrative reasons.

<sup>1</sup> Cf. Circulars of 5 June and 10 Sept. 1940, summarised in *International Labour Review*, loc. cit., pp. 302-303.

<sup>2</sup> *Despatch from the Secretary of State for the Colonies to the Colonial Governments regarding Certain Aspects of Colonial Policy in Wartime, 5th June 1941* (London H. M. Stationery Office, Cmd. 6299, Aug. 1941)

How this latter constructive policy can be developed is examined later in the despatch. It is then stated that it is the desire of the British Government that colonial Governments should on the one hand "prepare for rapid action after the war and on the other hand do all they can, without interference with the war effort, to improve standards even during the war".

The need for planning is stressed both as regards the post-war situation and in respect of the isolated projects of development which may be more practicable during the war. Indeed, the despatch may subsequently prove chiefly of significance by inaugurating a first five-year plan of colonial progress. In particular, the Secretary of State writes as follows:

I recognise that few colonial Governments will have been able to prepare the carefully co-ordinated programmes that are essential to the orderly progress which it was the aim of the new Act to promote. Moreover, the impossibility of forecasting the post-war international situation regarding production and markets makes the preparation of precise plans in many territories so speculative as to be valueless; and there is therefore a discernible tendency to defer all planning. Nevertheless there can be few dependencies in which (if it has not been done already) a general framework of plans for social development in health, education, rural welfare, and so on would not be valuable. Even though the preparation of detailed programmes may not be justified, it is I think important that each of the departments concerned with social welfare should have an outline plan and that these departmental plans should be co-ordinated by some central agency into a general framework covering a period of at least five years ahead.

Regarding the present situation, the despatch seems to seek to rectify an excessive reluctance on the part of colonial Governments to embark on expenditure and particularly to ask for assistance, which reluctance may have resulted partly from the despatch of 10 September 1940. Referring to the Colonial Development and Welfare Act, but making it clear that the same principle applies to schemes financed from colonial sources, the present despatch states that:

It is in fact the desire of His Majesty's Government that as full advantage as possible under war conditions should be taken of the financial provision made under the Act. While, therefore, as colonial Governments have rightly recognised, the provision of funds even for important projects is not to be undertaken lightly at present, I wish them to feel that they are at liberty to put forward schemes that they regard as essential. It would be for the Colonial Office to take up with other departments here the question whether the money and any materials or personnel required from outside the dependency could be made available.

Lord Moyne added in the House of Lords that it was too early to expect any immediate result from the despatch, but that, apart from schemes remaining from the 1929 Colonial Development Act, under the new Act 24 schemes had been approved, involving a total expenditure over a period of years of about £380,000, that 34 other schemes were being considered, involving a total expenditure of about £800,000, and that at least 70 other schemes were known to be in preparation.

During the discussion Lord Hailey, whose *African Survey* has been examined in this *Review*<sup>1</sup>, said that colonial development passed through four stages:

The first is the rudimentary stage of introducing peace and order and that amount of stability which will allow the inhabitants of the country to take the first steps to secure their own material welfare and advancement. The second stage is one that follows fast on the first—namely, taking measures to prevent the exploitation of the inhabitants of the colonies by private interests or to safeguard them from the abuse of authority. There follows a third stage, more positive, more constructive, a stage which involves the expansion of the social services. That is a stage which is of the highest importance. It is, as I say, of a positive and constructive character, and it is one which should engage all our energies. There is a final stage, a stage in which the fulfilment of our trusteeship for the colonies will be tested by ourselves in Great Britain and also by the colonial peoples by the measure to which we have afforded them opportunities for the management of their own affairs and by the extent to which we have admitted them to partake of self-governing institutions.

He said that the first two stages had been very fully achieved:

But everywhere, and especially in those more backward areas, our problem now is to deal with the third stage. There has been a great advance in the social services, but I feel myself—and I am sure I shall receive support for this—that it is this type of work which must now engage our attention, not necessarily to the exclusion, but perhaps even in precedence, of questions of political advancement.

#### HELP FOR COLONIAL PRODUCTS

In his speech in the House of Lords, Lord Moyne outlined the present economic situation in the colonial dependencies. He pointed out that the war had been very uneven in its efforts, bringing abounding prosperity to a few territories (e.g. Malaya, Northern Rhodesia), effecting no violent interruption of pre-war economy in other territories (e.g. sugar-producing colonies), but seriously threatening territories cut off from their ordinary trade (e.g. Cyprus, Malta) or deprived of markets and shipping (e.g. East Africa as regards sisal, West Africa as regards cocoa and palm products, Jamaica as regards bananas, Palestine as regards citrus). He stated that Government action had been taken to meet the difficulties either by buying the crops in bulk or by financing the growers in other ways. The total cost of such schemes was difficult to estimate, as some of the money would be recoverable, but it would probably be between £1,000,000 and £2,000,000. Furthermore, the same support had been given to the Belgian and Free French territories, the total sum involved being likely not to exceed £2,000,000.

Details of the action taken to assist colonial dependencies in the disposal of export surpluses were given on the same day in the House of Commons<sup>2</sup>. The following is the substance of the statement made to the House. It is to be noted that it does not cover purchases made for British supply needs, where no necessity of making purchases for relief purposes has arisen (e.g. rubber, tea, West African groundnuts).

<sup>1</sup> *International Labour Review*, Vol. XL, No. 1, July 1939, pp. 79-88.

<sup>2</sup> *Parliamentary Debates, House of Commons*, 9 July 1941.

*Bananas.*

(a) On the suspension of imports into the United Kingdom, arrangements were made for the marketing of the whole Jamaican crop through a common pool, and the British Government guaranteed, through the Government of Jamaica, a return of 3s. per count bunch to the grower up to a quantity of 12,000,000 stems in the year 1940-41. The potential liability so assumed was about £1,500,000; but thanks to vigorous local efforts to increase local utilisation and exports to the United States and Canada, the cost is not expected to be much more than £500,000.

(b) The difficulties of the banana plantations in the Cameroons under British Mandate have been met by temporary grants by the British Government for the relief of unemployment pending the absorption of labourers in other activities.

*Citrus Fruit.*

(a) *Palestine.* It was impossible to ship any of the citrus crop in 1940-41 to its normal markets, and although every effort was made to increase the local and neighbouring markets, the bulk of it was unsaleable. In order to enable growers to carry on, therefore, the Palestine Government, with the approval of the British Government, has guaranteed advances to be made through the banks against the 1941-42 crop up to an amount not exceeding £510,000. Other advances, totalling £100,000, have been authorised to assist the development of other forms of agricultural production.

(b) *Cyprus.* The much smaller Cyprus orange crop has been dealt with on similar lines, advances having been made to the growers by the Cyprus Government to the estimated amount of £16,500.

*Cocoa.*

The whole of the West African cocoa crop for 1939-40 and 1940-41 has been bought by the British Government at fixed prices. The marketing of the crop is now in the hands of a specially constituted West African Cocoa Control Board, and the Board has already been able to sell the greater part of the 1940-41 crop to the United Kingdom, the United States of America, and other markets still remaining open.

*Cotton.*

No considerable difficulty has yet been experienced in disposing of colonial cotton production, but certain small purchases by or on behalf of the British Government are contemplated, e.g., in Tanganyika; and in other dependencies, e.g., Nyasaland, the local Governments have been authorised to guarantee the purchase of any balance of the crop which is not sold through commercial channels.

*Sisal.*

The British Government has undertaken to purchase the whole British East African output (on a restricted basis) of 100,000 tons of sisal, in the year commencing 1 November 1940, at an average price of £19 f.o.r. East African port. The greater part of this is expected to be needed for the United Kingdom's own supply requirements, and the remainder will be sold, as may be convenient, in the United States of America, or elsewhere, or stored in East Africa for post-war use.

*Sugar.*

The whole exportable crops of the West Indies, Mauritius, and East Africa have been bought for shipment to the United Kingdom or Canada. It is not expected to be possible, however, to ship any substantial part of the Fiji crop to the former country, and special arrangements have had to be made to deal with the surplus over what can be shipped to Western Canada. These arrangements contemplate the purchase for storage of some 30,000 to 40,000 tons, being the maximum for which storage can be provided in Fiji, and the

making of additional payments to the sugar factories to enable them to purchase at the standard price the whole of the sugar canes grown by present farmers irrespective of whether all those canes can be converted into sugar. The gross cost of these arrangements is expected to be between £600,000 and £700,000.

While these measures have been generally welcomed, it has been suggested in some quarters that they are not sufficiently generous or comprehensive. In particular, attention has been drawn to the fact that assistance to citrus growers in Palestine has taken the form of bank advances on which payment of 6 per cent. is charged, and to the relationship between the raising of cocoa prices to the wholesaler in Great Britain and the reduction of prices to the grower in West Africa. As regards the latter point, however, it has been stated in the House of Commons that the question of cocoa prices is being re-examined in the hope of arranging an increase for the producers, and in the House of Lords, on 9 August 1941, Lord Moyne undertook to examine the rates of interest charged to citrus growers in Palestine.<sup>1</sup> On the question of the comprehensiveness of present measures suggestions have been made that the fundamental question of colonial finance needs further examination and that, although during the war secondary industries can probably be established in the colonies to a limited extent only, plans should now be made "for the larger industrial development that after the war will surely be an important part of colonial reconstruction".<sup>2</sup>

#### THE PLANNING OF COLONIAL RECONSTRUCTION

Initial steps to create the governmental machinery to plan colonial reconstruction were also indicated by Lord Moyne in the House of Lords. He stated that within the Colonial Office he had appointed under Lord Hailey a small official committee:

... to prepare the ground for the decisions which will be needed to plan colonial economies under the new conditions after the war . . . The committee is primarily a preliminary fact-finding body. It is working in close touch with various outside non-official organisations, who are in a position to assist it in its enquiries . . . I hope that the preliminary steps which we are now taking may, when the time comes for decision on post-war colonial problems, provide the necessary information to enable the Government to give far-sighted direction to colonial development and to the social improvements which may thus be secured to the populations for whose welfare we are trustees.

Later, in the House of Commons on 16 July 1941, an attempt was made to obtain a further definition of the functions of this committee. The answer was given that the organisation was a small committee, composed, apart from the chairman, of senior members of the Colonial Office staff:

Its purpose is to prepare a statement of the political, administrative, economic, and social questions which are likely to come up for consideration in relation to the colonies at the end of the war; and to assemble, so far as

<sup>1</sup> *Parliamentary Debates, House of Commons*, 24 June and 16 July 1941; *Parliamentary Debates, House of Lords*, 6 Aug. 1941.

<sup>2</sup> *The Economist*, 19 July 1941.

is practicable, the facts and other material which will be required for the consideration of these questions . . . It will be a matter for consideration at a later date whether it should be invited to submit recommendations on policy, post-war relations, development, and future changes.

In reply to a supplementary question relating to consultation with outside organisations, the Under-Secretary for the Colonies said that this was a matter for consideration for the committee which had just been set up.<sup>1</sup>

As indicated in the above statements, a number of non-official organisations are already examining colonial policies. Their angle of approach is usually of a practical character, as might be expected of British thought in time of war. The tendency is to examine the difficulties in the lives of colonial peoples, particularly those resulting from the war, and to seek the bases of general policy in the solutions suggested for these difficulties.

This tendency was further illustrated in the Lords' debate of 6 August 1941, when Lord Noel-Buxton asked if Lord Hailey's committee would be instructed: (1) to consider the problem of poverty arising from the low prices of primary products in the colonies; and (2) to enquire into the available means of improving those prices by reduction in the cost of processing or by marketing organisation or by other methods.<sup>2</sup>

This second debate followed very much the lines of the debate of 9 July. It was noteworthy for the indications given of the world nature of problems of primary production and for the suggestion that solutions should be sought both as suggested by Lord Noel-Buxton and through international commodity regulation schemes.

Lord Hailey, referring to the relatively inferior position of the producers of primary products as compared with that of producers of manufactured products, suggested that the only real economic remedy would be the creation of an economic unit so large that it might be able to regulate the whole of economic life, including industry and agriculture, in such a way that it would be able to give an equal opportunity for improving the standards of life of agriculturist and industrialist. Pending such an idealistic solution, he thought that much could be done for the producers of primary goods in the colonies by endeavouring to establish some kind of economic balance within the larger colonial units through the encouragement of secondary industries, by the improvement of internal trade, and primarily, since many colonies are based on subsistence economy, by the improvement of subsistence production and the promotion of welfare, better health, better housing and better education.

The Secretary of State, Lord Moyne, in following a similar line of thought, spoke of the international regulation of supply and referred to the Government-controlled commodities of rubber, tea, tin, and sugar, to the industry-controlled commodities of copper and diamonds, and to the recent discussions with reference to wheat and cotton:

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<sup>1</sup> *Parliamentary Debates, House of Commons*, 16 July 1941.

<sup>2</sup> *Parliamentary Debates, House of Lords*, 6 Aug. 1941.

There can be no doubt that these schemes have succeeded in providing a better standard of life for those engaged in production without causing difficulties to the consumer. There is no question of withholding supplies from those who wish to obtain them: the consumer's point of view is normally represented upon the body which controls the arrangements, and, if such representation is not adequate, we should always be prepared to consider how the interests of consumers can be more fully safeguarded.

Nevertheless, he considered that not all commodities lent themselves to this treatment. The important group of vegetable oils and oilseeds, for instance, covered too many interchangeable commodities produced by too many different individuals in too many different countries to be susceptible of international regulation. Other ways were also necessary to help the primary producer, and Lord Moyne once again mentioned the promotion of subsistence crops and the manufacture of simple articles.

The primary commodity question, however, received most of his attention, and he linked it with wartime commodity control in the following statement:

What is going to happen to the prices of these primary commodities after the war it is at present impossible to say . . . It is the declared aim of this country as of the United States to do our best to secure to all nations economic opportunities and resources that will ensure for their peoples freedom from want. That seems to me to imply both decent prices for primary products and a wide international exchange of goods. But it will not be possible to build up again overnight an international price structure even if, under the new conditions, that by itself were sufficient to secure our aim. Many difficulties will have to be overcome before wartime restrictions can be demobilised and freer international trade built up.

### TROPICAL INDUSTRIALISATION

Certain examples may be given by way of commentary on the references made to industrialisation in the colonies.

Government policy in this respect was put succinctly by the late Lord Lloyd, the Secretary of State for the Colonies, in a debate in the House of Lords on 17 December 1940. He said: "It is our duty to try and make the Crown Colonies as healthy normal entities as we can. They should not only depend upon one industry or upon the export trade of primary products, but, within the range of what is economically sane and sound, you should try to develop a reasonable number of secondary industries."<sup>1</sup>

The following are some examples of recent developments in various areas. One of the solutions being explored in Jamaica for the difficulties of the banana growers is the processing of the fruit. Other steps are being taken to foster local industries. The possibility is being studied of establishing a cement industry, which should materially reduce the island's cement imports, totalling roughly £100,000 a year. Other schemes include a match factory, which is already in operation, and the manufacture of milk products. Government encouragement, in addition to duties on competing imported goods, takes the form of the granting of monopoly rights to the

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<sup>1</sup> *Parliamentary Debates, House of Lords*, 17 Dec. 1940.

local manufacturing concern. In the East African dependencies arrangements have been made to establish technical committees for research into the production of fuel substitutes and of munitions. Power alcohol is already being made in Uganda as a by-product of the sugar industry, and diesel engine fuel is made from cotton-seed oil. In Kenya, among the industries being developed is that of the manufacture of flax, for which it is planned to erect fourteen factories. In West Africa emphasis is being laid on the home processing of surplus export crops. In the Gold Coast, for example, attempts are being made to encourage the small-scale manufacture of cocoa butter, chocolate, candles, and soap, mainly from surplus or faulty cocoa beans. Subsidiary industrialisation is being planned also in Ceylon. Projects which have reached an advanced stage include a plywood factory, a tannery, and a factory for the manufacture of acetic acid from coconut shells. Other proposals which are being examined include the manufacture of glass, pottery, paper, quinine, cement, and glucose. These developments are as yet small. They will probably long be inconsiderable by world standards of production, since for a small colony it would be inadvisable to attempt widely diversified production.

Possibilities, however, are suggested by recent experience in the self-governing Colony of Southern Rhodesia. With a population of some 69,000 Europeans and 1,300,000 Africans, wide farming lands, and many mineral resources, the economic destiny of the territory would seem limited to its two major industries. Yet, before the war had any marked effect, during the calendar year 1939, the net value of the output of the secondary industries (i.e. gross value less cost of fuel and materials used) was £4,363,000, or over half a million pounds more than the gross agricultural output and somewhat more than half the gross value of the mineral output, while £2,685,000 were distributed in salaries and wages to the 5,132 Europeans and 37,795 persons of other races employed.<sup>1</sup>

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<sup>1</sup> Southern Rhodesia: *Census of Industrial Production, 1938 and 1939*.