"COLONIAL DEVELOPMENT" IN THE RAW

The first Annual Report of the Overseas Food Corporation, to March 31, 1949, is a startling record which would have appeared fantastic to the British public before the abandonment of Free Trade by all the main organs of opinion revolutionised conceptions of human rights and the sphere of State action. It affords abundant material for the Government's critics, but these partisan exchanges should not blind us to the fact that once the principle of Protection (that most misleading title) has been accepted such ventures as the Ground Nut Scheme are only a logical development of efforts to divert trade into artificial channels.

The Ground Nut Scheme, started at the end of 1946, is only the first project regularised by the Overseas Development Act of February, 1948. This Act empowered the Government to devote public money to undertaking agricultural projects outside the United Kingdom, especially in the Colonies. It was based on the assumption that unprivileged private enterprise operating within a free market cannot secure the greatest advantage of the British and Colonial peoples, and this assumption and the policy it entails remains an essential part of the Conservative Party's programme. Indeed, during the debate on the Scheme, in Parliament, on July 27, when most of the substance of the Report was already known, Conservative speakers seemed at pains to repudiate the suggestion that if they came into power they would abandon the Ground Nut Scheme. Liberal members, with the noteworthy exception of Mr. Hopkin Morris, voted in favour of it. Labour speakers contended that at every stage the Government acted on the advice of the most qualified experts available and the Report confirms this. They contended also that even if this scheme had been undertaken by a private firm the owners would have had to take risks and be content with a future not an immediate return. No Opposition speaker pointed out that no Government has the right to take risks with public money and although private people have every right to risk their own money they are likely to take far greater precautions against wasting wealth than anyone experimenting with the wealth of others.

The Ground Nut Scheme appears to have been originally conceived by the manager of a private company in Africa. One might ask why he did not persuade his own shareholders to undertake it. He estimated that by using mechanical contrivances in a manner and on a scale never before employed, for a capital expenditure of £8,000,000, two-and-a-half million acres could be cleared and planted and thereafter 400,000 tons of shelled nuts could be produced annually at a cost of £7 13s. 2d. per ton in Africa. To quote the Report: "The plan was received with profound interest" by the Government in March, 1946. An official mission under Mr. A. J. Wakefield, after visiting Africa, reported in September recommending its immediate adoption. They estimated 150,000 acres cleared and planted in 1947 and 450,000 in the following year; with a harvest of 56,920 tons in 1948 and 227,676 tons in 1949, leading up to 3¼ million acres by 1952 and 600,000 tons of shelled nuts annually. But they estimated the cost per ton at £14 5s. 6d., and the capital expenditure (by 1952) at £24 millions. The European staff was to be 160.

The Government, after submitting the Wakefield Report to many officials and experts, decided to proceed immediately with the scheme, and afterwards, in February, 1947, published a White Paper stating it was "practicable, agriculturally sound and involved no unjustifiable financial risk."

It is unnecessary to recapitulate the Report's 150-page record of failure and disappointment. By March 31, 1949, over £23 millions had been spent, only £9 millions of this representing fixed assets, and it is estimated by Mr. Strachey in Parliament that £50 million capital expenditure alone will be necessary. Expenditure is proceeding at the rate of £1 million per month. The acreage planted at the end of March is given as 46,267, only 25,105 of this to groundnuts. The crop harvested was 1,561 tons of *unshelled* groundnuts, all of which is retained for seed. Thus, after two years £23 millions have been spent, the practical return is nothing, and future expenditure is a guess. But "valuable experience has been gained" and the Board has "ordered that the logistics of large-scale development in the year 1950-51 should be re-studied." The office furniture, of £450,296, and the staff of 1,200 Europeans, 232 of them in the London office, should facilitate this re-study. The average salary and expenses of the European staff, as far as one can discover from the Report, works out at £1,000 per annum and only a small proportion appear to be actually engaged in agriculture.

A reputable firm of chartered accountants, in presenting the Balance Sheet, states: "We are unable to report that proper books of account have been kept by the Corporation and that we have obtained all the information necessary for the purposes of our audit because proper records of expenditure were not maintained and there have been many instances where documents have not been produced to us."

It is evident that only a very small proportion of the £23 million has found its way into the hands of African labourers. The Corporation claims to pay wages "in line with those paid by leading commercial concerns" and, judging by statements in Parliamentary debates, these are higher than wages paid by the sisal estates. But those who doubt whether the perfection of human felicity consists in being employed by a big corporation at a "standard of living" determined by authority will not be reassured by some passages in the Report, especially if these doubters have had practical experience of comparing some of the Banthu people living as their own masters under conditions they have evolved themselves, with the same race detribalised, serving European masters and reduced to aping their outward manners and standards. The Corporation deplored the lack of "machinery for wage fixing," so that wages could not be standardised in the remote interior at the same rate as in the neighbourhood of Dar-es-Salaam. Africans tend to change their employment when they want to and, instead of "making a career," prefer to cultivate their own holdings, where they can "maintain their standard of living and pay their taxes *without having to work.*" (To work on your own business does not count as "work," apparently, although it is admitted the African, besides producing enough for his family's immediate requirements, produces a surplus for sale.) The African also prefers to bargain for wages on the spot instead of trusting to official machinery. Worst of all, he tends to move always "in search of the maximum wage for the minimum of work." In fact, the African seeks to satisfy his desires by the least exertion, but has not yet learned how to do so at the expense of others.

The Corporation, in pursuit of its aim to "provide an outlet for the ambitious and capable African" and "give him the opportunity of participating in the organisation of his life," has set up machinery "whereby tribal laws and customs can be replaced by a new civil and communal responsibility." In other words, British taxpayers' money is being used to foster the growth of a traditionless African proletariat ripe to be influenced by leaders seeking power. This impression is confirmed by statements made in Parliament during the July debate by Mr. John Hynd, Labour Member for Sheffield, who seems exceptionally well informed on the Scheme, which, he says, is to "provide a new basis of economy for Tanganyika, Kenya, and the other territories." And this certainly does not contemplate "letting the Africans continue to live on the same old basis." "It is estimated that an African producer, after providing for his own subsistence, would produce 15 cwt. of groundnuts, whereas under this Scheme he is in a position to produce 20 tons of groundnuts in addition to his food." After the experience of the Corporation's own estimates, such a plea to interfere with the lives of others takes one's breath away. One passage in the Report concerning the selection of seed, after experiment, in the Urambo Region, is apt: "*Asiriya Mwitunde,* a variety grown with some success by local Africans, has been selected for future planting."

The Corporation, despite its great expenditure on research, is thus obliged to pay some deference to the African private enterprise its sponsors disparage. But the policy of discouraging peasant proprietorship is already taking effective shape in ways none the less effective because they are likely to be overlooked. The Tanganyika native pays annually a Poll Tax, originally a Hut Tax and, as any visitor can verify, each family seldom occupies more than 3 or 4 acres of land. As this Poll Tax is uniform over vast districts it is absurd to give the impression (*vide* Mr. Creech Jones in Parliament, October 26) that it is analogous to Income Tax. Few families, we believe, pay less than ten shillings and the effect must be to force those in the remoter parts of the district to go long distances to work for big concerns. Assuming a minimum of ten shillings, this Poll Tax is equivalent to a rent of 250-330 cents per acre, and as costs of goverment increase it is almost certain to rise. The Corporation has a tentative agreement with the Tanganyika Government for a 33-years renewable lease at 5 cents per acre. This is one-fiftieth of the African peasant's rent. The number of natives dispossessed in favour of the Corporation is stated to be "small," but the policy of rent discrimination, unobtrusively developed, could be used very effectively to dispossess them indirectly and thus cure any "labour shortage." As the big planting companies always suffer from labour shortage, their representatives are not likely to bring to public notice a development which would result in their advantage also.

The Corporation, in its Report, pays an unwitting tribute to free enterprise when, after an unhappy experience as retail trader, it decided to transfer ownership of all its shops to private traders. It is now "encouraging competition and discouraging any attempts at monopoly," and inviting shopkeepers to open new shops "where they are found to be necessary." Presumably the Corporation decides where they are necessary. If so, this is restriction. The customers themselves should be left to decide where shops are necessary. This can be done without any elaborate machinery to enable them "to participate in the organisation of their lives." The Corporation has merely to offer shop sites where traders are willing to pay rent for them, and take the best offer. Thus all the risk is left to the enterpriser, no enterpriser is favoured or handicapped more than another, and the general community (in this case represented by the Corporation) instead of having to tax any of its members individually, receives an easily-collected revenue which can be offset against necessary public expenditure. The Corporation has found private enterprise the best purveyor to its own people of retail goods; by assuring that all retailers have an equal opportunity to use sites, private enterprise may be purged of the element of monopoly which has brought it into disrepute. Unfortunately, the Corporation, by its privileged leases in Africa and the ½ million acres of "largely freehold" land which it is buying in Queensland, is itself in the position of land monopolist, and a payer of public money to land monopolists.

It might be contended that as the number of Africans evicted to make way for the Corporation was small, therefore most of the land it now occupies could have little value. But this contention assumes that land rent should be properly assessed and paid to public authority. It points to the necessity for a total reform of the Tanganyika land laws. It is absurd that an African in the remote interior should have to pay the same hut tax as one nearer the centres of population and commercial activity. Each holder of land, African and non-African, should be obliged to pay on the value of land he occupies, apart from improvements, and whether he puts it to its best use or not.

All would then be on equal terms, apart from subsidies from the British taxpayer. If Mr. Hynd's estimate of an African being unable at any time to produce more than 15 cwt. of groundnuts as his own master, but 20 tons as an employee is true, then the peasant proprietor could not monopolise land which the Corporation could use more effectively. But the present writer, from considerable experience of Africa, is confident that under a sound land system the African would not have much to fear from others competing on equal terms and enjoying no subsidy. The wasteful, semi-communal land system at present in operation, virtually preventing long individual tenure, is probably the greatest factor not only in limiting production and investment of capital, but also in fostering that characteristic lack of foresight which so often nullifies the African's intelligence and skill.

To apply the taxation of land values immediately to all East Africa would not be practicable, but a beginning could be made in the more closely settled and developed districts and in others an adjustment of the hut tax, village by village, could be carried out. This incentive to the best use of land would be reflected inevitably in increased production of goods for which the British (and other) people were prepared to pay market price. Instead of breaking up the African's way of life it would enable him to develop in his own way and respecting his own traditions; and it would provide the basis for a society of peasant proprietors cherishing their own property and loyal to a government which secured them in its possession.

And it would not cost the British taxpayer one penny.

F. D. P.

The above was written before the Ground Nut Scheme was debated in Parliament on November 21. Since, according to reports, that debate did not bear on the principles and points emphasised in the article no change has been made in it.