

TANGANYIKA TERRITORY

A Study of Economic Policy under Mandate

By

CHARLOTTE LEUBUSCHER, DR. PHIL.

*Former Research Fellow of Girton College, Cambridge, and of
Lady Margaret Hall, Oxford*

*Issued under the auspices of the
Royal Institute of International Affairs*

OXFORD UNIVERSITY PRESS
LONDON NEW YORK TORONTO

1944

The Royal Institute of International Affairs is an unofficial and non-political body, founded in 1920 to encourage and facilitate the scientific study of international questions.

The Institute, as such, is precluded by its Royal Charter from expressing an opinion on any aspect of international affairs. Opinions expressed in this book are, therefore, purely individual.

OXFORD
UNIVERSITY PRESS
AMEN HOUSE, E.C.4
London Edinburgh Glasgow
New York Toronto Melbourne
Capetown Bombay Calcutta
Madras

HUMPHREY MILFORD
PUBLISHER TO THE
UNIVERSITY

PREFACE

SINCE this book was begun, the problem of how the obvious advantages of undivided national responsibility in colonial government can best be combined with a wide measure of international collaboration, particularly in the economic development of colonial territories, has increasingly engaged public attention in both this country and the United States. Among the various schemes put forward to meet the demand for international control, the authoritative statement of the British Government claims most attention. It envisages the setting up of Regional Advisory Commissions on which all the Powers interested in a given colonial region would be represented. Whatever the merits of this and other schemes may be, the whole discussion discloses surprisingly little inclination to build on the foundations of international supervision which were laid more than twenty years ago in the form of the Mandates System, or even to take cognisance of the lessons which may be drawn from this first experiment in international supervision of colonial administration. This may be due, in part, to the general discount of everything connected with the League of Nations. However, an examination of how the Mandates System has worked, what have been its achievements and shortcomings, should provide some useful guidance for future policy, and this book is meant as a contribution towards that end.

The study concentrates on economic and financial policy under mandate, not only because of its general importance, but also because, compared with other aspects of colonial policy, research on this aspect has been greatly neglected. Although the picture drawn is based on an examination of the policy applied to all the territories under B mandate, Tanganyika Territory has been chosen as the principal example of how the Mandates System has worked. This choice hardly needs justification. Tanganyika is not only in area and population the most important mandated territory in Africa, but its situation and circumstances give it a particular significance for future British colonial policy in that part of the world. In more than one sense it may be regarded as a key territory. While non-African settlement and enterprise occupy an important place in its economy and their contribution could hardly be eliminated without a disastrous setback to prosperity, native development has been allowed more scope, especially in the allocation of land, than in most of the other African territories where European settlement has taken

PREFACE

place on a fairly large scale. Tanganyika thus presents more favourable conditions than other African countries for demonstrating that successful non-African enterprise may be compatible with a policy genuinely governed by the paramountcy of native interests.

This consideration has acquired increased weight by the wider official adoption in recent years of the device of framing economic policy with a view to areas larger than a single territory and of thus overcoming the often artificial political frontiers between African countries. One such measure of regional economic policy—the customs union between the three British East African territories—has been reviewed at some length in this book, and it has been found necessary to deal critically with the customs policy applied under the union. But this does not imply a rejection of the idea of regional development as such, which is full of promising potentialities. It is hoped, however, that the criticism of the particular manner in which the customs union between Tanganyika, on the one hand, and Kenya and Uganda, on the other, has operated, may help to show that a removal of customs barriers will prove beneficial to all the countries concerned only if the trade policy applied takes into account their different stages of development, and is determined by the needs of the less developed rather than by those of the most advanced partners.

The original manuscript has been severely curtailed owing to war-time conditions; references and quotations as well as statistical material are presented more summarily than would have been considered adequate in normal circumstances.

I should like to express my sincere gratitude to the authorities of Lady Margaret Hall, Oxford, who, by awarding me a Research Fellowship twice over, have enabled me to devote six years to colonial research and to the writing of this book. I am further indebted to the Royal Institute of International Affairs for arranging publication. Finally, I should like to acknowledge the great helpfulness shown me throughout by the Library staffs of Rhodes House, Oxford, and of the Colonial Office.

CHARLOTTE LEUBUSCHER

Cambridge. *September*, 1943

CONTENTS

	PAGE
Preface	v
INTRODUCTION. THE DETERMINING FACTORS IN COLONIAL POLICY.	1
PART I. BACKGROUND AND FRAMEWORK OF MANDATORY ADMINISTRATION IN AFRICA.	
CHAPTER I. THE ECONOMIC CHARACTER OF THE PERIOD AND THE PREVAILING TENDENCIES IN COLONIAL POLICY.	6
CHAPTER II. THE FRAMEWORK OF THE MANDATES SYSTEM: THE POLITICAL CONDITIONS UNDER WHICH IT WAS INAUGURATED	12
PART II. WORKING OF THE MANDATES SYS- TEM IN TANGANYIKA.	
CHAPTER III. THE COUNTRY AND THE PEOPLE.	22
CHAPTER IV. THE LAND: ITS LAW AND DISTRIBUTION.	28
(1) Protection of Native Interests.	28
(2) Policy and Results of non-African Settlement.	28
CHAPTER V. THE USE OF THE LAND: AGRICULTURE; ITS DEVELOP- MENT AND PROBLEMS.	39
(1) General Features.	39
(2) The Relative Share of each Racial Community in Agricultural Production.	41
(3) Limitations and Problems of non-Native Agriculture and Settlement.	45
(4) Improvement and Progress of Native Agriculture.	45
(a) <i>General.</i>	
(b) <i>Native Peasant Settlements—Policy in relation to Native Land Tenure.</i>	
(c) <i>Measures to facilitate the Marketing of Native- grown Produce.</i>	
CHAPTER VI. MINING.	54
(1) The Development of Mining and its Effect on the Economy of Tanganyika.	54
(2) Labour Conditions in the Mines.	57
(3) The Contribution of Mining to General Revenue.	59
CHAPTER VII. LABOUR: POLICY AND PROBLEMS.	62
(1) The Main Facts.	62

	PAGE
(2) Administrative Regulation of Labour Conditions.	63
(3) General Economic and Financial Policy influencing the Supply of Labour.	69
CHAPTER VIII. OPENINGS FOR ADVANCED NATIVES AND GENERAL CONDITIONS FOR THE PROGRESS OF THE AFRICAN POPULATION.	78
(1) Natives as Traders and Employees—Competition by Indians.	78
(2) The Educational System and its Influence on Native Progress.	82
CHAPTER IX. FOREIGN TRADE POLICY.	90
(1) The Open Door, its Legal Foundations and General Significance.	90
(2) The Position of the Mandated Territory as Exporter.	92
(3) The Significance of the Mandate for the Import Trade of Tanganyika.	98
(a) <i>The Value of the Open Door in relation to Commercial Imports.</i>	
(b) <i>Imports for Public Works and Services.</i>	
(4) The Customs Union with Kenya and Uganda.	101
(a) <i>The Trade Policy applied under it.</i>	
(b) <i>The P.M.C. and the Customs Union.</i>	
CHAPTER X. FOREIGN TRADE.	121
(1) General Development.	121
(2) Geographical Distribution.	125
CHAPTER XI. PUBLIC FINANCE AND TAXATION.	130
(1) General Financial History of Tanganyika.	131
(2) The Principal Sources of Revenue.	133
(a) <i>Customs Duties.</i>	
(b) <i>Direct Native Taxes.</i>	
(c) <i>Direct Taxation of non-Africans.</i>	
(3) Public Expenditure.	141
(a) <i>Allocations to Various Services.</i>	141
(b) <i>Subventions.</i>	142
(c) <i>Problems arising from the Allocation of Expenditure to different Racial Communities.</i>	146
<i>Appendix: Subventions in the French Cameroons.</i>	152
CHAPTER XII. THE SUPPLY AND INVESTMENT OF CAPITAL.	154
(1) Public Loans and Grants.	154
(a) <i>The Situation in Tanganyika.</i>	

	PAGE
(b) <i>General Conclusions and the Attitude of the P.M.C. to the Raising of Loans by Mandated Territories.</i>	
(2) Investment of Private Capital from abroad.	164
(3) The Internal Accumulation of Capital.	167
 PART III. THE LESSON: RESULTS AND SUGGESTIONS.	
CHAPTER XIII. THE MAIN RESULTS OF TWENTY YEARS' MANDATORY ADMINISTRATION.	169
CHAPTER XIV. THE MACHINERY OF THE MANDATES SYSTEM AND SUGGESTIONS FOR ITS IMPROVEMENT.	176
(1) The Permanent Mandates Commission.	176
(a) <i>Functions and Powers.</i>	
(b) <i>Composition.</i>	
(c) <i>Publicity.</i>	
(2) The Mandates Section of the League Secretariat.	184
CHAPTER XV. THE FURTHER EVOLUTION OF THE MANDATES SYSTEM AND OF OTHER FORMS OF INTERNATIONAL REGULATION IN COLONIAL AFFAIRS.	187
 APPENDICES	
I. Article 22 of League of Nations Covenant.	195
II. Text of British Mandate for East Africa.	197
 TABLES	
A.1. <i>Tanganyika</i> —Agricultural Holdings, on 31st December, 1938, by Provinces.	202
A.2. <i>Tanganyika</i> —Agricultural Holdings on 31st December, 1930 and 1938, by Nationality of Holders.	203
B. <i>Tanganyika</i> —Chief Agricultural Exports, Quantities and Values in different years; 1913 and Indices.	204
C.1. <i>Tanganyika</i> —Foreign Trade, 1925–38, <i>German East Africa</i> , Foreign Trade 1902 and 1912.	205
C.2. Foreign Trade per head of Population in different countries in 1937.	205
C.3–5. <i>Tanganyika</i> —Net Imports of certain Goods, 1925–38; 1925 and Indices.	206
C.6. <i>Tanganyika</i> —Domestic Exports. Share of Principal Countries of Destination, 1925–38.	207
<i>German East Africa</i> —Exports in 1912.	

C.7. <i>Tanganyika</i> —Imports. Share of Principal Countries of Origin, 1925–38. <i>German East Africa</i> —Imports in 1912.	208
C.8. <i>Tanganyika</i> —Imports of Cotton Piece Goods. Countries of Origin, 1925–38. <i>German East Africa</i> —Import of Cotton Piece Goods in 1912.	209
D.1. <i>Tanganyika</i> —Expenditure and Revenue, 1923–38. <i>German East Africa</i> —Expenditure and Revenue, 1904, 1910, 1914.	210
D.2. <i>Tanganyika</i> —Revenue from Customs Duties and Native Taxes, 1923–38. <i>German East Africa</i> —Revenue from Customs Duties and Native Taxes in 1912.	211
D.3. <i>Tanganyika</i> —Expenditure of Native Treasuries in 1938.	212
INDEX	213
MAP	
TANGANYIKA TERRITORY	<i>facing</i> p. 212