



Statement of Policy
on
Colonial Development
and
Welfare

*Presented by the Secretary of State for the Colonies to Parliament
by Command of His Majesty
February, 1940*

LONDON

PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE
To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:
York House, Kingsway, London, W.C.2; 120 George Street, Edinburgh 2;
26 York Street, Manchester 1; 1 St. Andrew's Crescent, Cardiff;
80 Chichester Street, Belfast;
or through any bookseller

1940

Price 2d. net

Cmd. 6175

Cmd. 6175

STATEMENT OF POLICY ON COLONIAL DEVELOPMENT AND WELFARE

1. The West India Royal Commission's Recommendations are being published to-day*, and His Majesty's Government wish to express their sincere gratitude to the members of the Commission for the thoroughness and the constructive spirit in which they have performed their task. The members of the Commission express the hope that their recommendations "may commend themselves to His Majesty's Government even in the dark days which have now befallen the world." Their hope is justified. It has been assumed in some quarters that action on the recommendations would be postponed until after the war; but the Government purpose no such delay. Following upon consultations with the West Indian Governors, they accept in principle the important proposal that there should be a central organisation, presided over by a Comptroller and staffed with technical officers of high qualification, for planning, in consultation with the Administrations concerned, the further development of welfare services in the West Indies. They also accept the proposal for the appointment of an Inspector-General of Agriculture for these Colonies. The exact relationship between the Comptroller and the Inspector-General, and between both officers and the authorities in the Colonies and at home, as well as the manner in which the money required for their work shall be made available, are matters for further consideration. The Government are still consulting the West Indian Administrations on the other recommendations made by the Royal Commission. They are anxious to act as early as possible in the spirit of the recommendations as a whole, and the decisions on general Colonial policy announced below include provision for expenditure in the West Indies from the United Kingdom Exchequer on a scale approximating to the amount involved in the Commission's recommendations for development and welfare. A further statement on policy in the West Indies will be made when the consultations now in progress have been concluded, but in the meantime the Government propose at once to provide a special sum of £350,000 for such schemes as can be begun immediately in certain of these Colonies.

2. While the Royal Commission have been investigating the situation in the West Indies the Government have been examining the position in the Colonial Empire generally. Conclusions in principle on the further development of Colonial policy were reached some time ago, but it was thought desirable to await the result of

* Cmd. 6174.

the West Indian enquiry before taking final decisions.. The time has now come to announce the Government's policy on the broad questions of development and welfare in the Colonial Empire. Though the unhappy intervention of war may inevitably affect the rate of advance, the Government propose to proceed with their policy of development as far and as fast as the exigencies of the times permit.

3. His Majesty's Government are trustees for the well-being of the peoples of the Colonial Empire, and the spontaneous and wholehearted support given by the inhabitants of every territory to the common war effort is the best testimony to their appreciation of the way in which this trust is being discharged. The primary aim of Colonial policy is to protect and advance the interests of the inhabitants of the Colonies (in which term are included for the purpose of this statement Protectorates and Mandated Territories). Much has already been accomplished, but there is room for further active development of the natural resources of the various territories so as to provide their people with improved standards of life. Some of the Colonies can make, and have made, great progress in strengthening their economic positions without recourse to outside help; and they are improving, as time goes on, the social services that minister to the well-being of the people as a whole. In some territories larger revenues could be raised without injustice by adjustment of taxation; and considerably heavier local taxation has in fact been accepted in most of the Colonies since the outbreak of war. An improvement of the Government machinery and a reinforcement of the personnel of the development services would in many Colonies result in more successful economic expansion.

4. Nevertheless, if full and balanced development is to be obtained, and if Colonial Governments are to be placed in a position to maintain administrative, technical and social services at proper standards, some assistance from outside is necessary at this stage. Few of the Colonies have the good fortune to possess substantial mineral wealth, and in comparatively few are there manufacturing industries of any magnitude. The majority are wholly, or almost wholly, dependent on the more limited resources derived from agriculture. The value of agricultural products varies widely from year to year as conditions fluctuate in the world market, with the result that Colonial revenues provide an unreliable basis for a policy of steady development. In some cases the position is aggravated by a heavy burden of indebtedness. However able their Government, however efficient their economic administration, many Colonies cannot finance out of their own resources the research and survey work, the schemes of major capital enterprise, and the expansion of administrative or technical staffs which are necessary for their full and vigorous development. Nor can they always afford, in the absence of such development, an adequate standard of health and education services.

5. Much has been done towards remedying the situation. It is not merely that when Colonial Governments have faced deficits in the past they have received assistance from the United Kingdom Exchequer, which has amounted during the last ten years to £12,000,000.* More important, a Colonial Development Fund was established by an Act of 1929, for financing by grant or loan various schemes for economic development in the Colonies. Each year considerable payments have been made from the Fund, totalling some £5,000,000† altogether over the past decade, while commitments for the future amount to an additional £1,600,000.‡

6. The Government now propose to invite Parliament to approve an extension of this policy, and to remove certain limiting and hampering conditions that are attached to expenditure from the existing Fund. The object in view when the Fund was constituted was "to promote commerce with, or industry in, the United Kingdom," an end which it was hoped to achieve by assisting the development of agriculture and industry in the Colonies. Certain specific objects on which expenditure could be incurred were enumerated. Other objects of no less importance were not included; for example, education (apart from technical education) was outside the scope of the Act. The emphasis was throughout on material development. The intention of the Act was primarily to provide assistance towards capital schemes, though assistance towards recurrent expenditure was not in terms excluded. This intention has been followed, and grants towards recurrent expenditure have not normally been authorised; when occasionally they have been given, they have been made for short periods only. The existence of the Fund has not involved any departure from the old principle that a Colony should have only those services which it can afford to maintain out of its own resources. This principle now calls for revision, and the Government propose that in appropriate cases money from the new sources which they have in mind to provide should be made available for the maintenance of important works or services over a substantial period of years.

7. They propose to introduce legislation to replace the Colonial Development Fund, which is limited to a maximum of £1,000,000 a year, by new arrangements providing in a new Vote in the Estimates for assistance to Colonial Governments‡ up to a maximum of

* This figure does not include expenditure on security in Palestine and Trans-Jordan.

† These figures do not include payments and commitments in respect of Newfoundland.

‡ The arrangements now contemplated will apply also to the three High Commission Territories in South Africa which fall within the sphere of the Dominions Office.

£5,000,000 a year for ten years. This assistance will be available not only for schemes involving capital expenditure necessary for Colonial development in the widest sense but also for helping to meet recurrent expenditure in the Colonies on certain services such as agriculture, education, health and housing. In planning expenditure from this new source the Government will enlist the help of a Colonial Development and Welfare Advisory Committee, which will be composed partly of official and partly of unofficial members.

8. The subject of research calls for separate treatment. Hitherto expenditure on various forms of Colonial research has received assistance from the Colonial Development Fund, but the Government feel it desirable that special arrangements should be made in future for giving assistance of this nature. They have had access in the past, in dealing with questions of Colonial research, to the advice of scientific and technical experts in this country; but they are anxious to place the system on a wider and more regular basis, and they consider that this object can best be achieved by the establishment of a Colonial Research Advisory Committee and by the allocation of a separate sum for Colonial research up to a maximum of £500,000 a year. In reaching this decision they had in mind the proposal for special provision for research made by Lord Hailey in his "African Survey", and they take this opportunity of acknowledging their debt to him for the suggestion.

9. The intention is that the sums of £5,000,000 and £500,000 a year respectively should be specified in the proposed legislation as maximum figures. It is not expected that, in either case, this scale of expenditure will be attained at once; indeed it is improbable that conditions will permit of its being reached at any time during the war. In any event it must take time to frame careful plans of development and research on the scale that will now be possible, and to translate such plans into full practical operation. These maximum figures have been reached after estimating what expenditure seems desirable and practicable for a reasonable period of years ahead. They will be subject to review from time to time, and should experience show that they are insufficient it will always be open to Parliament to increase them. So far as concerns the provision for development and welfare, the position will have to be reviewed before the expiry of the initial ten-year period.

10. It will be noted that these measures of assistance by the taxpayers of the United Kingdom will be extended without distinction not only to all British Colonies and Protectorates, but also to all the territories administered by the Government under the Mandatory system.

11. The first emphasis in this much enlarged policy of Colonial development will be on the improvement of the economic position of the Colonies. That is the primary requirement, upon which

advance in other directions is largely consequential. It is by economic development that Colonies will be placed in a position to devote their resources, to the maximum extent possible, to the provision of those Government and other services which the interests of their people demand. Assistance from United Kingdom funds should be effectively related to what the Colonies can do for themselves. For this purpose it is essential that there should be co-ordination of effort on the part both of the Government at home and of the Colonial Governments. Proper machinery and adequate personnel both for planning and for carrying out plans should be established in the United Kingdom as well as in each of the Colonies, and there should be a regular liaison between the authorities at home and overseas.

12. With these aims in view a certain expansion has taken place recently in the staff of the Colonial Office. An additional Assistant Under Secretary of State has been appointed. The Economic Department of the Office has been strengthened. Since the outbreak of war an honorary Business Adviser to the Secretary of State has been appointed, and it will be for consideration at the end of the war whether such a post should be established on a more permanent basis. So far as concerns the work of developing such services as health, education and housing, a separate Social Services Department of the Office was set up some months ago.

13. As regards co-operation between the Government at home and the Governments overseas, it has been a growing practice for members of the Colonial Office to visit Colonies either on special missions or for general consultation with the local authorities. The Secretary of State's technical Advisers spend a considerable part of their time on tour in the Colonies, and heads of Departments in the Office also pay occasional visits overseas. The contacts so made are of value both to the Colonies and to the Colonial Office, and it may well be that the preparation and execution of development programmes will make more regular travel desirable.

14. In the Colonies the problems of development touch upon the work of officers in various departments, such as administrative officers, both at headquarters and in the districts, and the technical officers in the agricultural, veterinary, medical and other services. There is a need for machinery to provide complete co-ordination between the efforts of these separate departmental staffs so as to ensure that development proceeds on a balanced and comprehensive plan. The Government do not suggest that there should be any uniform system of co-ordination throughout the Colonial Empire; still less would they desire to impose any set pattern from Downing Street. It must be appreciated that the circumstances, resources and needs of individual territories respond to no common formula, and that no rigid uniformity is practicable or would be appropriate.

Differing conditions between different territories will certainly require some variation in the methods of dealing with this problem. Nevertheless, the need for co-ordination is clear, and it will be the object of the Government to ensure that Colonies are furnished, according to their several requirements, with adequate staff and machinery for this purpose.

15. With the requisite financial assistance once assured, the Government would propose to invite Colonial Governments to prepare development programmes for a period of years ahead. In certain of the Colonies long-term programmes of development have already been drawn up and are in effective operation; in others such programmes are in the course of preparation; it is the Government's hope that all Colonial Administrations may find it possible to embark on long-range plans for necessary development. War conditions may retard to some extent the execution of such plans, but it is essential, as a preliminary to constructive, comprehensive and consistent progress, that considered programmes should be drawn up without loss of time. These programmes will then be considered by the Colonial Office and the Advisory Committees in London, who will be able to take a comprehensive view of the proposals for the Colonial Empire as a whole.

16. From London there will be assistance and guidance, but no spirit of dictation. The new policy of development will involve no derogation from the rights and privileges of local legislatures, upon whom rests a large measure of responsibility for the improvement of conditions in their several territories and upon whose co-operation the Government count with confidence. The fact that a Colony receives assistance under the policy will not entail upon it the system of financial control which is now associated with the receipt of grants-in-aid. The whole effort will be one of collaboration between the authorities in the Colonies and those at home; there must be ready recognition that conditions vary greatly from Colony to Colony, and that Colonial Governments, who best know the needs of their own territories, should enjoy a wide latitude in the initiation and execution of policies, the primary purpose of which is to promote the prosperity and happiness of the peoples of the Colonial Empire.

February, 1940.